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1. INTRODUCTION

The EU self-proclaims that "the Dialogue is at the core of the EU work in the Western Balkans, a key element of reconciliation, good neighborly relations and a reflection of the fulfilment of the EU perspective for the region"¹. For this reason, it should be in the EU's best interest to ensure its legacy as facilitator is one of fair and equal treatment towards both Kosovo and Serbia.

Yet, the ambiguous nature of the original Agreement's text, as well as the subsequent Agreement agrees since, most recently in February 2023, makes way for an unharmonious, and often even divergent, treatment of the EU towards the two countries during implementation. As interpretation is left at large, it ends up becoming at odds.

What Kosovo wants, and arguably needs, is lasting peace and a sustainable approach to this decades-long clash. However, the way the Dialogue has been designed and handled has led to systematic band-aid-solutions over problems that require surgery, to make the analogy.

This Policy Analysis provides an in-depth analysis on how the EU as facilitator has treated both parties, Kosovo and Serbia, during the normalization Dialogue process when it comes to each or both countries not abiding a request from Brussels. The Analysis considers most recent tensions, but also delves into older periods of crises which prompted international condemnation. It argues that the handling has proven to be unbalanced, with the most recent demonstration being the EU's application of temporary measures against Kosovo following the Serbian-meddled elections in northern Kosovo and the 24 September Banjska attack, and the very recent upheaval related to the Kosovo Central Bank's decision to ban the Serbian dinar in local transactions.

Rather than an ambiguous approach and unfair facilitating in times of cooperation of crisis, and rather than de-escalation calls in times when sustainable solutions are needed, what the EU Dialogue needs is a resolved and consistent posture towards both countries.

2. TWELVE YEARS OF A TURBULENT DIALOGUE

The official website of the *European External Action Service* describes the Dialogue as aiming "to achieve a comprehensive legally-binding normalization agreement between Kosovo and Serbia addressing outstanding issues in order for both Parties to progress on their respective European path, create new opportunities and improve the lives of their citizens"². The success of this Dialogue is beneficial for both concerned countries, as well as for the EU itself and region at large, given than "An agreement between the Parties is beneficial also to the security, stability and prosperity of the entire region"³. With mutual recognition as the end goal of the process, the Dialogue has evolved from more technical discussions to handling more complex and politically-sensitive issues concerning the tense relationship between Kosovo and Serbia. Linked to this, different rhythms have accompanied the process over the last 12 years – some of great progress, some of stagnant results, and others of crisis and social unrest locally.

Indeed, the Dialogue has evolved since its inception in 2011, and since the original 2013 Agreement signed between the Kosovar and Serbian governments under Eu mediation. More

¹ European Union External Actions (EEAS), 10 years Belgrade-Pristina Dialogue, 09 March 2021. Available at: https://www.eeas.europa.eu/eeas/10-years-belgrade-pristina-dialogue-0_en

² *Ibid.*

³ *Ibid.*

than that, it has been managed by many different leaderships' hands over the years, not only at the country government level given often-turbulent political changes in Kosovo, but also on the EU side. Since 2011, three EU High Representatives have taken the lead on the Dialogue, Catherine Ashton, Federica Mogherini and Josep Borrell.

Regardless of the changing nature of the Dialogue and key actors therein, all three actors – the EU, Kosovo and Serbia – have sought to go back to the table and showcased their commitment to advancing it. Even if, bluntly speaking, the motivation is not so much in advancing the Dialogue in itself, but in leveraging it to reach the end goal of acceding the EU as full-fledged Member States. As is well-known, the final goal of the intended comprehensive and legally-binding agreement between the parties would recognize Kosovar statehood.

For the situational awareness of the reader, the Analysis starts by laying the foundation of both Kosovo and Serbia's EU path. On the case of Serbia, the regional power applied for EU membership in 2009 and became an official candidate country in March 2012. Since that date, it has advanced quite a bit: the European opened chapter negotiations in 2013, of which eighteen chapters have been opened and two provisionally closed¹³. More recently, the EU has also come to signal more strongly that it expects the Serbian government to 'firmly commit to and promote EU values, as well as to place more emphasis on this objective and proactively communicate positively and unambiguously on the EU, which is Serbia's main political and economic partner'⁴.

On Kosovo's side, it submitted its application for EU membership as recently as 15 December 2022, following years of positive signals met with ambiguous deliverables from Brussels. Of note, Kosovo has yet to be confirmed if the country has been granted candidate status by the European Council. Kosovo is therefore much more down the ladder than Serbia and, for this reason, much more dependent on the EU-facilitated Dialogue, for which the Council has repeated its "strong expectation that all past agreements are respected and implemented without delay"⁵.

The most recent advancement within the context of the EU-facilitated Dialogue was the 27 February agreement between the EU, Kosovo and Serbia. Under the leadership of the EU Special Representative for the Belgrade-Pristina Dialogue and other Western Balkan regional issues, Miroslav Lajčák, the document moves forward with matters such as enabling free movement between Kosovo and Serbia by the use of passport, IDs or license plates. The Agreement was approved as part of the February high-level meeting between the parties, and endorsed by all 27 EU Member States. As such, the EU calls it the "*European Union proposal* because it was endorsed by the 27 Member States at the highest possible level at the last European Council"⁶.

