



**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
(Covering the period from May 1 to December 15, 2018)**

December 2018

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Introduction

Same as in each of the previous stages in the Dialogue, during this reporting period the Government of the Republic of Serbia continued to invest maximum efforts and enormous political capital in order to genuinely revive and resume at full capacity the negotiation process with the PISG in Priština. Belgrade's efforts carry particular importance given that the Dialogue has been in a serious crisis for a long time now, firstly due to Priština's enduring disregard for the obligations assumed under the hitherto reached agreements, next owing to their refusal to participate in the Dialogue which lasted from early 2017 to early 2018, and, finally, because of the brutal use of excessive force, abduction and torture applied by Priština institutions against Serbia's head negotiator, Mr. Marko Đurić, on March 26, 2018.

Unfortunately, it seems that Priština's interpretation of Belgrade's efforts to re-establish regular communication within the framework of the Dialogue has been inadequate. Despite Belgrade's repeatedly reaffirmed position that Serbia's commitment to Dialogue should not be interpreted as a weakness, throughout this phase of the Dialogue Priština acted as someone who may intimidate others and impose its will on them. It was with sadness and disbelief that the Serbian side followed the inexplicable public outbursts of belligerent reactions coming from some of the leading political representatives of the PISG in Priština, commenting on certain discussions and peace initiatives launched in the international arena during this reporting period, concerning the possible resolution of the status of Kosovo and Metohija. Being guided in its actions by the policy of compromise and building bridges between the Serbs and Albanians, Belgrade always genuinely believed that the other side recognized that the issue of the status of Kosovo and Metohija simply cannot be resolved in such a formula whereby one side, in this case the Albanian, gets everything they want by means of violence or threats of violence.

Instead, the other side utilized these peace discussions and initiatives as a pretext for making public threats of violence. These peace initiatives were even equated with some kind of declarations of war, as the PISG in Pristina Prime Minister stated publicly, in an extremely direct and straightforward manner, in late August. At the moment when this happened, Belgrade was absolutely convinced that such a threat to regional peace and stability would be unequivocally condemned by the international community, and would prompt an explicit warning message by those who, subject to relevant international legal acts, are obligated to safeguard the peace and security of the citizens of the Serbian southern Province. By all means, such expectations were based on the practical need to make a clear and public distinction between what was acceptable and what was unacceptable in the region, along with the urgent need to bring Priština to their senses and persuade them to come back in good faith to the path of negotiation and implementation of the agreements already concluded in the Dialogue. Unfortunately, no clear condemnation of this statement made by the Priština Prime Minister arrived. Only a few days later, Priština sent another shocking message to Belgrade and the EU when they appointed a war veteran, one Fatmir Limaj, as the head of their negotiating team. Although their public statements claimed to the contrary, it is beyond doubt that Priština opted for this person precisely with the objective to further contaminate the credibility of the entire negotiating process. It also confirmed Priština's mere declarative commitment to the Dialogue, while substantially trying to do everything in their power to break off and collapse the process.

After these actions failed to trigger any condemnation by the relevant international public actors, in late September Priština continued their policy of confrontation, when special para-police units made an incursion into Lake Gazivode, the municipality of Zubin Potok.

Although this action once again jeopardized peace, and most directly violated the Police Agreement, which stipulates that only the Commander of the Kosovo Police Regional Directorate North (RDN) may order engagement of police units in the area under the RDN responsibility, once again actions of Priština triggered no visible political and diplomatic reaction. It is therefore only understandable that in the month of November, Priština's endeavors to collapse the Dialogue culminated in their decision to also impose a discriminatory economic blockade of goods coming from central Serbia, as well as from Bosnia and Herzegovina, a measure openly directed against the Serbian people living in Kosovo and Metohija.

Under such circumstances, it is not hard to comprehend that the Albanian extremists actually dared to resort to erecting roadblocks on the local roads and using firearms in order to disrupt the visit of the President of the Republic of Serbia to the Serbian enclaves in the Province, the municipality of Srbica, in the month of September. This visit had been organized only a few days after the Priština Prime Minister made public incantations of war in late August, and had been duly announced to the international and the Priština institutions, and approved by them. Regardless of such developments, the Serbian side never responded by escalating tensions to any of Priština's provocations. On the contrary, acting responsibly in order to protect the safety of Serbs in Kosovo and Metohija, Belgrade sought to defuse these tensions over and over again, in an attempt to ensure minimum conditions to resume genuine talks on the contested issues and enable implementation of a whole range of provisions laid down in the agreements that have long ago been concluded and signed.

In view of all the above, we believe that it can be credibly argued that Priština actually only simulated their participation in the Dialogue during this reporting period. The dynamics of the meetings held during this reporting period was rather diffused, as the facilitators were forced, due to objective reasons, to convene them more for the purpose of calming and defusing the tensions that Priština generated in the above-described critical events, and less with the objective of actually discussing normalization of relations between the two sides. However, this did not prevent Belgrade from maintaining very intense contact with the facilitator, and using it to repeatedly and intensely bring to their attention the need for a stronger EU leadership in stepping up the activities within the Dialogue and implementing the already agreed in the manner stipulated.

Throughout all these discussions, the Serbian side continued pointing to the absolute unacceptability of the fact that the Community of Serbian Municipalities has still not been set up even 2,000 days after Priština assumed this obligation. Belgrade constantly sought to explain that ignoring the undertaken obligations not only does not serve the interest of the Priština side, but in fact directly jeopardizes their real interests as well. On that note, the Serbian side repeatedly cautioned Priština and the facilitators of the harmfulness of trying to dislodge certain issues from the Dialogue and the arrangements made within this process. This particularly pertains to Priština's continued attempts to unilaterally resolve the energy issue, as well as its aspirations to implement certain parts of the Agreement on Justice in the manner opposite to that stipulated. The Serbian side pointed to Priština the detriment of their endeavors to join the INTERPOLE and UNESCO, and to do so outside the arrangements made in the Dialogue and contrary to the will of Belgrade. These attempts went on to produce grave internal political tensions in the Province.

Due to Priština's lack of interest in being genuinely engaged in the Dialogue, this reporting period was yet another one with no significant results achieved. In fact, in many areas,

such as managing the integrated crossing points along on the administrative line, freedom of movement, police, customs stamp, European integration and official visits, there has even been some backsliding. The most significant event of this reporting period is that the Management Team completed their part of work on drafting the Statute of the Community of Serbian Municipalities within the prescribed deadline and that, within the time limit prescribed by the relevant documents - on August 9, 2018 - they officially notified the EU facilitators thereof.

We note with satisfaction that implementation of the Agreement on the Bridge continued successfully during this reporting period and has reached the point where the technical part of implementation has been completed. In order to open the main bridge on the Ibar river, and the revitalized pedestrian street of Kralja Petra in Mitrovica North, there remains only to resolve the issue of administrative delineation between Mitrovica North and South in the area of Suvi Do. After that, the Serbian side and the EU could start talks and quickly agree on the date of the simultaneous opening of the bridge and the pedestrian street, as foreseen by the Bridge Agreement.

Same as in other reporting periods, every occasion was used to address to the facilitator the requests to broach new topics, arguing that Priština's refusal to discuss them, would only further aggravate the problems that have persisted for a quite some time in these areas, and almost certainly would obstruct the reaching of some of the remaining agreements. Same as before, the Serbian side bolstered its claims by highlighting the property issue as an example, which during the implementation of the telecommunications agreement proved to be “wired” into almost every area of negotiations. It is therefore obvious that it is very difficult to make any serious progress in concluding new agreements and implementing the agreements that have already been reached if the two sides have not reached an agreement regarding the property issue and instead continue to interpret it from conflicted points of view.

The following report is structured in the same manner as were the previous six-monthly reports on the progress in the process of negotiations with the Provisional Institutions of Self-Government in Priština. The dynamics and the content of the Dialogue in the reporting period are presented systematically by providing a comprehensive overview of everything that has been agreed upon and implemented hitherto, segmented into three groups of issues. The first group includes issues and processes resulting from the political part of the Dialogue, and pertaining to the First Agreement on Principles Regulating the Normalization of Relations and the related documents. The second group includes issues stemming from the so-called technical agreements reached with the EU facilitation. The third group includes issues stemming from the arrangements made with a view to addressing and overcoming other, by no means less significant issues, which objectively hamper further normalization of relations.

A) Socio-political situation in Kosovo and Metohija

The socio-political situation in Kosovo and Metohia deteriorated in comparison to the previous reporting period, and remained unstable for the most part. This is only the natural outcome of the process that started towards the end of the previous reporting period, when the provincial government lost their undisputed majority in the assembly, after the representatives of the Serbian List resigned from all their offices held in the government, and started acting as the opposition in the Assembly. The ruling coalition never managed to compensate for this loss, and instead continued to function as minority government in the past seven months. This greatly limited the efficiency of the executive and legislative branches of power, which consequently increased the odds of possible early parliamentary elections.

Against such background, tensions in the structures of the PISG in Priština government flared up, which became particularly visible in the relationship between the Prime Minister and the President. Particularly strong impetus contributing to that effect was the initiative to consider possible models for resolving the issue of the final status of Kosovo and Metohija, launched in June at the round table “New Perspectives of the EU Enlargement” organized in the framework of “Political Talks” held at the “2018 European Forum Alpbach”. On that occasion, the President of the PISG in Priština publicly stated that he was in favor of the concept of “border correction” with Serbia, and estimated that this was the only real way to conclude a sustainable agreement, one that would satisfy the interests of both parties.

The Prime Minister of the PISG in Priština strongly rejected this option, and even threatened with an armed conflict should that happen. The provincial Prime Minister seems to have interpreted this public statement made by the President Thaci as a good opportunity to launch his pre-election positioning with the view of vying for the right-wing voters, whose overwhelming majority are opposed to holding any talks with Belgrade. Prime Minister Haradinaj most likely assessed the new situation also as an opportunity to dig in for his own piece of the dissipating votes of the Self-Determination Movement, presenting himself as a principled champion of the people. He thus positioned himself as the President Thaci’s antithesis, implicitly accusing the latter of being unprincipled and acting in accordance with the interests and orders of the external actors who are in favor of the Dialogue and the normalization of relations with Belgrade.

These motives, in conjunction with the diplomatic successes of Serbia in ensuring withdrawals of 12 “recognitions” of the so-called independence of the so-called Kosovo from 12 states, and Priština's membership being rejected in both the INTERPOL and UNESCO, all during this reporting period, gradually pushed the provincial Prime Minister further towards the political right. As a result, he undertook a series of increasingly more provocative actions aimed at weakening and discontinuing the Dialogue, since it is the President of the PISG in Priština who collects most of the political points in the internal arena on account of the success in the Dialogue. The Prime Minister Haradinaj's policy of escalation towards Serbia and the EU, which included both gross violations in implementing provisions across all agreements made in the Dialogue and the use of brutal force against Serbian population in the north of Kosovo and Metohija, culminated on November 21, when the Province *de facto* imposed economic blockade against Belgrade. This was formally effected by an introduction of 100% customs duties on all goods imported to Kosovo from central Serbia, which constitutes gross violation of the arrangements made in the Dialogue, but also of the provisions of the CEFTA agreement, and of the Stabilization and Association Agreement that Priština has signed with the EU.