The Agreement proclaims to be "guided by the aims and principles laid down in the United Nations Charter, especially those of the sovereign equality of all States, respect for their independence, autonomy and territorial integrity, the right of self-determination, the protection of human rights, and non-discrimination (Art.2)"⁷. However, no particular point is made on what this inclusion means with regards to Serbia's insofar rejection of Kosovo's self-declared 2008

⁴ *Ibid*, pg.4, pg. 11

⁵ Council of the European Union, Conclusions on Enlargement and Stabilisation and Association Process, 12 December 2022. Available at: <https://www.consilium.europa.eu/media/60797/st15935-en22.pdf>

⁶ EEAS, Belgrade-Pristina Dialogue – Press Remarks of High Representative Josep Borrell, 27 February 2023. Available at: https://www.eeas.europa.eu/eeas/belgrade-pristina-dialogue-press-remarks-high-representative-josep-borrell-after-high-level_en

⁷ EEAS, Belgrade-Pristina Dialogue: Agreement on the path to normalisation between Kosovo and Serbia, 27 February 2023. Available at: https://www.eeas.europa.eu/eeas/belgrade-pristina-dialogue-eu-proposal-agreement-path-normalisation-between-kosovo-and-serbia_en

independence and constant questioning of its neighbors sovereignty or territorial integrity and borders as is. This is one of the ambiguity points.

Further, the Agreement lays out its commitment to “contribute to fruitful regional co-operation and security in Europe and to overcome the legacy of the past, Aware that the inviolability of frontiers and respect for territorial integrity and sovereignty and the protection of national minorities are a basic condition for peace”⁸. Herein lies another ambiguity point, for it does not address nor clarify the fact that Serbia remains equally committed to supporting Russia’s apparent neo-imperialistic aims in Ukraine, which violently attack the latter country’s territorial integrity and sovereignty.

The EU HRVP further informed the international community at large that the EU has taken part in, with the two leaders of the concerned countries, “intense discussions in different formats; both leaders have shown responsible behavior and readiness to find solutions”⁹. However, this statement seems empty given that Serbia has yet to unequivocally declare that it will indeed recognize Kosovo’s sovereignty. Much on the contrary, different Serbian officials have appeased their population’s concerns in reassuring that it is still far from recognizing the country. For this reason, what remains is an Agreement filled with ambiguous handling of the already sui generis nature of the Kosovo issue with regards to Serbia.

At a time when war rages back in Europe, this analysis argues that Kosovo has suffered an unfair treatment during the Dialogue – not only in being at the receiving end of more harsh reprimand from the EU, but also in the EU closing its eyes in the face of Serbia’s own misdemeanors vis-à-vis signed Agreements’ implementation. In turn, this has not been conducive to lasting peace in the Western Balkans. On the contrary, such an imbalance approach from the hand of the EU has perhaps even enabled Serbia’s hostile stance and unwavering reply when prompted to make concessions, since they know and see in the facilitator’s behavior that they have the upper, more lenient hand on their side. Yet this must be acknowledged and addressed, for such sentiment can brew bigger things– as other scholars have argued, “Russia’s war in Ukraine serves as a painful reminder that frozen conflicts on the European continent could thaw at any time”¹⁰.

The following chapter looks into the most recent flare-up of tensions between the two Western Balkans nations which led to EU harsh – arguably the harshest insofar – condemnation by means of the application of temporary measures, still standing at the moment this Analysis was written.

3. MOST RECENT TENSIONS: THE FALLOUT FROM THE MUNICIPAL ELECTIONS IN THE NORTH OF KOSOVO, THE BANJSKA ATTACK AND THE BAN ON THE SERBIAN DINAR

3.1 Fall out from municipal elections in the north of Kosovo

Northern Kosovo has long been the most troublesome region in the Western Balkan region. Earlier this year, it became an even hotter hotspot.

The situation was that the Kosovar government decided to call elections on 23 April 2023 in the four Serb-majority municipalities - Zvecan, Leposavic, Zubin Potok, and North

⁸ *Ibid.*

⁹ EEAS, Belgrade-Pristina Dialogue: Press remarks by High Representative Josep Borrell after high-level meeting with President Vucic and Prime Minister Kurti, 27 February 2022. Available at: https://www.eeas.europa.eu/eeas/belgrade-pristina-dialogue-press-remarks-high-representative-josep-borrell-after-high-level_en

¹⁰ European Council for Foreign Relations, Nikaj B., “Conditions for Peace: the EU’s Role in the Dialogue Process between Kosovo and Serbia”, 7 December 2022. Available at: <https://ecfr.eu/article/conditions-for-peace-the-eus-role-in-the-dialogue-process-between-kosovo-and-serbia/>

Mitrovica. They did so after the positions were let vacant following a mass-resignation protest the previous year – more on these protest-resignations and their link to the Dialogue mishaps is the section 4.2. Given that the Serbian government and the Kosovar but Belgrade-backed party Srpska Lista boycotted the elections, so did the Kosovar Serbs living in the areas and amounting to 90% of the population therein. This meant that, naturally, the vast majority of voters were the minority Albanians. As a result, the voting turnout was ridiculously – around 3.5%¹¹ – and elected ethnic Albanian candidates.

The EU and the United States – the two biggest international partners of Kosovo – put the blame on Kosovo for “provoking the intensification of the unrest and asked the parties to de-escalate tensions”¹², while also expressing disappointment in the ethnic Serbs for not voting. They further called for another election vote be organized, one that would be properly inclusive and representative. However, the fact of the matter is that the elections were organized in a transparent manner, and the issue was that an external boycott, namely headed by Vucic in Belgrade and the sphere of influence he carries in Serb-majority municipalities and across the Srpska Lista, hindered them. But the fact remains that vacant positions must be filled and this implies an election – if citizens are propelled to boycott, then the way forward is to assess if the boycott had merit or not. Arguably the boycott did not have merit since its origin was external to the country, therein constituting foreign interference. The root remains that there is no comprehensive solution - be it local, national, regional or international – on how to manage or solve the situation in northern Kosovo and, until then, both sides of the conflict will keep on bringing on flare-ups. It is definitely not a dormant conflict, and very much at the core of the Dialogue on normalization of relations’ main undertaking.