This testing of powers between the two key figures, leaders of the executive branch of PISG in Priština government, paradoxically benefited the current PDK leader, and Speaker in the Priština Assembly, Kadri Veseli. Riding on this development, Veseli not only managed to consolidate his leadership in the party in relation to its former president, Hashim Thaci, but has also managed to profile himself across the board as the power center tipping the relations between Thaci and Haradinaj. During the reporting period, Veseli more or less openly leaned towards Haradinaj, particularly relative to the latter’s sharp opposition to the option of resolving the issue of status of the Province by means of “endangering Kosovo's sovereignty across its entire territory”.

These extremely antagonistic actions undertaken by the so-called Government towards the EU and Serbia almost came as a surprise to the opposition, forcing it into a defensive stance.

The PISG Prime Minister's publicly stated accusations on account of the EU for their repeated failure to introduce the visa liberalization system, blunted the edge of the opposition versus the authorities, given that the bulk of the citizens negatively perceives the EU's policy towards Priština regarding this issue. The weakness of the opposition is evident in that, despite the fact that Haradinaj's cabinet does not have majority in the assembly, so far they have failed to put up a united front and gear it toward toppling the Haradinaj's government, a front that could dictate the election conditions and basically pick their own time for holding elections. Against this background, the negative attitude towards the Serbs exercised by both the political scene and the society in general, became clearly apparent again, since in this particular case, the opposition did not want to initiate the motion of no confidence to the government in the Assembly, if that vote included cooperation with the representatives of the Serbs, and in this particular case it was a veritable necessity. Haradinaj most likely became aware of this when he launched the set of laws on transforming the Kosovo Security Forces into the so-called Kosovo's armed forces, which was supported wholeheartedly by the Albanian MPs in position and opposition, which further consolidated his position.

Bearing in mind the EU's insistence to both lift the customs tariffs introduced by Priština to Belgrade and to resume the Dialogue, the described political tensions pervading the Priština scene can be expected to continue in the upcoming period.

B) Security situation in Kosovo and Metohija

Security situation in Kosovo and Metohija remained complex throughout this reporting period, with periods of marked instability and serious tensions. Despite this, international and other security forces were able to avert more unfavorable developments, although the security situation in the ethnically mixed areas south of the Ibar River was highly unstable and tense on several occasions, as a result of nighttime raids and attempts to detain some of the more prominent Serb representatives. This deterioration of the security situation is a logical ramification of the described political instability in the Province and the confrontational course taken by the provincial government towards Belgrade, the European Union, and the very idea of the Dialogue.

The gravest security threat in the Province during this period was the process of transforming the KSF into the so-called Kosovo armed forces. The provincial authorities persistently ignored the fact that the whole process was undertaken completely in contravention to the United Nations Security Council Resolution 1244 (1999) and other relevant documents governing the issues of status and security in Kosovo and Metohija, and therefore has the potential to seriously undermine regional security. The announcement made by the PISG Prime Minister that certain units of the so-called Army Forces of Kosovo would be permanently deployed in the north of the Province caused particular anxiety, and also constitute violation of the Brussels Agreement and the agreement between Serbia and NATO. Owing to these announcements, local Serbian population exhibited anxiety and fear during most of the reporting period.

It should be noted that Priština also violated the security of Serbs by ordering illegal incursions of its paramilitary and para-police units into the north of the Province during this reporting period. Brutal and excessive force was used on these occasions against the peaceful citizens. Presence in the north of Kosovo and Metohija of these armed persons under the command of Priština was never notified to the Commander of the Regional Directorate of the

Kosovo Police – North, who, according to the First Agreement, is solely responsible for overseeing the engagement of any police forces that do not belong to this KP RDN.

The feelings of fear and uncertainty were additionally spread among the Serbs by the aforementioned discriminatory economic blockade imposed by Priština, which jeopardizes the security of the Serbian people in terms of their elementary subsistence. These measures are depriving Serbian population of food, clothing, footwear and elementary medical provisions, such as medical drugs for chronic patients and material for providing care and treatment to the gravest of patients.

A strong presence of the radical Islamic extremism continues to pose a grave and immediate security challenge in the Province. The impact of this devastating ideology is constantly growing and gaining in the number of followers, its upsurge made possible by a difficult economic situation, but also the atmosphere of intolerance generated by a large section of the Albanian elites towards their neighboring Christian Orthodox peoples. Relevant research published during this reporting period suggest that there are currently approximately 400 people in the Province who accumulated fighting experience in the terrorist formations, mostly in the Middle East, over the past six years. They spread the toxic ideology of hatred towards other religions, thus directing radicalized individuals to practically engage in terrorist and other illegal activities. During the period, some Western media reported that Kosovo and Metohija continues to represent a territory with more “citizens” in the ranks of the so-called Islamic State per capita, than any other in Europe or the Balkans, and that it still represents a convenient route for transferring extremists and terrorists into the Western Europe due to a broad support base of the like-minded people.

This continued rise of religious extremism is also conducive to an elevated risk of terrorist activities. Returnees from the Middle Eastern battlefields, as well as individuals and groups associated with them, or inspired by their ideas, all pose a growing threat. In October, the media carried reports about the indictment filed by the Priština prosecutor office against a six-member group of jihadists, arrested for preparing an attack on the Israelis, Serbs and the KFOR. Investigation into this case produced statements given by the defendants that the Albanian jihadists had planned to carry out large-scale terrorist attacks on the Serbs, especially in the north of the Province, as well as on the temples of the Serbian Orthodox Church in north and south of the Ibar, during significant religious festivities. To this purpose, they tried to procure explosives and chemical poisons in Albania, and intended to spread violence against “the unfaithful” according to the model already applied against Serbs in the March 2004 Pogrom. One of the accused jihadists admitted that the money for financing the attack, in the amount of 9,000 euros, came from the Islamic State, and that the accused group of terrorists worked in close cooperation with Ridvan Akifi and Lavdrim Muhaxheri. It is particularly worrying that, in the process of organizing these assaults, the accused terrorists were able to establish contact with the Albanian army officers, attempting to obtain from them explosives and chemical warfare toxins.

In such circumstances, safety of Serbs living in Kosovo and Metohija has severely deteriorated compared to the previous reporting period. The alarming fact is that there are realistic chances that this trend of deteriorating security circumstances would only continue and become further aggravated given the tensions growing within the Albanian political corps. It should be noted that the persistence of Priština officials on portraying Belgrade as the “external threat” almost led to the direct armed assault against the President of the Republic of Serbia, attempted by the Albanian extremists in Srbica, during his September visit to the Province.

Earlier that day, these extremist intimidated the Serbs living in the enclaves where the visit was planned, by repeatedly firing machine-gun bursts. Unfortunately, this tragic example is a perfect illustration of the state of security available to the Serbs living in that area, but also in all other parts of the Province. In addition, these people are often targets of attacks by the Priština judicial authorities on account of fraudulent and secretive indictments for alleged war crimes.

Same as in all previous progress reports, below is an illustration of the level of security provided to the Serbs in the Province, shown in a sample of specific security incidents targeting Serbs and their property. Total number of these incidents increased significantly during this reporting period, resulting in 42 registered incidents, compared to 30 incidents recorded in the two previous progress reports respectively. For the purposes of this report, we highlight the following security incidents:

May:

- In the night between May 6 and 7, two cows were stolen from the Marković family, in the village of Zebinac, Novo Brdo,
- A goat was stolen in the village of Miloševo, from the Ađančić family, on May 18; an agricultural appliance, a two-wheel tractor, was stolen in the village of Babin Most, three kilometers away, from Sreten Vučković; four young goats, kids, were stolen from Olga Jovanović.
- In the night of May 25, in the village of Cernica near Gjilan, an auxiliary building in the yard of Dragisa Mitrovic was torched,
- On May 26, construction of a main road began in the protected zone of the Visoki Dečani Monastery, even contrary to the Priština Law on Special Protective Zones,
- In the night between May 27 and 28, the outpatient clinic in Suvi Dol was pelted with stones,
- In the night between May 28 and 29, the outpatient clinic in Suvi Dol was pelted with stones again,
- On May 28, a group of Albanians blocked the access to the church and pelted with stones a group of about 30 Serb returnees and IDPs who came to village of Petrič near Klina, to mark the Christian holiday of the Holy Trinity. Three Serbs were injured, one of them in the head area. Instead of protecting Serbs, the KP detained one L.B., after several Albanians filed reports that he had provoked them,
- In the night between May 29 and 30, an infirmary of the Health Center Prizren in the village of Novake was attacked. The entry door was dislodged and most of the files and medical protocols of patients were torched, while the rest of the inventory was scattered around,
- In the night between May 29 and 30, five heads of cattle were stolen from the Serb families, in the villages of Bosce (the family of Blaško Stojanović, which is an IDP family with seven minors, three heads of large cattle were stolen), and Grizima (family of Zoran Miljković, with 13 family members, of which 8 are minors – their cow, and her calve, were stolen),
- On May 30, in Stari Grad, three members of the Matković family, including a six-month-old baby, were injured as a result of an assault by the Albanians, and a subsequent inadequate police intervention. Instead of protecting the Serbs living in the village where one of the biggest massive killings of 14 Serbian harvesters took place in 1999, the Kosovo Police detained a member of the Matković family, along with one attacker. It is indicative that the son of the Albanian commander of the Kosovo Police, a certain Naser, who also lives in this village, was hit with a fist by a Serb in presence of police officers. The KP members momentarily used pepper spray and injured 5 Serbs, two of whom, are children, one aged 5 and the other 6 months, and
- On May 30, in the village of Zač in the municipality of Istok, a dozen Albanians attacked a priest of the Serbian Orthodox Church from the village of Osojane in the municipality of

Istok. The priest was returning from the morning service held at the Peć Patriarchate, together with his wife and two young children.

June:

- On June 2 a cow and a passenger vehicle owned by a Serb person were stolen in the village of Klokot, the municipality of Vitina,
- On June 3, stones were pelted at a family house owned by a Serb person, in Vitina,
- On June 5, in the village of Suvi Do, Lipljan municipality, four persons of Albanian ethnicity came to the courtyard of the outpost of Elementary School "Braća Aksic" and, using Albanian and English, threatened with murder and neck cutting the children of Serbian nationality who were playing in the school playground. Children of Serbian ethnicity then left the school playground, and the Albanians broke the school entrance door and window panes using bars,
- On June 5, in the village of Domorovce in the municipality of Kosovska Kamenica, members of the special units of the Kosovo Police, ROSU, searched the houses owned by two persons of Serbian nationality and detained a person, and
- On June 25, in the village of Suvi Do in the municipality of Kosovska Mitrovica, two Albanians assaulted a person of Serbian nationality, first hitting him in the head with a gun, and then shooting him in the lower leg. It is indicative that the family of the assaulted citizen is constantly experiencing abuse from the Albanians pressuring the Serbs to sell their property and move out.