The situation was already tense by the time the elected mayors took office at the end of May. As part of the hostility, “journalists, police officers and Kosovo Force (KFOR) troops were attacked by Serb demonstrators trying to prevent the new mayors from accessing municipal buildings”¹³. The NATO KFOR troops were involved in and harmed during violent clashes with protesters, and many civilians were in need of medical help following the clashes too. Moreover, “since the start of the protests on May 26, Kosovo’s Association of Journalists has registered over 20 attacks against media crews”¹⁴. The government of Kosovo completely lost its ability to control the problem, which had already been flagged as a worry back in April but by June had become an incident which raised international red flags. The EU released a statement on 3 June denouncing that “We urge both Kosovo and Serbia to immediately and unconditionally take measures to de-escalate (...) The European Union is ready to implement resolute measures. Failure to de-escalate the tensions will lead to negative consequences”¹⁵. Looking at Kosovo specifically, the EU noted it expects “Kosovo to act in a non-escalatory way and immediately suspend police operations in the vicinity of the municipal buildings in the north of Kosovo. The mayors should temporarily perform their duties in premises other than the municipal buildings. Early elections should be announced as soon as possible in all four municipalities and organized in a fully inclusive manner. We expect Kosovo Serbs to take part in these elections”¹⁶.

¹¹ European Policy Centre, Lopez Domenech B., “The Association of Serb Majority Municipalities: The crux of tensions in Northern Mitrovica”, 14 June 2023. Available at: <https://www.epc.eu/en/publications/The-Association-of-Serb-Majority-Municipalities-The-crux-of-tensions~517b60>

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ Balkan Insight, Bami Xh., “EU Announces Measures Against Kosovo Over Unrest in North” June 2023. Available at: <https://balkaninsight.com/2023/06/14/EU-ANNOUNCES-MEASURES-AGAINST-KOSOVO-OVER-UNREST-IN-NORTH/>

¹⁵ Council of the European Union, Statement by the High Representative on Behalf of the EU on Kosovo Latest Developments, June 2023. Available at: <https://www.consilium.europa.eu/en/press/press-releases/2023/06/03/statement-by-the-high-representative-on-behalf-of-the-eu-on-kosovo-and-latest-developments/>

¹⁶ *Ibid.*

As the situation heated up, so did the international community's condemnation. On 14 June, all EU Member States approved a set of "reversible and temporary measures" against Kosovo, to be phased out depending on developments on the ground and credible decisive steps by Kosovan Prime Minister Albin Kurti¹⁷. This includes the reduction of high-level visits or contacts, as well as financial cooperation with the country. The United States had enforced certain sanctions against Kosovo in light of the same situation, and the EU followed suit a couple of weeks later. The US measures namely involve the exclusion of the Republic of Kosovo, one of the US' key partners in the region, from the Defender 23 military exercise¹⁸. At a more political scale, the US sanctioning also denotes that the global power would "cease all efforts to assist Kosovo in gaining recognition from states that have not recognized Kosovo and in the process of integration into international organizations"¹⁹. Looking at Serbia, the EU barely denounced the country's role in the unrest, noting that Member States are "ready to take measures if we find Serbia is not complying" but that presently they consider the country to be doing so in having started "withdrawing parts of its forces from the border"²⁰. But the veracity of this statement is rather subjective since it has also been reported that Serbia has upkept its own escalation moves, such as the reporting that "on June 14, Serbia arrested three Kosovan police officers under circumstances still to be clarified"²¹.

Yet, as stated, the situation became so very much unmanageable and violent due to both sides. The point of Kosovo's ownership of the problem was that it happened in its sovereign territory – but then, using that same logic, the foreign interference that led to the problem in the first place should be equally-harshly condemned since the elections took place within Kosovar sovereignty. For this reason, the international backlash against Kurti seems unreasonable, ill-placed and incoherent. Moreover, the threat that more serious sanctions can follow should the Kosovar government not be able to de-escalate or handle the situation read as borderline ignorant. After all, if the root of the problem that led to the boycott and protests and, in turn, the violent clashes, is Serbia's stance of non-recognition of Kosovo, one which both the EU and the US have tried to ease and facilitate for over a decade with no success, how can Prime Minister Kurti be deemed able to unilaterally de-escalate the situation? As with all matters with Kosovo-Serbia, de-escalation depends on both parties since, in actuality, both parties also prompted the escalation.

Actually, Kurti did try to propose a constructive way forward to solve the tensions in that had arisen since 26 May the Serb-majority northern part of the country by means of a 12 June letter to the EU outlining a five-step plan, including the holding of new snap elections and decreasing police forces deployed. However, this plan was considered by the EU High Representative Josep Borrell to "fail to adequately address some key elements which triggered, are the root cause of the latest crisis, and which we expect him to address urgently with decisive measures. (...) We have to move from crisis management to sustainable process and calm needs to be restored in the north of Kosovo,"²². For its part, the EU asked that the Kosovar government suspend police operations in the vicinity of the municipal buildings in the north of

¹⁷ Intellinews, EU Announces "Reversible and temporary measures" Against Kosovo, June 2023. Available at: <https://intellinews.com/EU-ANNOUNCES-REVERSIBLE-AND-TEMPORARY-MEASURES-AGAINST-KOSOVO-281787/>

¹⁸ Prishtina Insight, Xharra J., "US Sanctions Against Kosovo Follow After the Tensions in the North", May 2023. Available at: <https://prishtinainsight.com/us-sanctions-against-kosovo-follow-after-the-tensions-kosovo-excluded-from-defender-23/>

¹⁹ *Ibid.*

²⁰ Balkan Insight, Bami Xh., "EU Announces Measures Against Kosovo Over Unrest in North" June 2023. Available at: <https://balkaninsight.com/2023/06/14/EU-ANNOUNCES-MEASURES-AGAINST-KOSOVO-OVER-UNREST-IN-NORTH/>