July:

- On 5 July, the information was published that the Special Prosecutor's Office received a list with over 200 names of Serbs from the Đakovica municipality, charged with the alleged war crimes perpetrated against civilians in 1998 and 1999. The obvious objective of this list is to prevent the return of the internally displaced Serbs to the town of Đakovica,
- In the early hours of July 5, N. Dejanović was stabbed repeatedly in both sides of his chest and back, while his brother was attacked with the pepper spray, in the village of Prilužje in the municipality of Vučitrn. The attack was carried out by a group of Albanians,
- Members of the ROSU, the special forces of the Kosovo police, armed with long pipes, searched several houses in the village of Šilovo near Gnjilane, and detained five Serbs (Radovan Stojković, Jovan Denić, Nenad Stojanović and brothers Aleksandar and Predrag Đorđević) under the political charges of "being involved in activities against the constitutional order and security of Kosovo".

August:

- On August 1, in the village of Korminjane in the municipality of Kosovska Kamenica, members of the Kosovo Police searched the family house of a Serb who was then arrested for his alleged participation in the events in the village of Žegovce, in the Gnjilane municipality, where several Albanian civilians were killed in 1999,
- On August 11, in the village of Zač, in the municipality of Istok, the Albanians carried out an armed attack on the house of a Serb returnee. While the returnee was in the yard, along with his wife and their two minor children, a shot fired from the direction of the neighboring village of Drenje, which passed over his wife's head and ended up in the wooden beam of the garage. There were no casualties,
- On August 28, around 50 Albanians gathered outside the Monastery of the Most Holy Mother of God in Đakovica, protesting against the arrival of Serbs to the monastery's festivity, even though the visit of the displaced Serbs had previously been canceled for security reasons.

September:

- In the night between September 13 and 14, in the village of Belo Polje in the municipality of Istok, a tractor owned by a local Serb was stolen,
- In the night between September 17 and 18, in the Serbian village of Izvor in the municipality of Novo Brdo, unknown persons stole two cows owned by persons of Serb ethnicity,
- In the night between September 21 and 22, in the village of Parteš in the municipality of Gnjilane, a vehicle, a hunting rifle, a compressor, a tool box, the petrol from the tractor reservoir, two Belgian shepherd puppies and 3 cows, were stolen from the courtyard of four Serbian family houses, and
- In the night between September 24 and 25, several thefts were carried out in Velika Hoča, robbing four Serbian families of 3 cows, a calf and two passenger vehicles.

October:

- In the night between October 1 and 2, in the village of Grabac in the municipality of Klina, 25 houses owned by the Serb returnees were robbed. On the same night and the same village, a window was broken at the house of an older woman of Serbian nationality, who was at home at that time,
- On October 3, locals of Serb and other ethnicities from Orahovac launched a petition, on account of frequent verbal and physical attacks by the children of Albanian nationality on the children of Serbian nationality during their playing and spending time in the playground situated next to the church,
- On October 10, the director of the Health Center Prizren, when visiting an infirmary in the village of Novake, Prizren municipality, which is a part of the primary school, noted that the glass on the window was broken at the clinic and the front door dislodged,
- On October 19, in the village of Belo Polje, municipality of Peć, the family house belonging to Serb was torched,
- On October 21, at the entrance to the Istok village, Albanians stoned buses transporting about 170 Christian Orthodox believers who visited monasteries and churches in the area of AP Kosovo and Metohija. The windows were broken on the busses, and material damage was caused. There were no injuries.

November:

- In the night between November 12 and 13 in the Mitrovica North, in the settlement of Bošnjačka Mahala, the Vardarska street, outside the administrative building of a pharmacy institution, graffiti were sprayed on the medical vehicle by the Albanian criminal group "B13", known for intimidating Serbs and other non-Albanians by engaging in physical assaults, stone pelting, graffiti spraying,
- On November 3, members of the Priština's paramilitary special units of ROSU made an illegal incursion into the Mitrovica North, applying brutal excessive force against the peaceful citizens, four of whom were arrested on charges of alleged involvement in the murder of Mr. Oliver Ivanović,
- On November 28, vehicles decorated with Albanian flags, for the purpose of provocation, entered into Kosovska Mitrovica and Zubin Potok. Citizens did not react.

C) Obligations arising from the First Agreement

1. Community of Serbian Municipalities

After some progress was made towards setting up the Community of Serb Municipalities (CSM) in early April 2018, when the mandate of the Management Team (MT) was confirmed, the official work on drafting of the Statute of the CSM finally began.

For the purpose of drafting the CSM Statute, members of the MT held a series of meetings with relevant representatives across the administrative structures in Kosovo and Metohija¹, as stipulated by the provisions of the Scope of Work of the Management Team. Although this document also provides for holding regular meetings in Brussels, where the MT, together with the Implementation Committees from both sides, were supposed to look into and discuss the progress in drafting the CSM Statute, these meetings never took place, owing to Priština's refusal to take part in them.

In spite of this, members of the MT completed the drafting of the CSM Statute within the scheduled deadline, and on August 9, 2018, notified the EU facilitators about their work. They also included a request to the EU facilitators to organize a meeting as soon as possible so that they could present the Draft Statute to the Implementation Committees of the two sides, before presenting it to the High-level Dialogue. However, the EU facilitators obviously failed to persuade Priština to fulfill this obligation and take part in this meeting, which must be why the facilitators never responded to the MT's request for a meeting, nor scheduled one.

Nevertheless, the MT continues to work in accordance with the plan foreseen under the Scope of Work of the Management Team, ensuring preconditions for the successful setting up of the CSM.

For its part, Belgrade intends to continue to insist that the EU, together with Priština, find a solution for adjusting Priština's legal framework, in accordance with Article 1 of the Implementation Plan, so as to enable establishing of the Community in full capacity, in accordance with the provisions of the First Agreement, the Scope of Work of the Management Team, the Implementation Plan and the General Principles. Any other approach would be contrary to the provisions contained in said agreements and absolutely unacceptable for the Serbian side. Equally inadmissible, unacceptable and legally irrelevant would be any revising of the provisions set out in the General Principles, regardless of whether Priština's attempts to achieve them be made through the decisions of the so-called Constitutional Court of Kosovo, or some other entity.

We emphasize that implementation of the agreement on the CSM is of central importance for making progress in the Dialogue, since the establishment of the CSM largely affects the outcome and resolution of numerous other issues in the areas currently being discussed within the Dialogue, or those on which talks are yet to be initiated, such as property, economic development, education, urban and rural planning.

¹ Meetings were held with the mayors and presidents of the municipal assemblies with majority Serbian population, representatives of the Serbs in the PISG in Priština (Minister of Local Self-Government Administration and Minister for Communities and Returns, lawyers from local self-governments, deans and experts of faculties of the University of Priština with temporary headquarters in Kosovska Mitrovica (UPKM), experts in the field of law, economy, health, social protection, education, culture, sports, spatial planning, cadastral services, representatives of the OSCE mission in Pristina, as well as other relevant institutions from Kosovo and Metohija.

2. Police

This reporting period was marked by the continued drastic violations of the First Agreement on the part of Priština, in the section governing the issue of the police. This is primarily reflected in Priština's persistent refusal to establish the CSM, and as a result, regulations pertaining to the police are yet to be harmonized with the provisions of the First Agreement. Consequently, such an approach on the part of Priština has not yet allowed appointment of the Regional Commander of the Regional Directorate of the Kosovo Police - North (RDN), which is why the person currently in office is still in the capacity of the Acting Commander.

During this reporting period, Priština continued to violate the Agreement on Police also by deploying in the north of Kosovo and Metohija the police forces from outside the chain of command of the local regional police directorate, and without first informing the RDN Commander. Thus, two illegal incursions of Priština's special police units were carried out on the territory of the Serbian majority municipalities in the north of Kosovo and Metohija without prior announcement to and notification of the RDN Commander. These were the shock incursions, undertaken on September 29 in the municipality of Zubin Potok and on November 23 in the municipality of Kosovka Mitrovica, whereby Priština again grossly violated Article 9 of the First Agreement in the part pertaining to police. Article 9 clearly stipulates that the regional police directorate, headed by a Kosovo Serb, shall be in charge of the police affairs in the territory of the four majority Serb municipalities in the north of Kosovo and Metohija. By having undertaken these actions, Priština not only grossly violated provisions of the First Agreement, but also directly threatened the security and lives of Serbs in the north of Kosovo and Metohija, each time demonstrating unnecessary and excessive force.

In addition, Priština has been violating the Agreement on Police in the part stipulating that ethnic composition of police in the north of Kosovo and Metohija must reflect ethnic breakdown of inhabitants of that part of the Province. Acting in disregard of this obligation, Priština deployed to this area the police units that are almost exclusively composed of Albanians, despite the fact that the Serbs make up over 95% of the population.

We also emphasize that Priština continues to refuse to apply Article 7 of the First Agreement, which prescribes the obligation of the Priština authorities to integrate in the north of Kosovo and Metohija all former members of the MoI of the Republic of Serbia. In this respect, the issue of integrating 39 former members of the MoI administrative staff remains unresolved. Although Priština has declaratively intended to integrate these individuals for more than a year, in practice its institutions have been sabotaging and disrupting this process. To begin with, Priština is yet to approve the new job systematization for the four municipalities in the north of Kosovo and Metohija, in order to provide for the jobs where the aforementioned 39 former members of the MoI administrative staff are to be hired.

Priština does not openly dispute its obligation to integrate 34 ex-firefighters. However, it has now been over two years and not a single concrete step has been made in that direction. In the similar manner, Priština has been refusing to integrate 23 former police officers and 15 members of the Food and Accommodation Directorate of the Ministry of the Interior of the Republic of Serbia into the equivalent PISG structures. For such behavior, Priština has the overall support of the EU facilitators, and the same goes for rejecting integration of 23 former police officers, allegedly for having failed "security checks". We note that the Serbian side has not yet been informed of the reasons why these persons "failed" these checks, despite the fact

that Belgrade repeatedly requested to see them from the EU facilitators. Priština has also been disputing its obligation to comply with Article 7 of the First Agreement, and with regard to integrating the remaining 15 former members of the Food and Accommodation Directorate of the Ministry of the Interior of the Republic of Serbia, justifying it with the claim that their institutions do not include the job posts that would be adequate for these persons.

The entire approach on the part of Priština is indicative of their lack of intention to ever comply with their obligation to integrate all former members of the MoI of the Republic of Serbia. The Serbian side has been pointing out to the EU facilitators that we cannot accept these explanations, and would persevere in insisting that Priština fulfill its obligations as stipulated under Article 7 of the First Agreement, to the letter.