²¹ Intellinews, EU Announces "Reversible and temporary measures" Against Kosovo, June 2023. Available at: <https://intellinews.com/EU-ANNOUNCES-REVERSIBLE-AND-TEMPORARY-MEASURES-AGAINST-KOSOVO-281787/>

²² Balkan Insight, Bami Xh., "EU Announces Measures Against Kosovo Over Unrest in North" June 2023. Available at: <https://balkaninsight.com/2023/06/14/EU-ANNOUNCES-MEASURES-AGAINST-KOSOVO-OVER-UNREST-IN-NORTH/>

Kosovo and hold new elections in North Mitrovica, Leposavic, Zvecan and Zubin Potok, to which Kosovar Serbs are expected to participate²³. The point of the matter is that such asks necessarily imply collaboration from the Serbian side, and their own part in de-escalating the unrest, or in allowing Kurti the sovereign leeway to do so as well. In line with this, EU, US or generally international reprimands focusing on the Kosovar responsibility in an unbalanced way simply showcase how these actors see Kosovo as the weaker player they can push around - more - to get their way.

While the set of sanctions the EU imposed are officially stated as reversible, the 'damage' is done in terms of how to interpret such a move vis-à-vis Kosovo's standing in the Dialogue and position towards Serbia's power. For this reason, on 7 August – well into the summer of unrest in the northern part of Kosovo since the election vote and linked boycott and ensuing protests - *key European lawmakers wrote an open letter denouncing the current international approach to the Kosovo-Serbia crisis. This includes Members of the European Parliament, members of national parliaments of EU Member States and the UK. The letter starts strong, in denouncing that "The boycott of the Municipal elections by Kosovan Serbs on 23rd April, subsequent attack on KFOR soldiers on 29th May and arbitrary detention of Kosovan police officers by Serbian authorities on 14th June all point toward a rapidly deteriorating situation which not only threatens the Belgrade-Pristina dialogue, but regional peace itself"*²⁴. The letter reminds that Kosovo's statehood should serve as foundation to any ensuing issue, and Serbian interference be treated accordingly: "Kosovo is a sovereign country and functioning democracy. (...) Attempts to disrupt democratic elections in Kosovo by Serbia must be criticised publicly as foreign interference with tangible measures implemented to hold them accountable if they continue to undermine free and fair elections (...) But the lack of pressure placed on Serbia following the arbitrary detention of three Kosovan police officers and failure to hold to account those responsible for attacks on KFOR highlights the current lack of even-handedness in addressing such flash points"²⁵. The EU officials proceed to warn that such a "Belgrade-centered policy for the Balkans"²⁶ is highly detrimental and the international community should strive for 'Obalance and proportionality to return in dealing with Kosovo and Serbia'²⁷

It is understandable that the EU must indeed issue a condemning statement in the face of violence to citizens and international forces. However, what is unfair and, this paper argues, unwarranted, is the application of temporary measures against Kosovo. This paper argues that it is inconsistent and unfair that Kosovo receive such harsh treatment when, on the flipside, Serbia has been equally disruptive of the Dialogue and dismissive of Agreement-clauses, but has yet to suffer such condemnation. After all, some even argue that Serbia has been benefitting from such violence, for it distracts policymakers and the international media from what it going on in Belgrade - "At the same time, Serbia is using the conflict with Pristina and the current violent episodes in the North of Kosovo to draw attention away from domestic problems such as the anti-violence and anti-government demonstrations that continue to gather thousands of people in the centre of Belgrade since the two mass shootings in early May. Democratic standards have deteriorated in Serbia under the authoritarian rule of Aleksandar Vučić, with a notable decline in the rule of law. The media sector is almost entirely under governmental control, while

²³ Peter Stano Official X Account (former Twitter), June 2023. Available at: <https://twitter.com/ExtSpoxEU/status/1669052349015285768/photo/2>

²⁴ Tirana Times, Open Letter: Balance and proportionality must return in dealing with Kosovo and Serbia, 7 August 2023. Available at: <https://www.tiranatimes.com/?p=153886>

²⁵ *Ibid.*

²⁶ *Ibid.*

²⁷ *Ibid.*

independent journalists face violence and threats. Civil society also finds itself in an increasingly hostile environment.”²⁸.

After all, it is widely known that the financial and political consequences that come tied to the EU measures applied to Kosovo carry much higher weight to the newborn country than the application of the exact same set of measures to any other Balkan country. Looking ahead, Kurti’s government has since announced that it will hold new snap elections for the four municipalities and the administrative procedures have been launched for this to go underway²⁹.

3.2 The Banjska Attack

The 24 September Banjska attack also in the north of Kosovo can be assessed under a similar light to the above. On 23-24 September 2023, Serb paramilitaries carried out an armed attack against the Kosovo Police as the latter responded to an instance of trucks lacking license plates blocking an entry bridge in the village of Banjska in the North of Kosovo. The attack proved fatal for sergeant Afrim Bunjaku, prompted the assailants to seek refuge in the Banjska Monastery until the Kosovo Police managed to retake the monument. The aftermath of the attack caused the death of three of the paramilitaries, numerous weapons confiscated and several people apprehended as linked to the attack, most notably Milan Radoičić, former vice-president of Serbian List, who admitted to planning the armed attack.

The international response was quick and strong. EU HRVP Borrell set up two separate calls that same day with Prime Minister Kurti and President Vučić during the course of the day and attack to, respectively, express his condolences on the loss of life of Bunjaku, and reiterate his call for assailants to surrender³⁰. EU Special Envoy to the Western Balkans, Miroslav Lajčák, also condemned the attack and urged both parties to return to the dialogue to avoid such repeating such violent escalations.