Throughout this reporting period, Serbian side has pointed out to the facilitators the possible risks stemming from kind of behavior on the part of Priština, which in all its segments represents direct violations of the Agreement on Police. The fact is that the situation is continually deteriorating, especially due to the increasingly more frequent illegal incursions of the so-called Priština police units, and their demonstration of brutal force against the peaceful citizens in the north of Kosovo and Metohija. Such developments clearly indicate that this agreement almost does not work at all and that, therefore, there is a real risk that the entire progress made in the area of security in the north of Kosovo and Metohija since 2013, will be brought under a question.

3. Judiciary

During this reporting period, a number of contested issues have been in the process of being resolved after the integration of judges, prosecutors and the administrative staff into the PISG judiciary was concluded on 24 October 2017.

The Serbian side first insisted with the EU facilitators that the solution for the allocation of cases to Serbian judges and prosecutors be undertaken strictly in accordance with Points 6 and 7 of the Agreement on Justice. Specifically, the Serbian side demanded that the integrated judges and prosecutors be exclusively allocated cases filed in Serbian language and for which proceedings will be conducted in Serbian. Also, Serbian side continued to insist that Priština put out job vacancy announcements for prosecutors, administrative staff and prosecution trainees (which posts, according to the Agreement on Justice, should be occupied by Serbs), followed by job vacancy announcements for appointing lay judges, court experts, bailiffs and notaries from among the members of the Serbian community, and for the acting supervising judges in the court divisions located in Štrpce and Novo Brdo, once the selection and the filling the job posts for the judges in these units have been completed.

In addition, during this reporting period the Serbian side tried to find a solution regarding the need for a clear definition of the decision-making procedure in cases of dispute between the decisions made by Serbian courts, operating outside the so-called Priština legal framework, and those of the so-called Priština courts. Priština is yet to adopt the relevant procedure for validating and enforcing the decisions made by the Serbian courts in the territory of Pristina, as per the “Validity appeal” document from July 2013.

Belgrade also persistently demanded that Priština consistently apply Article 10 of the First Agreement, stipulating that the Division of the Mitrovica-based Court of Appeals be exclusively responsible for dealing with cases coming from the first instance courts in all

Serbian majority municipalities in Kosovo and Metohija. By contrast, Priština tried various “creative interpretations” seeking to restrict the second-instance jurisdiction of the Division of the Court of Appeals in Mitrovica to cases coming only from the first instance courts in the four Serbian majority municipalities in the north of Kosovo and Metohija. To that purpose, the President of the Court of Appeals in Priština set up two panels to handle cases arising from first instance courts in six municipalities with majority Serb population in the south of Kosovo and Metohija. However, as these councils were being established, the exclusive jurisdiction of the Court of Appeals in Mitrovica was not upheld in cases arising from the first instance courts of all municipalities with the majority Serbian population in Kosovo and Metohija, given that judges from the Court of Appeals in Priština also ended up being their members.

Along with all the above-mentioned problems, we emphasize that the whole process of integration in the field of justice could have been jeopardized by Priština insistence on displaying the status symbols of the so-called Republic of Kosovo on the PISG in Pritina courthouses in the north of Kosovo and Metohija. That would have certainly triggered serious security tensions in the area. After Belgrade intervened with the EU facilitators, cautioning of the potential security implications, Priština abandoned this intention.

In the forthcoming period, Belgrade expects that the EU facilitators make use of their authority to influence Priština to work out solutions to all these problems. However, Serbian side will insist that these solutions be implemented fully and to the letter in the manner agreed within the Dialogue in order to ensure that Agreement on Justice is completed in its entirety and an efficient and operational judiciary is established in Kosovo and Metohija.

4. Energy

This reporting period saw numerous activities concerning implementation of the Arrangements regarding Energy of September 8, 2013 (Arrangement) as well as the Conclusions of EU facilitator on implementing the Energy Agreement, from August 25, 2015 (Conclusions of EU facilitators).

On that note, we must recall that the Energy Arrangement provided that the PE Elektromreža Srbije (EMS) support the efforts of the so-called KOSTT in becoming a separate control area and a member of the European Network of Transmission System Operators - Energy (ENTSO-E), while Pristina, on the other hand, undertook the obligation to ensure that the Serbian side would establish two energy companies in the AP Kosovo and Metohija, one to handle electricity trading, and the other, the supply and distribution services.

The Conclusions of the EU facilitator from 25 August 2015, also confirmed this support for the KOSTT plans, as well as the steps to be carried out by Priština in order to ensure incorporation and full operational status of two Serbian energy companies.

The Serbian side fulfilled its share of obligations and brought Priština’s operator, the KOSTT one step away from becoming a separate control area and a member of the ENTSO-E. However, further implementation of agreements never took place, because Priština never fulfilled its obligation to establish the two energy companies in the north of Kosovo and Metohija.

In particular, since the achievement of the Arrangements regarding Energy, the representatives of PE Elektroprivreda Srbije (EPS) applied for registering the limited liability

companies of “EPS Trgovina d.o.o.” and “Elektroseve d.o.o.” for four times, but each time Priština refused registration, with the rationale that the founding acts of the companies must make use of certain terminology. However, this terminology would not in compliance with the status neutral form of negotiations. After the EPS representatives on April 26, 2017 applied for registering these companies for the fourth time, on 2 May 2017, the so-called Kosovo Business Registration Agency (KBRA) responded by a circular letter, again citing terminology as a reason for their refusal to register the two energy companies. On 5 June 2017, Serbian side both appealed and filed a complaint against this decision of Priština. Several months later, on November 3, the EPS representatives were notified that the appeal was rejected,² while they never received any response to their complaint.

Since these companies were not established even after four attempts, and given that the establishment, licensing and commencement of business operation of Elektrosever is directly linked with the KOSTT becoming a separate control area, subject to Article 16.1.b of the Connection Agreement (CA)³, further implementation of the Arrangements regarding Energy was discontinued.

As a result, since June 2016, with the strong support of the European Union and the Energy Community, Priština initiated various activities with the objective of exerting pressure to obtain, for the KOSTT, the status of a separate control area, but without previously fulfilling conditions clearly set out in Article 16.1.b of the Connection Agreement. In other words, their actions were geared towards solving the issue of energy outside the framework of the Dialogue. This was to be procured either by means of initiating the process of amending said CA article, or by ensuring that a new connection agreement be adopted within the ENTSO-E.

To that effect, Priština first tried to link the issue of the status of a separate control area with the issue of commissioning the new Tirana 2-Kosovo B power transmission line (400 kV) built between Kosovo and Metohija, and Albania. However, this attempt proved unsuccessful. As the ENTSO-E Regional Group of Continental Europe (RG CE) concluded in their meeting held on December 5, 2017, there was nothing preventing the aforementioned transmission line from becoming operational, and no link could be made between commissioning the line on one hand, and creating conditions for receiving the status of a control area, on the other, bearing in mind that the transmission line was built in 2016, and that all technical conditions have been met.

As the next step, Priština attempted to obtain the status of a separate control area by causing deliberate electricity deviations and making unauthorized withdrawals of electricity from within the RG CE ENTSO-E system, starting from December 2017. This behavior resulted in multi-million damage and endangered the energy stability of the entire region.

In order to find a solution to this problem, the Republic of Serbia took an active part in numerous activities initiated within the ENTSO-E with the aim of finding an interim technical solution that would provide for both compensating for the damages and preventing the KOSTT from continuing to steal electricity from the RG CE ENTSO-E electricity system.

² The appeals were rejected on the grounds of untimeliness, violation of the so-called Kosovo Companies Act and preclusion from being considered given that the subject matter is regulated under the Arrangements regarding Energy.

³ The Connection Agreement was reached between PE EMS and KOSTT within the ENTSO-E organization. Its Article 16.1.b stipulates that the CA will enter into force once the license for the company Elektrosever has been issued and it has become operational.

By contrast, the KOSTT failed to demonstrate any constructiveness in finding a solution to this problem, and kept rejecting every proactive proposal made by the EMS for reasons that are entirely political. Finally, on October 25, 2018, the ENTSO-E came out with the “Operating principles for resolving deviations in Continental Europe” (Operating Principles) as their proposal to resolve the problem. However, these Operating Principles contained provisions that satisfy the interests of the KOSTT in becoming a separate control area, giving it full technical and functional autonomy, but without prior fulfillment of the obligations set forth in CA, under which Priština is obliged to enable the establishment, licensing and operation of Elektrosever. In addition, some aspects of this solution had direct implications on the political and security situation in Kosovo and Metohija, which the Serbian side repeatedly emphasized.

Owing to the efforts invested by the competent institutions of the Republic of Serbia and the understanding of the representatives of the TSO’s operating within the framework of RG CE ENTSO-E, the Operational Principles were not adopted in the voting process organized from November 6 to 9, 2018. Once it became clear that the KOSTT would not become a separate control area in this way, on November 7, 2018, Priština retroactively carried out the registration of Elektrosever. The Serbian party requested an explanation for this behavior, pointing out the lack of legal grounds for retroactively citing April 26, 2017 as the date of the company's establishment on the KBRA website, while the company Registration Certificate states November 7, 2018 as the founding date.

At that point, Serbian side initiated a legal analysis of the said registration decision in order to determine its validity, given the circumstances of registration.

Belgrade expects the European Union to immediately discontinue the practice of relocating negotiations outside the framework of the Dialogue, which is the only format within which agreements can be reached between Belgrade and Pristina. We also expect the EU facilitators to undertake necessary measures to implement all provisions of the Arrangements regarding Energy and the Conclusions of the EU facilitator pertaining to the registration, licensing and operation of two Serbian energy companies, instead of only one; also, to ensure consistent implementation of an Action Plan on the establishment of companies leading to their full operability, as well as to ensure resumption of negotiations on the distribution services in accordance with the Conclusions of EU facilitator.

In the meantime, Serbian side shall continue appealing and trying to talk with Priština to stop stealing electricity from within the RG CE ENTSO-E power system, given that it jeopardized the energy stability of the entire region.

5. Telecommunications

With the establishment of the company “mts d.o.o”, to which were awarded licenses for the landline and mobile telephony, along with 30 base station locations, and all assets were transferred, the first phase of negotiations between Belgrade and Priština in the field of telecommunications was concluded.

During this reporting period, in order to establish a functional and successful telecommunication company and increase the quality of providing telecommunication services to users in Kosovo and Metohija, works on telecommunication infrastructure on the ground, as well as on realization of investment projects continued, and a large number of procurements

were completed, relative to modernizing operation and the establishment of a modern business processes.

During this reporting period, construction permits were granted for the construction of pillars at two new locations (Šilovo and Budriga), where six base stations, with 2G, 3G and 4G ranges, will be put into operation, in order to enhance the quality of the mobile telecommunication network.

The biggest hurdle in implementing the Arrangements regarding Telecommunications during this reporting period occurred due to Pristina's pressure to have their telecoms operator, "Vala", exclusively provide the mobile and land line telephony and Internet services, to the Basic Court in Kosovska Mitrovica and the divisions of that court in Leposavić and Zubin Potok, i.e. to all employees in judicial institutions of this court.

These Priština demands received support of the EU facilitator, who invoked Pristina's decision whereby Vala is the only operator allowed to provide mobile and land line telephony and the Internet services to the so-called state institutions in the territory of Kosovo and Metohija. Claiming that such a solution would not constitute a deviation from the Arrangements regarding Telecommunications, the EU mediator suggested that the problem be resolved using the model by which these services are provided to the police stations in the north of Kosovo and Metohija. The Serbian side rejected the proposal since this solution was older than the Arrangements regarding Telecommunications, and maintained that the "mts d.o.o." should provide these services to the judicial institutions in the north of Kosovo and Metohija.

It is expected that this issue be resolved in the upcoming period, along with the issues involved in implementing the second phase of the negotiations in the field of telecommunications, those related to the harmonization of the spectrum for mobile telephony and television signal and normalization of the flow of postal services.

6. European integrations

During the reporting period, Belgrade demonstrated high degree of commitment to continuing the process of normalization of relations with Pristina, and of readiness to comply with the criteria provided in Chapter 35, despite the incessant triggering of the crisis situations on the part of Pristina. By contrast, Priština continued the practice of non-compliance with the provisions of the agreements reached within the Dialogue.

The commitment of the Republic of Serbia to European integration, and above all, to regional cooperation and the Dialogue with Pristina, has been recognized by the European Union, which resulted in the opening of four new chapters at the Eighth and Ninth Intergovernmental Conferences, respectively held on June 25 in Luxembourg, and on December 10, 2018 in Brussels. On those occasions, the following negotiation chapters were opened: Chapter 13 - Fisheries, Chapter 33 - Financial and Budgetary Questions, Chapter 17 - Economic and Monetary Union, and Chapter 18 - Statistics. So far, the Republic of Serbia has opened a total of 14 chapters.⁴

⁴ Chapters currently opened are: Chapter 5 Public Procurement, Chapter 6 Company Law, Chapter 7 Intellectual Property Law, Chapter 13 Fisheries, Chapter 17 Economic and Monetary Union, Chapter 18 Statistics, Chapter 20 Enterprise and Industrial Policy, Chapter 23 Judiciary and Fundamental Rights, Chapter 24 Justice, freedom and security, Chapter 29 Customs Union, Chapter 30 Economic relations with foreign countries, Chapter 32 Financial control, Chapter 33 Financial and budgetary issues, Chapter 35 Other issues

Also during this reporting period, the Republic of Serbia presented to the European Commission Negotiating Positions for the four Chapters. These are: 1) Chapter 2 - Free movement of workers, 2) Chapter 4 - Free movement of capital, 3) Chapter 14 - Transport policy and 4) Chapter 21 - Trans-European networks. The opening of new chapters in the negotiation process of the Republic of Serbia with the EU can also be expected in the coming period.

Belgrade will continue to pursue a policy of meeting the benchmarks contained in negotiating chapters and the EU standards. Also, Belgrade remains committed to the continuation of the Belgrade Dialogue in Priština and the implementation of the agreements reached.

D) Obligations stemming from the technical agreements

1. Cadaster

This reporting period saw no progress whatsoever in the implementation of the Agreement on Cadaster reached in 2011.⁵

The main reason is that Priština and the EU have persisted in their positions that all bodies provided for by the Agreement, except for the Tripartite Implementation Group, should operate within the so-called Kosovo legal system, and also on implementing the Agreement on Cadaster by way of the so-called Law on Kosovo Property Comparison and Verification Agency.⁶ The representatives of Belgrade find such positions of Priština and the EU completely unacceptable. Such positions of Priština and the EU are in direct contradiction with the letter and the spirit of the Agreement, and would lead to entrusting the decision-making on the property rights of the citizens of the Republic of Serbia and the Serbian Orthodox Church to bodies not envisaged by the Agreement and which do not include any representatives of the Serbs. Any application of this solution would enable legalizing usurpation of the private property owned by the Serbs and the Serbian Orthodox Church in Kosovo and Metohija, which is why the Republic of Serbia will not allow this.

Our party holds firmly its position that Priština must first annul all acts and decisions resulting from the so-called Law on the Kosovo Agency for the Comparison and Verification of Property, as well as all legal actions and consequences that resulted from its implementation. Only then could the Agreement be implemented, but only strictly in the manner agreed.

To that effect, we emphasize that the Serbian side would not be handing over the scanned cadastral records to the EU Special Representative in Priština⁷, until all three parties have reached an agreement.

⁵ The last meeting on the implementation of the Agreement on Cadaster was held on October 20, 2016 in Brussels. At the meeting held on May 26, 2016, Belgrade presented detailed proposals regarding methodology and modes of operation, establishment and functioning, as well as the structure and seat of all bodies provided for by the Agreement.

⁶ The said Law was adopted by Priština in June 2016, in violation of all procedures and despite the opposition put up by Belgrade and the Serbian List. The Serbian List even filed a request before the so-called Kosovo Constitutional Court for reviewing the constitutionality of the procedure whereby this law has been enacted, but the said Court rejected it.

⁷ Under the Agreement, the Republic of Serbia should hand over digitized cadastral records removed from Kosovo and Metohija in 1999 to the EU Special Representative in Kosovo and Metohija. The Republic of Serbia completed the digitization of the cadastral records back in March 2016.

In spite of the long-standing stalemate, we expect that talks will continue in the coming period with the aim of finding a mutually acceptable solution, equally necessary in terms of both essential and symbolic importance of this issue.

2. Civil registry books

The problems pertaining to the implementation of the Agreement on Registry Books still persist. More specifically, Priština still refuses to hand over civil registry books (or their copies) with the information on the inhabitants from northern part of Mitrovica to the competent services, thereby preventing them from obtaining their personal documents at the competent civil registry in the northern part of Mitrovica.⁸

Belgrade has repeatedly pointed out to the EU facilitators that the successful implementation of the Agreement does not mean that only the Serbian side demonstrates the good will to fulfill the obligations arising from it, but it is necessary that Priština does so as well. In that sense, it is necessary for the EU to find an appropriate solution to this problem, or to exert pressure on the Priština side to fulfill its obligations under the Agreement, thus enabling citizens from the northern part of Kosovska Mitrovica to exercise their rights in the competent home services.

3. Customs stamp

The Agreement on Customs Stamp has been fully implemented. Solutions specified under this Agreement are used in all documents related to the movement of goods (veterinary certificates, phytosanitary certificates, etc.).

On the other hand, Priština has repeatedly and openly violated Article 1 of this Agreement stipulating that the parties will ensure the free movement of goods in accordance with the CEFTA agreement, as well as Article 23 of the CEFTA Agreement. Namely, on 13 July 2018 Priština issued a decision to impose temporary protective measures by introducing a 30% increase of the import duties for fruits and vegetables. These measures became effective at the so-called Kosovo Customs on July 18, 2018, and pertained to all countries wishing to export any of the 21 products (fruits and vegetables) to Kosovo and Metohija.⁹ The rationale provided for adopting these measures is the damage that may be caused to producers of fruits and vegetables in Kosovo and Metohija, i.e. deterioration of their economic position.

Although this measure was lifted on July 31, already on 6 November, Priština again resorted to new measures, this time through a 10% increase of customs duties. These unlawful actions on the part of Priština then culminated on November 21, by an introduction of the blockade of imports on all products coming to Kosovo and Metohija from central Serbia, in the form a 100% customs import duty on these products. At the same time, it was requested from the manufacturers that the invoices accompanying the goods entering Kosovo and Metohija, in, use the “Republic of Kosovo” instead of the status-neutral “Kosovo” the part specifying the location of the recipient/sender company.

⁸ Citizens from northern part of Mitrovica were sent to the southern part of Mitrovica to obtain their civil registry certificates.

⁹ These are potatoes, tomatoes, pepper, cucumber, watermelon, melon, cabbage, salad, spinach, onion, carrots, beans, apple, pear, plum, cherry, strawberry, blackberry, blueberry and corn.

By resorting to these measures, the Priština side completely prevented the entry of products from Central Serbia to the territory of Kosovo and Metohija, leaving the Serb population in the north of Province in a very difficult situation. Therefore, representatives of Belgrade repeatedly requested with the EU facilitators to urge Priština to comply with their obligations and abolish these economic blockades. Belgrade will continue with these requests until the complete withdrawal of these measures.

4. University diplomas

The implementation of the 2016 Agreement on Mutual Recognition of Diplomas (the Agreement), as well as the arrangements reached with respect to the 2016 Conclusions and Operational Conclusions, is still locked in a stalemate, due to Priština's refusal to recognize the diplomas issued by the accredited universities of the Republic of Serbia and refuses to accept the list of accredited universities that work within the educational system of Serbia.¹⁰

During the reporting period, these problems were discussed with EU facilitators at a meeting held on May 14, 2018 in Belgrade. On this occasion, the Serbian side pointed out that after as many as seven years since reaching the Agreement, Priština did not recognize any diplomas issued by the universities accredited within the system of the Republic of Serbia. In this connection, Belgrade emphasized that it does not intend to forsake the requirement that Priština recognize all the diplomas of accredited universities in accordance with the Agreement. The EU facilitators stressed that it was necessary for the Priština side to fulfill its part of its obligations, but that Belgrade should fulfill its commitments, regardless of the progress made by Priština, given the EU requirements involved in Serbia's accession process.¹¹

As for recognizing pre-university education diplomas, as agreed under the Operational Conclusions, this process has not yet been initiated by the EU due to the lack of funds.

In the upcoming period, the Serbian side expects the EU facilitators to exert pressure on Priština to unblock the implementation of all the agreements reached on this issue, that is, to recognize the degrees of all Universities accredited in the education system of the Republic of Serbia.

5. Freedom of movement

The freedom of movement regime continues to apply to six common crossing points and border crossings, as follows: Batrovci-Bajakovo (to the Republic of Croatia), Šid-Tovarnik (to the Republic of Croatia), Horgoš-Reske (to Hungary), Kelebija-Tompa (to Hungary) Gradina-Kalotina (to the Republic of Bulgaria), Presevo-Tabanovce (to the Republic of Macedonia), Nikola Tesla Airport in Belgrade and Konstantin Veliki Airport in Nis.

Upon reaching the Agreement on Finalizing Implementation of the Freedom of Movement Agreement made in Brussels on 14 September 2016, Belgrade fulfilled its part of

¹⁰ Under the Conclusions on Mutual Recognition of Diplomas based on the original 2011 Agreement, the parties agreed to exchange their list of accredited universities. The exchange of the list was confirmed by the Operational Conclusions of the Task Force on Diplomas. The exchange of the list of accredited universities has been conducted in order for each party to have a list of universities of the other party from which the diplomas for recognition are received. In this connection, we say that Priština refuses to recognize the diplomas of all universities in Serbia, as well as the University of Priština with temporary headquarters in Kosovska Mitrovica.

¹¹ The application of the Diploma Agreement is indicated as one of the transitional criteria in the Chapter 35 in the process of Serbia's accession to full EU membership.

its obligations by mid-November 2016, but the implementation of the solutions reached was postponed at Priština's request and owing to its unwillingness to comply with its commitments within the agreed deadlines.