On the EU Parliament side, following a 3 October debate on the issue, on 19 October MEPs approved a resolution - “Resolution on the recent developments in the Serbia-Kosovo dialogue, including the situation in the northern municipalities in Kosovo - that labelled it as a “terrorist attack”³¹ and directly criticizing Serbia’s apparent passive involvement in the events of the day. The EU Parliament further calls on Kosovo and Serbia to act to reduce tensions and to support the clarification of all the facts related to the attack. In this way, MEPs encouraged the intervention of EULEX in support of the Kosovo authorities’ investigations, recalling the mission’s mandate to support Kosovo institutions in maintaining stability and security of all its communities, in close coordination with NATO’s KFOR. The resolution was also clear in asking for targeted restrictive measures to be taken against Serbia’s government should Vucic’s administration fail to cooperate in due manner with the investigations, or the final report show a

²⁸ European Policy Centre, Lopez Domenech B., “The Association of Serb Majority Municipalities: The crux of tensions in Northern Mitrovica”, 14 June 2023. Available at: <https://www.epc.eu/en/publications/The-Association-of-Serb-Majority-Municipalities-The-crux-of-tensions~517b60>

²⁹ European Western Balkans, “Government of Kosovo issued administrative guideline to initiate elections in northern Kosovo”, 7 September 2023. Available at: <https://europeanwesternbalkans.com/2023/09/07/GOVERNMENT-OF-KOSOVO-ISSUED-ADMINISTRATIVE-GUIDELINE-TO-INITIATE-ELECTIONS-IN-NORTHERN-KOSOVO/>

³⁰ European External Action Service, “Kosovo: High Representative Borrell speaks to Prime Minister Kurti and President Vučić following the attack against Kosovo Police”, 24 September 2023. Available at: https://web.archive.org/web/20230926131538/https://www.eeas.europa.eu/eeas/kosovo-high-representative-borrell-speaks-prime-minister-kurti-and-president-vu%C4%8Di%C4%87-following-attack_en

³¹ Euronews, “European Parliament approves resolution for Serbia’s attack on Banjska”, 19 October 2023. Available at: <https://euronews.al/en/european-parliament-approves-resolution-for-serbias-attack-on-banjska/>

direct link between the state and the fatal attack³² - "calls, in this context, on the Commission to freeze the funding provided to Serbia under the Instrument for Pre-Accession Assistance III if investigation findings indicate that the Serbian State was directly involved in these attacks". For Kosovo, the resolution also requested to remove the aforementioned EU temporary measures imposed in June 2023 be removed. As expected, the resolution reaped local support from Prime Minister Kurti and Deputy Prime Minister Besnik Bislimi. Beyond the attach, the international community remained intent on closely monitoring the situation between the two neighboring states, especially given the increased military presence of Serbian troops along the Kosovo border around 30 September and early days of October.

Arguably, this event demonstrated that the EU must indeed take on a more proactive role in the Dialogue and, perhaps most pressingly and consequential, be sure to exert fair treatment of both sides and not disregard Serbian government's direct-or-indirect efforts to incite tensions and hamper Kosovar sovereignty.

3.3 The Ban on the Serbian Dinar

Of all the tense developments in the recent months, the freshest one, having incurred in February, was Kosovo's decision to ban the use of the Dinar, the Serbian currency. On February 2024, the Central Bank of Kosovo regulation made the Euro the only currency allowed for cash transactions, therein excluding the Serbian dinar. For context, the dinar has served as the *de facto* primary currency for cash and commercial transactions in ethnic Serb majority areas since 1999³³. In addition, on 3 February directly following the entry into force of the piece of legislation, the Kosovar Special Police executed several raids on institutions of Serbia-run institutions (in Dragash, Pejë, Istog and Klinë municipalities) working with the Serb minority and therein holding documentation contrary to Kosovar legislation laws (e.g. documents carried the Serbian government emblem)³⁴.

The end result was to close some of these offices, a decision which prompted concern from the EU – HRVP Borrell reminded that this would "have negative effects on the daily lives and living conditions of Kosovo-Serb Communities, as it will restrict their access to basic social services given the apparent absence of alternatives at this moment"³⁵. He finished by urging "Kosovo to avoid unilateral actions that could raise tensions, and to address these issues through the EU-facilitated Dialogue"³⁶. One can certainly read the one-sided condemnation between the lines, in that Kosovo is urged to cooperate and stand down, even if the result of the operation was finding unlawful documentation and institutional practices in Kosovo territory. However, it is worth reminding what is at stake and that, at the end of day, regardless of happenings, it is in Kosovo's best interest to cooperate. Meeting Serbia in its non-compliance of the EU-facilitated Dialogue will end up coming back to haunt the newborn country's aspirations, after all. In line with this, during a scheduled trip of US Secretary of State Blinken to Tirana from 14-15 February 2024, this matter was also discussed. During the bilateral meetings, Albanian

³² *Ibid.*

³³ United Nations Mission in Kosovo, "SRSG ZIADEH STATEMENT TO THE SECURITY COUNCIL", 8 February 2024. Available at: https://www.eeas.europa.eu/eeas/kosovo-statement-spokesperson-latest-police-operations-against-serbia-run-entities_en?s=227%20%20.

³⁴ AP News, "Kosovo's block on the Serbian currency raises alarm in the EU and US", 4 February 2024. Available at: <https://apnews.com/article/kosovo-serbia-eu-currency-euro-dinar-tensions-ec08ef271341cd9bd669ede62f0ca9f7>

³⁵ United Nations Mission in Kosovo, "SRSG ZIADEH STATEMENT TO THE SECURITY COUNCIL", 8 February 2024. Available at: https://www.eeas.europa.eu/eeas/kosovo-statement-spokesperson-latest-police-operations-against-serbia-run-entities_en?s=227%20%20.

³⁶ *Ibid.*

Prime Minister Erdi Rama raised the critical situation in Kosovo, and noted that PM Kurti should take on a more constructive approach. The bottom line is that, even though indeed Serbia is not cooperating, Kosovo complying with EU calls and the facilitated Dialogue is still in Kosovo's own interest. Both the EU and the United States asked Kosovo to reconsider this unilateral action that triggers ethnic tensions, and called for consultations and a delay in the ban.