Re-registration of vehicles to the license plates issued by the PISG in Priština is yet to be initiated, since its start date was not agreed within the framework of the Brussels Dialogue, despite the fact that the Administrative Instruction on registration of vehicles with KS tables was adopted in March 201, nor have the side reached any agreement regarding the adopted Administrative Instruction. The main objection by the Serbian side is that the Administrative Instruction contains provisions that create unfavorable conditions for those owners of vehicles who might choose to perform the re-registration.

Given that the re-registration has still not started, the police directorates of the Ministry of the Interior of the Republic of Serbia, temporarily dislocated to Central Serbia from Kosovo and Metohija, continue to issue license plates to inhabitants from the territory of Kosovo and Metohija.

In addition to the above, during this reporting period Priština continued to apply unilateral measures that seriously jeopardize the implementation of the Freedom of Movement Agreement. Priština continues to implement measures that have been in place since April 2017 concerning the prohibition of the use of ID cards issued by the dislocated police directorates from AP Kosovo and Metohija, as well as prohibited crossing of the border crossings to Macedonia and Montenegro for persons holding passports issued by Coordination Directorate of the MUP of the Republic of Serbia. Priština has been engaged in these measures despite the fact that neither the Freedom of Movement Agreement nor any other document limit the right of the displaced police directorates of the Republic of Serbia to issue ID cards to persons. In addition, use and validity of passports issued by the Coordination Body is not an issue defined by the Freedom of Movement Agreement, nor did the parties discuss the issue at all in the Dialogue.

Also continued is the implementation of the measure which started in late August 2017, when Priština, using their Liaison Officer, requesting from our party that the lists of internally displaced persons and pilgrims travelling to the AP Kosovo and Metohija should, from that point on, include additional information (father's name and the date of birth of every individual) when announcing their visits, which has not been envisaged by any of the agreements.

In addition, Priština insists that those who do not fall under the Agreement on Official Visits, should hold a travel order when crossing the administrative line, which also represents a violation of the said agreement. Representatives of the Priština institutions exercise special control measures at the CCP's related to the officials of Belgrade institutions, as well as to other persons coming from central Serbia.

Serbian side repeatedly pointed out to the EU facilitators that the implementation of these measures constituted the violations of the Freedom of Movement Agreement and that such a unilateral approach to the issues significant for both parties, points to an unacceptable attitude towards the arrangements reached.

When it comes to the abuse of the right to freedom of movement, we emphasize that during this reporting period, a total of 150 persons with the place of residence in AP Kosovo

and Metohija were prevented from illegally crossing the state border.¹² There was also a criminal complaint filed for the perpetrated criminal offense of the “unauthorized crossing of the state border and the smuggling of persons”, as per Article 350 of the Criminal Code of the Republic of Serbia.

It is expected that all these problems stemming from the unilateral actions taken by Priština would be resolved in the forthcoming period, in order to apply the Freedom of movement Agreement consistently.

6. Regional representation

During the reporting period, Belgrade remained firmly committed to further the progress in all forms of cooperation in the Western Balkans. To this end, the Republic of Serbia, as a responsible party in the process of Dialogue, continued to fully observe the provisions of the Agreement on Regional Representation and Cooperation, concluded on February 24, 2012.

In this regard, representatives of Belgrade and Priština have participated in meetings of numerous regional initiatives and organisations, such as: the Regional Cooperation Council (RCC), the Western Balkans Fund, the South-East Europe Cooperation Process (SEECP), the Energy Community, the Migration, Asylum, and Refugees Regional Initiative (MARRI), and the Regional Youth Cooperation Office (RYCO). In addition, during the reporting period representatives of Belgrade and Priština participated together in the format of “Western Balkan Six Initiative” and in regional processes “Brdo – Brioni” and “Berlin Process”.

During the reporting period, Belgrade’s constructive approach facilitated participation of representatives of Priština in the managing bodies of various organizations and initiatives, pursuant to the Agreement. Accordingly, Priština is going to chair the SEECP for 2019-2020, the Western Balkans Fund, and the Regional Youth Cooperation Office.

On the other hand, even though Kosovo* has assumed the chairing of *CEFTA* including the duty to cooperate constructively with all signatories thereto, Priština took to introduce 100% customs duties on products coming from Central Serbia and Bosnia and Herzegovina, which is in stark contravention of the Agreement and the Chair’s duties. In addition to increasing the customs duties, Kosovo* also requires the manufacturers to insert the wording “the Republic of Kosovo” into invoices accompanying the goods entering Kosovo and Metohija, in part designating the location of company recipient/sender of the goods, instead of using the status-neutral designation of “Kosovo”. Such conduct is unacceptable vis-à-vis two signatory parties because it goes contrary to the principles of good regional cooperation - which is pivotal for the EU accession process and contrary to the principle of free trade - which is the purpose of this Agreement. This is particularly so when knowing that it is not Kosovo* but rather UNMIK on behalf of the PISG in Priština who is a signatory of this Agreement; therefore, Priština’s conduct is devoid of legal grounds, and, on top of this, it creates a problem for UNMIK as true signatory of this document.

¹² Using other people’s travel documents in the section of the state border between Hungary and the Republic of Croatia, as well as at the exit from the Republic of Serbia, whereby, most often are abused the travel documents of the Republic of Serbia and Hungary; by means of falsification of travel documents; illegal crossing of the state border on the green line and by avoidance of the border control.

In the coming period, as well, Belgrade will remain committed to the implementation of the Agreement on Regional Representation and Cooperation and to participating in the processes contributing to the stability of the region.

7. Integrated Boundary Management (IBM)

The Republic of Serbia fully observes the agreed Conclusions on the IBM and the Technical Protocol on the IBM Implementation.

The functioning of all six common crossing points (CCPs) along the administrative line is successful, and Belgrade is undertaking all necessary measures to enable functioning of all crossing points and to increase the efficiency of the associated services.

After two IBM Implementation Group meetings were held on February 26 and March 12, where conclusions were reached to be implemented on the ground, progress was not made due to non-compliance with the provisions foreseen by the First Agreement by Pristina. The meetings at the central, regional and local levels, as well as meetings of the IBM Implementation Group in Brussels, were discontinued. However, it continued with solving all the technical problems necessary for the work of all employees at the crossings, which are under the jurisdiction of the Republic of Serbia. Among important information regarding the functioning of the CCP's we select the following:

- The harmonized veterinary certificates are functioning smoothly. Two groups of certificates were approved during this reporting period: the certificates for breeding goats and sheep, on July 18, 2018 and the certificates for the shipping of live fish, fish young and fish roe on August 27, 2018. There is still no progress on harmonizing the Milk and Dairy Products Certificate and Certificate on Meat (the meat of goat and sheep, pig and poultry, which remained unharmonized due to outbreak of lumpy skin disease in the region in 2016) and Meat Products, as well as the Certificate for Breeding Cattle (which remained unharmonized along with Certificates for Livestock due to the outbreak of the "blue tongue" in the region);
- The harmonized phytosanitary certificate are successfully applied at all common crossing points with commercial traffic. Still functioning is the phytosanitary inspection present at the CCP Končulj on Mondays and Saturdays from 6:00 to 9:00 am, in addition to Tuesday and Thursday. Still pending is resolution to problems of banning the import of grapevine planting material from central Serbia and the registration and distribution of plant protection products made in central Serbia and distributed to the territory of Kosovo and Metohija;
- The SEED technical group, facilitated by the EULEX is operating smoothly.
- Works on the establishment of new and reconstruction of the existing crossing points falling under the jurisdiction of Belgrade, have been suspended until Priština has fulfilled the provisions foreseen by the First Agreement.

During this reporting period, the Priština side has repeatedly violated the Customs Agreement, the Customs Stamp Agreement, the Nordic Fund Agreement, as well as regional CEFTA agreements and the Regional Economic Area Action Plan, as discussed in the previous chapters.

8. Official visits and Liaison Officers

During this reporting period Priština continued to frustrate full implementation of the Agreement on Official Visits by preventing visits of Belgrade officials to Kosovo and Metohija although announced in compliance with the provisions of this Agreement.

In the same regards, Priština has not yet suspended its decision on banning the entry of Ministers of the Police and of the Defense of the Government of Serbia. Consequently, on 28 June 2018 they once again turned down Minister of Defense of the Government of Serbia Aleksandar Vulin to visit Kosovo and Metohija. Two months later, on 5 September 2018, they refused a visit of Director of the Office for Kosovo and Metohija, Marko Đurić. Both visits were announced duly and in compliance with the provisions of this Agreement.

Priština also prevented President of Serbia Aleksandar Vučić, during his visit to Kosovo and Metohija on 8-9 September 2018, to visit all sites listed in the previously approved itinerary. The Priština side offered no explanation for such conduct, save for a high official's statement to the media claiming that at certain locations the conditions were not sufficiently safe for a visit by President Vučić.

We especially underline that, following the introduction of 100% customs duties to the imports from Central Serbia to Kosovo and Metohija, Priština flatly refused to guarantee the safety to Belgrade's Liaison Officer within the EU Mission in Priština. Namely, Mr. Dejan Pavićević was denied police escorts in the course of his regular activities of visiting Serbian enclaves south of the Ibar River, which amounts to a blatant violation of the provisions of the Arrangement on Liaison Officers and, thus, substantially impedes day-to-day activities of the Liaison Officer in Kosovo and Metohija.

We also stress the notices of "to-be-arrested lists" of highest ranking Belgrade officials should they attempt to cross the administrative line, made for the Priština-based media by Priština's highest officials and repeated on multiple occasions. In reference to this, Belgrade officials have openly informed the EU facilitators that, if such announcements materialize, Priština would blatantly violate the Agreement and render the entire Dialogue process meaningless.

Notwithstanding the above, over the previous period 16 visits of Belgrade officials were successfully conducted in line with the provisions of the Agreement, as well as 19 visits that do not fall under the regime of the Agreement on Official Visits but still require coordination by the Liaison Officer¹³.

E) Other topics

1. Collection of Customs Duties

The Republic of Serbia fulfills the assumed obligations and collects all duties in accordance with the Customs Agreement.

However, over the previous period, the Priština side has repeatedly violated Article 1 of this Agreement providing that all goods irrespective of type, quantity and value will be entering

¹³ These 19 visits were organized by religious societies, by associations of internally displaced persons, journalists, etc.

Kosovo* via CCPs Rudnica/Jarinje and Brnjak/Tabalije. This has to do with increased customs duties to 100% as of November 21, and request to use “Republic of Kosovo” as description of destination on invoices accompanying the goods entering Kosovo and Metohija.

Also unresolved is a specific problem that causes Priština by determining the customs values at the CCPs Rudnica/Jarinje and Brnjak/Tabalije centrally and during daylight only. At the latest meeting of the IBM Implementation Group held in Brussels on March 20, 2018, the Serbian side requested that the clearance of goods at these two CCPs should go on until 20:00 (not in daylight only) for goods that do not require a large number of declarations, or no additional phytosanitary or veterinary checks, all in line with the Technical Protocol on the Implementation of the Conclusions on IBM, which defines that the customs service operates 24/7.

2. Development Fund for the so-called north of Kosovo

Following the expiry of four-year mandate to a representative of the Serbian community in the Development Fund for the North AP Kosovo and Metohija (the Fund), on March 12, 2018, Ljubomir Marić was elected a new member.

In the reporting period were approved several projects aimed at supporting socio-economic activities in the four municipalities in the north of AP Kosovo and Metohija:

- For the Municipality of Zvečan were approved € 460,685 for a drinking water reservoir and €168,000 for the reconstruction of the Karađorđeva Street;
- For the Municipality of Zubin Potok were approved € 1,156,151 for the project of Kovače-Previja road construction and € 1,367,197 for the concept projects of construction of a sports and recreational zone;¹⁴
- To the Municipality of Leposavić was disbursed € 400,000 for subsidies for growing raspberries. The proposal for reconstruction of an elementary school valued € 385,000 was approved (the project should be finalized until the next Board meeting). The proposal for drafting Municipal planning and project documentation valued € 400,000 was approved (now the project ought to be developed). Also approved was the proposal for the construction of local roads valued € 3,568,700¹⁵.

In addition to the above, there are projects approved in March and April 2018, whose implementation has been ongoing during the reporting period:

- The project of supplying electric energy to the Savina Stena regional landfill, for which the funds were approved on 12 March 2018 and disbursed to the Municipality of Zvečan on 21 June 2018;
- In the meeting of 3 April 2018 was approved the second phase of construction of an indoor pool in Zubin Potok, in the amount of € 498,078 and the procedure for selecting the contractor is underway;
- The projects for completion of the Sports Hall and the Fire Brigade Station in the Municipality of Mitrovica North were returned to the Municipality to supplementing, with a request to perform a market analysis. The Serbian member in the Fund voted

¹⁴ Until the next Board meeting, it is necessary to allocate disbursement of funds for these two projects within dynamics of up to 500,000.00 EUR per budget year

¹⁵ What ought to be done now is to develop project documentation for each roadway and determine the funding plan.

against this decision, deeming the remarks to be unfounded, and insisted the projects should be approved, which was recorded in the minutes from the meeting. On 31 July 2018 the matter of completion of the Sports Hall and the Fire Brigade Station projects in Kosovska Mitrovica was re-evaluated and the completion of funding these two projects was approved, in the amount of € 499,099.

At the request of the EU Office upon the recommendation of the Office of the Auditor General noting that the quality of the projects is not at an adequate level, it was decided to establish the Project Bureau tasked with developing project documentation for the four Municipalities. To this end, the Municipality of Zubin Potok will implement a 6-month duration pilot project, after which will be decided on its further tasks and the manner of financing it.

On 31 July 2018 was held an informative meeting of the Fund, also the last one during this reporting period. The key topic was the inflow of revenues into this Fund, upon request of the Serbian member, in view of the current trend of linear decreasing of income. In this meeting was decided that so-called Priština's Ministry of Finance compiles a detailed report thereon, in order to identify the causes of this decline.

According to data from the so-called Priština's Ministry of Finance, the Fund presently has € 3,811,696.

We recall that Priština's act of increasing customs duties for 100% for the goods from the Central Serbia of 21st November 2018 had the effect of halting implementation of Point 9 of the Conclusions of the Customs Working Group Chair of 2013, which stipulates that customs and excise revenues and the VAT-based revenues levied at the CCPs Jarinje and Brnjak are to be transferred to the account of the Fund. Given that said customs measures effectively disabled import of goods from the Central Serbia, the operation of the Fund is thereby endangered due to lack of customs and excise duties and the VAT-based revenues from those CCPs.

3. Vehicle insurance

The Memorandum of Understanding in the area of vehicle insurance¹⁶ has been implemented relatively successfully during the reporting period, too.

Now that the so-called Kosovo Insurance Bureau (*KIB*) after more than two years, has appointed correspondents for analysis, processing of claims, and disbursement of damages in the area of Kosovo and Metohija, insurers of both sides have established direct mutual cooperation for the purpose of protecting own interests which, during the reporting period, has been functioning smoothly.

However, no conditions have been ensured yet for the establishment of the insurance policy electronic verification system along the administrative line, so insurance policies are still inspected only visually¹⁷. The Serbian side expects that in the coming period will be established a system of electronic verification of insurance policies.

¹⁶ The MoU allows mutual recognition of insurance policies for all vehicles entering the territory of Central Serbia from the territory of Kosovo and Metohija, and vice versa. Memorandum was concluded on June 23, 2015 between the Association of Insurers of Serbia (UOS) and the so-called Kosovo Insurance Bureau (*KIB*), and became effective on August 12, 2015.

¹⁷ The system of electronic verification of insurance policies would provide more safety in the event of damage compensation and reduce the possibility of vehicle smuggling.

4. Free trade

In principle, free trade between Belgrade and Priština has been conducted in line with the Central Europe Free Trade Agreement (CEFTA). Crucial for this is also the Customs Stamp Agreement and the Technical Protocol on Implementation of the *IBM*, within which was concluded the Agreement on Customs.

Within the previous period, the economic cooperation between Belgrade and Priština has been mainly reduced to the sale of goods, to the benefit of the Central Serbia and generating a significant surplus during the reporting period. Main products sold from Central Serbia to Kosovo and Metohija were food products and beverages, chemicals and chemical products, agricultural produce and oil derivatives, whereas mainly sold from Kosovo and Metohija to the Central Serbia were basic metals, recycled stuff, agricultural produce and beverages.

However, over the past period, Priština made several gross violations of the *CEFTA* Agreement and eventually put the trade exchange with Belgrade almost to a stop. Priština's decisions of November 2018 have effectively disabled Serbian economic operators to place their goods in the area of Kosovo and Metohija, thus directly undermining the existence of the Serbian people in that area.

For these reasons, Belgrade addressed representatives of *CEFTA*, the EU, the USA and Germany, requesting the abolition of those measures and the observance of the *CEFTA* Agreement as well as other agreements such as MAP REA and the Stabilization and Association Agreement with the EU, whereby Priština committed to promote free trade and regional cooperation.

5. Bridge and the Peace Park in Kosovska Mitrovica

During the reporting period the end-phase construction works on the main bridge and its surroundings in Kosovska Mitrovica were successfully completed, just like construction works on transforming the Kralja Petra Street into a pedestrian zone. Thereafter, in September, all facilities were handed over by contractors engaged to work thereon to the Serbian side and the EU as the investors. In technical terms, the only remaining tasks necessary for the opening of the bridge and the pedestrian street together with the adjacent facilities, is to resolve certain details concerning the use of specific facilities, such as to regulate the matter of expenses for electric energy required for the functioning of the retractable bollards at the beginning of the Kralja Petra Street, and also to have the Serbian side and the EU set the date of the simultaneous opening of the bridge and the pedestrian street.

However, according to the agreements governing the bridge and its surroundings, the talk on the date of commissioning said facilities has to be preceded by conducting the administrative delineation between Mitrovica North and South in the area of the village of Suvi Do. Ever since conclusion of the Agreement on the Bridge on 25 August 2015, Priština has unrelentingly refused to talk about it, claiming instead this to be its "internal matter", even though the Agreement of 2 August 2016 clearly stipulates that the solution of this problem is a prerequisite for the simultaneous opening of both the bridge and the pedestrian street.

During the reporting period, the Serbian side has been alerting the EU facilitators that such unacceptable conduct of Priština hinders the completion of the implementation of the Agreement on the Bridge. Therefore, the EU facilitators were requested that the delineation of

Mitrovica North and South in the area of Suvi Do is effected pursuant to Article 3.3 of Priština's Law on Municipal Administrative Boundaries, which clearly sets forth that the border between the two municipalities will be "a line drawn over the cadastral zone Suvi Do" which, according to this Law, is a part of Mitrovica South. In support of its claims, the Serbian side consistently explains to EU facilitators that Priština has effectively performed this delineation in the run-up of the 2017 parliamentary elections, by having included the Serbs from the Serbian part of the village into the voters list of the Municipality of Mitrovica North, and the Albanians from the Albanian part of that village into the voters list the Municipality of Mitrovica South. Given that such a decision is in line with our side's demands, EU facilitators were requested, as the guarantors of agreement under the Dialogue, to ensure that this factual delineation gets formally transposed into the relevant regulations.

During the reporting period was held a single meeting, organized on 2 October by EU facilitators but without inviting the Belgrade representatives in their capacity of a signatory party. In this meeting participated Mayors of Mitrovica North and South but failed to make any progress and any agreement in terms of resolving the problem of delineation in the area of Suvi Do village. Quite the contrary, the meeting was marred by open threats of violence by Agim Bahtijari, Mayor of Mitrovica South, who demanded an imminent and unconditional opening of the bridge, threatening the Serbian representatives that, otherwise, he would himself personally organize and lead a violent crossing of the Albanian extremists over the bridge and beyond, towards the north of Kosovo and Metohija.

Although the threats did not materialized thanks to a successful intervention of our side with EU facilitators, the Priština's side kept abusing the matter of the bridge and the relations between Mitrovica North and South to intimidate the Serbs in the North of Kosovo and Metohija. To this end, from the latest decision of the Mitrovica South Municipal Assembly of 30 November 2018, on the so-called unification with Mitrovica North, it may be clearly inferred that Priština has no intention to fulfill its share of obligations stemming from the Agreement on the Bridge. Instead, Priština's side thereby signals its only intention is to intimidate citizens of Serbian nationality, not only those in Mitrovica North but all of them in the North of Kosovo and Metohija. Taking into account a high level of concern for the safety of Serbs in the Province, and the destabilizing potential of the opening of the bridge and delineation of Mitrovica North and South in the Suvi Do area, the Serbian side will in the future continue to insist upon necessity of, and urge EU facilitators to ensure, full observance of all provisions of the Agreement, which in the first place has been concluded with the aim of stabilizing the security in the bridge zone and Suvi Do area.

6. Civil protection

Full implementation of the Agreement on the Integration of Civil Protection (CP) has not yet been achieved due to Priština's refusal to fulfill the assumed obligations.

Namely, in spite of our side's years' long urging EU facilitators to the effect that Priština remedies the existing problems, disburses unpaid salaries to all integrated employees of the former CP and ensures they have the office space, there are still 164 (33.95%) of them who did not receive one or more salaries from the beginning of integration back in 2015, and there are still 314 (65.01%) of them who still have no working premises in the North of Kosovo and Metohija as provided for under Article 2 of the Agreement. In the past, Priština exploited the lack of working premises as a pretext to deploy the integrated persons of the former CP south of the Ibar.

Over the previous period, Belgrade has been repeatedly intervening with EU facilitators to exert influence on Priština to fulfill the above obligations but, so far, nothing was done to resolve these problems.

7. Agreements and the dialogue between the Chambers of Commerce

In the previous period, the Serbian Chamber of Commerce and the Kosovo* Chamber of Commerce continued to hold regular meetings discussing modalities for advancing economic cooperation. The cooperation between the two chambers is based on the Memorandum of Understanding signed between SCC and KCC on 24 July 2013, and the Annexes on Arbitration in case of disputes, and on institutional capacity building.