The ban provoked anger amid Kosovo-Serbs and the Serbia itself, the former of which organized protests to raise their concern that this action is discriminatory to the ethnic Serb population living in Kosovo, for it will have an exponential impact on Serb-administered institutions and transactions. In reply, PM Kurti sought to clarify that "Kosovo did not stop the dinar, or the dollar, pound, or Swiss franc. The only change from 1 February is that the cash cannot cross the border in sacks, but should come through bank accounts and (be) withdrawn in euros"³⁷. Kosovo's new rules on Serbian currency were further discussed at the Security Council on 8 February³⁸. "Trust-building, not unilateral actions, are the linchpin in forging a peaceful path forward for Belgrade and Pristina"³⁹, stated Caroline Ziadeh, Special Representative of the Secretary-General and head of UNMIK. She condemned the "environment of insecurity and mistrust" that has set in, be it from one side or the other.

On 13 February, the Kosovar Central Bank announced it was extending the transition period for the currency rules from one to three months, and that it would simplify necessary procedures for both financial institutions and individuals. This decision necessarily came following the mounting international pressure to de-escalate tensions.

As such, as the international community calls for de-escalation, the last months have been marred with events which have raised tensions among the two neighbors. This comes also at a time when PM Kurti has grown increasingly tired of Serbia's non-constructive behavior towards the Dialogue, and taken on a similar approach to have Vucic's government see their actions do not go unnoticed or unreciprocated. Regardless, indeed the end result has proven to be a call for Kosovo to do its part to de-escalate tensions, seemingly accepting the dire reality that Serbia can no longer be leveraged or brought back to the table on equal terms.

4. ANALYSIS ON HOW THE EU HAS HANDLED PARTIES' PREVIOUS DISREGARD OF DIALOGUE REQUESTS

4.1 The establishment of the Association of Serb Municipalities

As part of the 2013 EU-facilitated and mediated agreement, it was decided that "In the interest of good relations with the Union, they also asked the Balkan leaders to implement the Association of Serb Majority Municipalities (ASM)"⁴⁰. This would comprise the around 100,000 ethnic Serbs living in Kosovo, the country's biggest ethnic minority and mostly concentrated in the northern part of the country, rendering the latter a Serb-majority area. In being guided by Serbia's government principles, this group does not recognize the Government of Kosovo's authority and operated under their own administrative and health systems, for instance.

While the establishment of the ASM was indeed agreed in 2013 and signed accordingly by leaders of Kosovo and Serbia, it has yet to be implemented. The main – if not only – reason is

³⁷ Camden News, "Thousands of minority Serbs protest Kosovo's decision to abolish the Serbian dinar", 13 February 2024. Available at: <https://www.camdenarknews.com/news/2024/feb/13/thousands-of-minority-serbs-protest-kosovos/>

³⁸ UN News, "Security Council debates Kosovo's new rules on Serbian currency", 8 February 2024. Available at: <https://news.un.org/en/story/2024/02/1146382>

³⁹ *Ibid.*

⁴⁰ Brussels Agreement, First Agreement of Principles Governing the Normalisation of Relations. Available at: <https://www.srbija.gov.rs/cinjenice/en/120394>

that Kosovo Constitutional Court found this to be incompatible with the Constitution, in that it would grant some sort of executive independence to this particular ethnic minority in the country - “any association ‘based on ethnicity’ would be ‘unconstitutional’ and form a ‘state within a state’”⁴¹. Further, it would be unfair to other ethnicities. Most relevantly, the ASM would be de facto backed by Belgrade. As such, “While Belgrade pushes to establish a layer of governance with executive powers that provide a high level of autonomy to Kosovo Serbs, Pristina refuses to grant self-rule power to Serbs and claims that the creation of a mono-ethnic entity is unconstitutional”⁴².

In short, Serbia pushes for some level of executive control over Kosovo, and Kosovo resists. The problem lies in the agreement given in 2013, which both the EU and Serbia now rely on to push for Kosovo to make the ultimate concession. After all, they note it as potentially stabilizing the conflict. Yet, in a very real and consequential way, would it normalize relations? Would it mean Serbia recognizes Kosovo’s statehood, or simply hamper this even more blatantly? Would this bring sustainable stability to the region, or create a dangerous precedent to deal with ethnic minority issues within a country? These valid questions should concern the EU, if indeed its main goal is to bring lasting peace and stability to Europe. Especially at a time when Eastern Europe is already at war due to neo-imperialistic tendencies and disregard for national sovereignty.

Considering the above, Kosovar Prime Minister Albin Kurti made it known that he “demanded Serbia be held accountable for its own violations of previous agreements”⁴³ - “I welcomed the EU Special Representative, Miroslav Lajcak, to our government offices. I emphasized the need for the Basic Agreement to be implemented in its entirety and the need for the EU to hold Serbia responsible for the ongoing violations of that Agreement”⁴⁴. Nevertheless, the behavior of Serbia has been of dismissing their own wrongdoing, often hiding behind Russia’s allyship and superpower, and therein the EU follows suite.

4.2 License plates

The license plates flare-up marked end of 2022. It was the October/November moment of crisis that actually prompted the protest resignation of the four Kosovar Serb mayors, linked to the ongoing clashes in northern Kosovo. The four Mayors resigned in protests to a decision made by the Government of Kosovo to start fining drivers with Serbian-issued license plates. This decision would take effect from xx. While these four resignations were the most high-level ones, and consequential given the eventual boycotted election, the Kosovar decision on car fines was met with mass resignations among the ethnic Serb population - “in November, hundreds of Serb officials - including police officers, judges, mayors and members of parliament - resigned from state institutions”⁴⁵. In light of the Serb population’s protest and freezing-effect on institutional

⁴¹ European Parliament, Parliamentary Question E-001212/2023, Association of majority Serb municipalities in Kosovo. 14 April 2023. Available at: https://www.europarl.europa.eu/doceo/document/E-9-2023-001212_EN.html

⁴² European Policy Centre, Lopez Domenech B, “The Association of Serb Majority Municipalities: The crux of tensions in Northern Kosovo”, 14 June 2023. Available at: <https://www.epc.eu/en/publications/The-Association-of-Serb-Majority-Municipalities-The-crux-of-tensions~517b60>

⁴³ Euractiv, Taylor A., “Lajcak visits Kosovo to build and cross bridges amid ongoing Serbia dialogue”, 12 May 2023. Available at: <https://www.euractiv.com/section/politics/news/lajcak-visits-kosovo-to-build-and-cross-bridges-amid-ongoing-serbia-dialogue/>

⁴⁴ Albin Kurti Official X (former Twitter) Account, 11 May 2023. Available at: <https://twitter.com/albinkurti/status/1656580776274567171>

⁴⁵ Balkan Insight, Bami Xh. and Stojanovic M., “Serbs Stage Mass Resignation from Kosovo State Institutions”, 5 November 2022. Available at: <https://balkaninsight.com/2022/11/05/serbs-stage-mass-resignation-from-kosovo-state-institutions/>

capabilities and institutions, as well as international condemnation for Kosovo to halt the decision, Kosovo finally decided to postpone the decision of fines taking effect.

Once more, the EU statement reminded of the "important responsibility on the sides of both leaders for the failure of the talks today and for any escalation and violence"⁴⁶. Little was known about discussions, but Prime Minister Kurti stated that he "blamed the EU for the talks' failure"⁴⁷, potentially hinting at the fact that the mediator perhaps was asking Kosovo to make disproportional concessions compared to what it was asking of Serbia. After all, who is most at fault here? Kosovo seeking to assert its statehood, as per the Dialogue's final aims, or Serbia who acts in a non-constructive and rather violent way towards Kosovo imposing fair boundaries linked to its territorial sovereignty of more than 15 years?

This example just comes to show that, no matter the outcome or tense situation, the root of the issue remains – Kosovo governs itself as a state, yet faces persistent resistance to its basic existence from Serbia, including their international allies and their within-Kosovo satellite layers of powers.

4.3 Tariffs

In reaction to a blatant case of Serbia's active international campaign for countries' derecognition of Kosovo – namely after Kosovo's third failed attempt at Interpol membership, in November 2018 – the Kosovar government increased the 10% customs tariffs on Serbian imports to 100%. It was officially noted as a response against Serbia's "continuing aggressive campaign against Kosovo in the international stage"⁴⁸. The previous days, Serbian Interior Minister Nebojsa Stefanovic had posted a simple "Victory" tweet from the Interpol General Assembly⁴⁹.

Just as fast as the Kosovar reaction was, so was the EU's. Then-HRVP Federica Mogherini called for the increased tariff decision to be revoke, in it being "a clear violation of the Central European Free Trade Agreement (CEFTA) and of the spirit of the Stabilisation and Association Agreement between the European Union and Kosovo"⁵⁰. However, omitted were equally-concerned statements of restraint calling on Serbia to revoke its own foreign policy campaign of Kosovar derecognitions. The reality then was, once more, that the moment Kosovo out of the Dialogue line of cooperation and goodwill it was promptly told to get back in its place; whereas Serbia looks at a distance, also outside the Dialogue line, and there it remains.

4.4 Serbia's persistent lobbying against Kosovo's statehood

On the one had Serbia continued to press for the ASM to be established in Kosovo, noting that all previously-agreed agreements must indeed be adhered to. However, it also very much continues its lobbying campaign against Kosovo's statehood, in which it liaises with countries to have them withdraw their statehood recognition of Kosovo's sovereignty. Similarly, Serbia's anti-Kosovo international lobbying campaign has also come to block Kosovo's membership to many different international organizations, from the Council of Europe, to UN agencies, even to Interpol.

⁴⁶ BBC News, "Kosovo-Serbia flare-up fears over car number plate row", 22 November 2022. Available at: <https://www.bbc.com/news/world-europe-63711841>

⁴⁷ *Ibid.*

⁴⁸ <https://www.bbc.com/news/world-europe-46287975>

⁴⁹ Euronews, Kosovo denied entry to Interpol, 20 November 2018. Available at: <https://www.euronews.com/2018/11/20/kosovo-denied-entry-to-interpol>

⁵⁰ European Union External Action, Statement by Federica Mogherini on the Kosovo Government decision on taxing goods from Serbia and Bosnia and Herzegovina, 21 November 2018. Available at: https://www.eeas.europa.eu/node/54242_en

A clear example of Serbia de-recognition campaign of Kosovo was “the first withdrawal of recognition of Kosovo from Suriname, in October 2017, a few days before the visit of the foreign minister of Serbia to Russia. During 2018, recognitions of Kosovo were withdrawn by eight other countries”⁵¹. This campaign of Serbia’s is one to internationally delegitimize Kosovo, and is a key part of Belgrade’s foreign policy aims. Actually, while the EU Dialogue’s clear final goal is mutual and legally-binding recognition, as well as EU accession of both countries, the argument Serbia most poises in its de-recognition campaign refers to the Dialogue itself – “that the recognition of Kosovo may undermine the conflict resolution process and discourage the parties from reaching consensual agreements in accordance with international norms and laws”⁵². Moreover, it has often also been unveiled in investigative journalism pieces that certain countries’ recognitions are linked to corruption, pay-offs, or even Russian interference by means of bargaining chips. Nonetheless, the EU did not seem to bat an eye, despite such diplomatic moves and even full-fledged campaigns being not even remotely close to the spirit of the Dialogue, let alone in line with international law of sovereign states.