The dialogue between the chairpersons of six chambers of commerce mainly unfolded within the activities related to the Western Balkans 6 initiative. A meeting of the Steering Board of the Chambers' Investment Forum of the Western Balkans Six (WB6) was held on 29 June 2018, in Podgorica, in which a proposal was made to establish regional ministries in all WB6 signatories in order to accelerate implementation of the procedures making the region more competitive on the global investment map, and thus ensuring the necessary economic growth, stability and development. The subsequent meeting of this Board was held on 25 October in Budva, with representatives of the Chambers of Commerce of the West Balkans Six talked about the future projects of interest for the entire region.

Two Chambers of Commerce tried to contribute to identifying the solution for the problem created by increasing the customs fees by the so-called Kosovo Customs on goods coming from the Central Serbia into the area of Kosovo and Metohija.

Conclusion

As can be inferred from the preceding chapters, during this reporting period the Dialogue has suffered the hardest yet systematic blow, ever since its beginnings in 2011. And while this assessment, reiterated on several occasions by the highest state leadership of the Republic of Serbia, has been contested by certain circles, it is difficult to deny this view objectively speaking knowing that Priština has undertaken within this period a host of measures which are not only contentious, but have directly eroded mutual trust, and which stand contrary to the notion of dialogue and reaching mutual consent.

Such conduct is by all means a key reason for the absence of any substantial results in the Dialogue during this reporting period. Further, it is obvious that this conduct of Priština has its roots in strong antagonism among the political elites within the Albanian community in the Province, whose termination is nowhere in sight in the foreseeable future. Hence, and devoid of any intention to influence in any manner the choice of the Albanian political elites, Belgrade cannot help noticing that the described cleft in the Albanian political corps in Priština, both within the governing structures and in terms of relation between the government and the opposition, is an objective obstacle to the quality participation of Priština in the negotiation process and thus calls into question its partner-wise credibility for the implementation of the reached agreements.

Belgrade holds that all parties to the Dialogue, as well as the wider region and the entire international community, would substantially benefit if the political turmoil in the Province would be allowed to unfold hereafter without undue politicization of the Dialogue, and the

irresponsible threats of armed conflict, whenever a solution identified under the negotiation process displeases Priština. In the context at hand, one cannot help observing that political representatives in Priština have endorsed completely absurd positions that reject the implementation of the agreed solutions Priština had insisted on, but at the same time also refuse the possibility of applying hypothetical solutions for the status of the Province that it finds inappropriate, but which have been a matter of an open discussion by the international public in the previous period. The same formula is also used to accuse Belgrade of aggression, while it is the Serbs in the North of Kosovo and Metohija who are being threatened with widespread use of long guns by various paramilitary and para-police forces.

Having in mind the foregoing, it is hard to avoid an impression that a wider framework of the spirit of dialogue has waned from the radar of certain powerhouses in Pristina. It is useful, hence, to recall that the process is unfolding under the mediation of the EU as so mandated by the United Nations whose SC Resolution 1244 remains the one valid international legal framework for the status of the Province. To this end, one could hardly expect that the negotiation process in itself will be capable of producing any result without prior implementation of what was agreed in the Dialogue and under avoiding to rescind the decisions that are in direct contravention with SC Resolution 1244, such as the one on an unlawful creation of the so-called Kosovo armed forces. Regretfully, the proof that best corroborates this evaluation is the previous reporting period.

On that note, the Serbian side holds that in the future it is more than necessary to avoid the practice of linking the fate of the Dialogue with issues which are not part of that process. This necessity was underlined by Priština's unsuccessful attempt to join INTERPOL and UNESCO, for which the blame was put on Belgrade despite the fact that Belgrade had continuously appealed to Priština to refrain from resolving such issues outside the Dialogue, and instead to openly tackle all of these in the very format of the Dialogue.

Under the described circumstances, the first victims of the negotiation process failure during the reporting period, sadly, were the Serbs living in Kosovo and Metohija. The Serbian people again became involuntary hostages of the leading Albanian politicians in Kosovo and Metohija, where the latter perceive the Dialogue solely as an instrument for attaining international subjectivity of the so-called Republic of Kosovo, and deem that the lives and position of Serbs can be used as a sort of "trump card" vis-à-vis Belgrade and the international community. Hence, as corroborated by the entire previous experience of the Dialogue, these leaders at best ignore the existence of Serbs and their legitimate political representatives, and themselves assume the obligations concerning the rights of Serbs that they simply do not intend to carry out. Instead, they often abuse their failure to comply with their undertaken obligations as a valid argument for insisting on negotiations and on reaching fresh new agreements.

The foregoing has brought us into an unacceptable situation that the Serbs in Kosovo and Metohija still do have the Community of Serbian Municipalities, as an institutional framework enabling them to protect their special collective rights, now over 2,000 days since Priština first assumed this obligation in Brussels. As a consequence of their inability and absence of an agreed institutional "umbrella" for their protection, during the reporting period, too, the Serbs have been exposed to high-intensity verbal and physical violence by extremist members of the Albanian majority. This statement logically stems from the data presented in this report, which indicate an increase in the number of ethnically motivated attacks against the Serbs by almost 50% relative to the previous period (during this period were registered 42 such incidents, relative to 30 each recorded in two previous reports).

Although the only substantially relevant outcome of the Dialogue that was attained during this reporting period concerns the Community of Serbian Municipalities, Belgrade expresses utter disappointment with the fact that Priština had absolutely no part in it. Moreover, Priština keeps refusing to apply the vital part of the First Agreement providing for the establishment of the Community of Serbian Municipalities in Kosovo and Metohija, due to which its share in achieving said outcome, in essence, has had a negative value. This outcome was solely the result of the hard work of the Management Team for the Establishment of the CSM, which managed to complete the drafting of the CSM Statute within the set deadline and on 9 August officially informed the EU thereon. Although this document, according to the relevant agreements, should have been presented to the implementation committees of both sides, and prior to that in the framework of the High-Level Dialogue, it still remains not presented to any party because Priština refused to take part in the meeting of the implementation committees.

The second outcome of the Dialogue worth mentioning, achieved during this reporting period, are the successful completion of construction works on the bridge over the Ibar River in Kosovska Mitrovica and the transformation of Kralja Petra Street in Mitrovica North into the pedestrian zone. Regrettably, this achievement remains “hollow” because Priština keeps refusing to perform delineation of North and South Mitrovica in the area of Suvi Do village and this, according to the Agreement, is a prerequisite for the Serbian side and the EU, both being solely responsible for matters of the bridge and the pedestrian street, to commence talks about the date of the synchronized opening of both facilities. Belgrade wishes to believe that Priština will finally and soon enough agree to discuss the demarcation and to responsibly respond to the hounding of certain irresponsible politicians in Mitrovica South who are ominously threatening a forcible opening of the bridge and “unification of Mitrovica”.

We recall that in almost each of its previous reports, Belgrade warned of the dangers from violations of the Police Agreement in the context of unlawful incursions of Priština para-police units into the area of responsibility of the KP Regional Directorate - North (RDN). The relevant previous warnings again proved accurate in this reporting period in which, on two occasions, arose situations that almost went out of control. Therefore, the Serbian side reiterates the First Agreement prohibits the presence of Priština special units in the RDN area of responsibility without knowledge of the regional commander and without prior approval of NATO and the official Serbian representatives from the North of the Province. Belgrade also emphasizes it will not give up the requirement that the composition of the Police in the North of Kosovo and Metohija should reflect the ethnic structure of the region, where live 95% of Serbs, and that Priština should integrate remaining 111 former employees of the MIA of the Republic of Serbia, as clearly required by the First Agreement.

The coming period will give Priština a chance in the area of justice to try to prove true its allegation that punitive measures against Belgrade have no effect on its commitment to fulfill the hitherto obligations under the Dialogue. Although this allegation, basically, is an absurd one due to the fact that, by its introducing customs duties on the goods of Serbian origin, Priština does violate the Customs Seal Agreement and the Technical Protocol on the Implementation of *IBM* within which the Customs Agreement was concluded, Belgrade hopes that Priština will finally bring to an end its violation of the Agreement on Judiciary through its attempts to restrict the jurisdiction of the Department of the Appellate Court in Mitrovica in cases referred to it by the first-instance courts in all Serb-majority municipalities in Kosovo and Metohija. We also hope that Priština will accurately implement the provisions of the agreements concluded within

the Dialogue, in order to implement the Agreement on Judiciary in its entirety and thus enable the establishment of an efficient and operational judiciary in the Province.

In its turn, Belgrade emphasizes that it remains fully committed to the implementation of agreements regarding energy. To this end, Belgrade believes there is no rational reason why should Priština keep trying to shift the topic of energy outside the framework of the Dialogue, for which it regrettably enjoys support of certain circles within the mediator party. Years of Priština's unsuccessful attempts to elevate its transmission system operator into a separate control area could be overcome within a timeline of its choice. For this, it is only necessary for Priština to act in accordance with the reached agreements and with Article 16 of the Agreement on Connection so to enable the registration and licensing of Serbian energy companies in Kosovo and Metohija¹⁸.

Besides this, the Serbian side calls on Priština to adhere to all other agreements and to rescind its hitherto actions and procedures taken in contravention to the concluded agreements, especially in terms of the Agreement on Cadastre and the Agreement on Official Visits, where within the latter it has unlawfully imposed a permanent ban on the entry into the Province for certain Serbian officials.

While understanding the intricacy of the position of the mediating party, which came under Priština's public attacks aimed at destroying the Dialogue, Belgrade nurtures a belief that the Union is sufficiently determined not to allow the grand European project lose in any segment its credibility and permanence in the Western Balkans due to pressures and the blackmails coming from an irrational part of the Priština's elites.

Only such EU's determination can lead to a situation whereby Priština is soon enough brought to reason so to abandon its present policy of confrontation and of isolating itself and its population. Whenever this change occurs, and we are confident it eventually must, because dialogue is the only feasible way to resolve open problems, Priština and the EU may rest assured that Belgrade will be sitting at the other side of the negotiating table, as an entity that will continue to act responsibly and rationally, within the limits of the policy that the Serbian state leadership presents in a transparent and clear fashion to all of their partners, to the national and international public. Therefore, it can be expected with certainty that in the future Belgrade is going to do everything within its power to help the Dialogue succeed, and to ensure a peaceful future of all people living in Kosovo and Metohija, other parts of the Republic of Serbia, and also in the entire Western Balkans region. To this end, Belgrade expresses a sincere hope that it will not remain alone on this difficult and uncertain path.

DIRECTOR

Dragan Vladislavljević

DIRECTOR

Marko Đurić

¹⁸ The Agreement on Connection was reached between the JP EMS and *KOSTT* within *ENTSO-E*. Article 16.1.b stipulates that the Agreement is to enter in force after the energy supplying license for the "Elektrosever" Company is issued and turned operational.