Should the Serbian government be consistent in their diplomacy and rhetoric, it would quickly see that, in reprimanding Kosovo for not respecting the agreements by not establishing the ASM, it is reprimanding itself – according to Article 4 of the 27 February 2023 EU agreement within the Kosovo-Serbia Dialogue. It reads: The Parties proceed on the assumption that neither of the two can represent the other in the international sphere or act on its behalf. Serbia will not object to Kosovo’s membership in any international organisation”⁵³. Looking now at the side of the facilitator, the EU has yet to ardently pronounce itself on this agreement-disregard on the part of Serbia. For its part, the EU’s most blatant note of this faux-pas was precisely in the agreement signed earlier this year.

5. CONCLUDING REMARKS

Kosovo and Serbia are not equal players in the international stage. This is a fact. Another fact is that the EU-facilitated Dialogue on the Normalization of Relations between Kosovo and Serbia seeks to sit both countries at the same table, as equals. However, what the Dialogue process, and especially its moments of tension and crisis, have proven is that the EU has not been able to bring a sense of parity, fairness or equality to the table. Discussions may be constructive, but the tone and message remain disproportionately asking of Kosovo to make concessions in lieu of Serbia’s stronger standing.

This paper argues that the EU and Serbia, as two of the three parties in this matter, have not acted responsibly throughout the Dialogue on Normalization of Relations. Kosovo, on the other hand, has strived to upkeep its end of the bargain as much as possible to still sustain its sovereignty and basic statehood integrity. Kosovo reacts and operates using as core foundation the fact that it is a sovereign country with statehood and territorial integrity. The fact that the EU is not unequivocal on this has led to its unfair and unbalanced approach to Kosovo vis-à-vis Serbia throughout moments in the Dialogue when it did not abide by EU requests. Similarly, the fact that Serbia is certainly also not even close to unequivocally recognizing Kosovo’s statehood has the country reacting and confronting its smaller neighbor in a way that would otherwise be

⁵¹ Kosovo Democratic Institute, Cakolli E., “Kosovo: Between universal non-recognition and ‘derecognitions’, pg.19, September 2020. Available at: [https://www.kas.de/documents/286052/0/Policy+brief+20-09-13+Kosovo+Between+universal+non-recognition+and+derecognitions+\(Eng\).pdf/8245552b-5744-11b7-a1fb-429be14582c7?version=1.0&t=1610102495727](https://www.kas.de/documents/286052/0/Policy+brief+20-09-13+Kosovo+Between+universal+non-recognition+and+derecognitions+(Eng).pdf/8245552b-5744-11b7-a1fb-429be14582c7?version=1.0&t=1610102495727)

⁵² *Ibid*, pg.22.

⁵³ European Union External Action, Belgrade-Pristina Dialogue: Agreement on the path to normalisation between Kosovo and Serbia, 27 February 2023. Available at: https://www.eeas.europa.eu/eeas/belgrade-pristina-dialogue-eu-proposal-agreement-path-normalisation-between-kosovo-and-serbia_en

construed as malign foreign interference, but in this case is just seen as part of the tense-neighborly-relations game. However, it should not be so. Nonetheless, the EU's position insofar as it seems to deem Serbia's tactics not as blatantly as Kosovo, which renders us at a standstill. On the one side, Kosovo wants to defend its statehood; on the other Serbia doesn't recognize it, and neither does the EU in its entirety; which finally renders Kosovo at the bad of the stick in terms of unfair treatment in this Dialogue, since it defends itself and operates in a way that the other two parties do not instinctively accept.

The international uproar linked to the both the Banjska attack and the dinar-ban showcases this argument. Certainly, one saw and read that Serbia's apparent complacency were intently condemned. However, the problem lies not in the fact that Kosovar faux-pas are condemned, but indeed that Serbia's grave, EU-labeled "terrorist" faux-pas that earnestly jeopardize the Dialogue are condemned with the same vigor as Kosovo's unconstructive actions. Similarly, Serbia was encouraging institutions in the north of Kosovo to operate with non-approved emblems and documentation; yet only when Kosovo reacted with assertiveness was it raised as not constructive. It appears Serbia may already be so down the corrupt ladder, that the international pressures trust at least Kosovo to de-escalate and has becoming, wrongly, complacent to Serbia's behavior.

At a time when Russia's unprovoked invasion of and war of aggression on Ukraine rages on, we are alarmingly reminded that "the Dialogue is not only about Kosovo and Serbia. It must be seen in the current broader geopolitical context, a defining moment in the European history"⁵⁴. For this reason, the European Union must strive to amend its approach to the three-partied Dialogue – it must strive to be proportional and balanced towards both Kosovo and Serbia. If Kosovo is reprimanded for not implementing an unconstitutional clause of the agreement, so must Serbia be condemned for successive anti-lobbying campaigns going against the same agreement. If the EU is already standing up to Russia on sanctions concerning Ukraine, can it not also stand up to Russia as Serbia's big brother looming in the distance? In short, can it not be as assertive with Serbia as it has been with Kosovo?

A strong hand from the EU on this would retake control over the narrative and make both countries feel more accountable to it – on the Serbian side because they would feel as if they are not calling the shots, and on the Kosovar side because they would feel like someone is actually rooting for them instead of just giving them sticks and no carrots. Otherwise, the risk, to not only the Dialogue but to the EU itself, is that prolonging this will keep on decreasing the EU's credibility as a security and defense mediator or global actor.

⁵⁴European Union External Action, Belgrade-Pristina Dialogue: Time to take responsibility and move towards EU, 16 March 2023. Available at: https://www.eeas.europa.eu/eeas/belgrade-pristina-dialogue-time-take-responsibility-and-move-towards-eu_en

