

10-2023

Kosovo-Serbia Dialogue: Development Fund for Municipalities in the North of Kosovo

Seb Bytyci

University of Winchester, Seb.Bytyci@winchester.ac.uk

Follow this and additional works at: <https://digitalcommons.unomaha.edu/id-journal>



Part of the [Ethics and Political Philosophy Commons](#), [International and Area Studies Commons](#), [International and Intercultural Communication Commons](#), [International Relations Commons](#), and the [Political Theory Commons](#)

Please take our feedback survey at: https://unomaha.az1.qualtrics.com/jfe/form/SV_8cchtFmpDyGfBLE

Recommended Citation

Bytyci, Seb (2023) "Kosovo-Serbia Dialogue: Development Fund for Municipalities in the North of Kosovo," *International Dialogue*: Vol. 13, Article 5.

DOI: <https://doi.org/10.32873/uno.dc.ID.12.1.1204>

Available at: <https://digitalcommons.unomaha.edu/id-journal/vol13/iss1/5>

This Discussion is brought to you for free and open access by the The Goldstein Center for Human Rights at DigitalCommons@UNO. It has been accepted for inclusion in International Dialogue by an authorized editor of DigitalCommons@UNO. For more information, please contact unodigitalcommons@unomaha.edu.

Discussion

Kosovo-Serbia Dialogue: Development Fund for Municipalities in the North of Kosovo

Seb Bytyci*

This article deals with the Development Fund for the northern municipalities, as a product of the Kosovo-Serbia dialogue. The existence of the Fund is largely ignored both by the parties and by the mediators, and there is little knowledge of it even by the citizens, although it is one of the pillars of the autonomy arrangements of the Kosovo Serbs.

THE EMERGENCE OF THE FUND

The Development Fund for the municipalities in the north of Kosovo is a fund that aims to support the socio-economic development and integration of the four serb-majority northern municipalities of Kosovo: Leposaviq, Northern Mitrovica, Zubin Potok and Zveçan. This is also known as the Development Trust Fund (DTF). The fund was created in 2013 as a result of the EU-mediated dialogue between Kosovo and Serbia, which began in 2011 and was aimed at normalizing relations between the two countries. The fund was the result of one of the agreements reached in the dialogue, along with agreements on other issues such

* **Seb Bytyci**, PhD, is a UK-based researcher focusing on institutions, international affairs and development. He has written on institutions in transforming countries, security sector reform and service provision of forced migrants in the Western Balkans and the developmental state. His most recent article was on State-building, nationalism and epic poetry in Albania, Kosovo and Serbia.

as freedom of movement, regional representation, integrated border management, telecommunications, and energy.

The fund is financed by the customs taxes collected at the border crossings Jarinje and Bërnjak/Brnjak, which are located in the north of Kosovo and connect it with Serbia. The fund offers grants for various projects¹ proposed by municipalities, such as infrastructure, social services, institutional capacity building, poverty alleviation, culture, sports and agriculture. The fund is open to applications from municipalities at any time, as long as there are sufficient resources available.

THE OPERATION OF DTF

The fund is managed by a Management Board led by the Special Representative/Office of the European Union in Kosovo.² Two other members of the Board are the Minister of Finance of Kosovo and a representative from the Serbian community from the municipalities in the north. This Board is responsible for determining strategic direction, approving projects, monitoring implementation and reporting results.

The sum of the DTF³ is an average of 2.55 million euros per year, based on data from 2013 to 2019, the last year for which data is available. Some examples of projects financed by the fund are: the expropriation of land for the construction of the new municipal building, the construction of the fire station, the establishment of the Regional Cultural Institute, assistance for small and medium enterprises and agricultural firms, the construction of a youth center and an indoor swimming pool, and the supply of a nursery.

According to a study from the INTER Institute,⁴ it can be said that the Fund has contributed to improving the quality of life of citizens in the four northern municipalities by providing better infrastructure, social services, raising institutional capacities and alleviating poverty. The fund has also supported the cultural and sports activities of the communities, as well as the development of small and medium-sized enterprises and agriculture. The fund has positively influenced the economic development of northern municipalities, especially in terms of opening new jobs, increasing income and improving competitiveness.

There are indications that the Fund has improved cooperation and trust between municipalities and central institutions, as well as between municipalities and the EU.⁵ The Fund has increased the acceptance of the agreements reached in the Dialogue mediated by

the EU between Kosovo and Serbia, especially in relation to the integration of civil defense, judiciary and police. The fund has also had a positive impact on the integration of the northern municipalities in the legal and institutional framework of Kosovo, as well as on the implementation of the agreements reached in the dialogue mediated by the EU between Kosovo and Serbia. Also, the Fund has increased the visibility of the EU in the northern municipalities and increased its credibility and legitimacy among citizens. Ironically, it seems, the EU gets more credit for the fund than the state of Kosovo.

Citizens' knowledge of the fund is not easy to measure, as there is no updated information on the level of knowledge and information of citizens in the four northern municipalities about the fund. In comparison, in Serbia approximately two thirds of citizens declare that they have no knowledge of the content of the dialogue.⁶

The DTF is not without its issues however, an audit from National Audit Office (NAO) showed that there are many problems in the functioning of the Fund.⁷ Some main problems are the lack of proper supervision, due to the lack of regular Board meetings and the lack of reporting. Also, NAO has found that municipalities were not very efficient in project implementation and in some cases not effective in making the finished projects available to service users. For example, citizens did not benefit from some projects even though they were completed, because they still did not have access to them. Other projects had not been completed within the deadlines, while some had not yet started to be implemented despite having the budget available.

There are also some other problems with the Fund. Due to the lack of transparency, it is not clear who exactly benefited from its projects. It is not known how much of the Fund's budget was available for access by businesses linked to parallel and criminal structures in the north, for example to implement capital investments. Additionally, there is no information about the inclusion and benefit of the communities that are a minority in those municipalities. Also, it can be questioned how developmental the approved projects really are.

THE FUTURE OF THE FUND

There are several possible ways to increase awareness of the Fund, such as creating an official website or social media page, organizing more public events and media campaigns to showcase the Fund's achievements and benefits to communities. Engaging more local

actors to participate in Fund activities and to disseminate information about the fund in their networks. And providing more transparency and accountability mechanisms for fund management and implementation.

There are also several possible ways to benefit from the Fund to achieve greater development. For example, expanding the scope and scale of the fund's projects, increasing the quality and sustainability of the fund's projects, and strengthening the coordination and synergy of the fund's projects. Municipalities should be encouraged to fundraise for other accompanying projects through the Fund's projects to increase their effect. It is also necessary to focus on projects that have a developmental nature and that bring new income to the citizens.

Depending on the progress of the negotiations, the amount and diversity of the Fund's resources may increase. This will depend on the nature of the "self-management" foreseen in the Brussels-Ohrid Agreement. In the future, it is likely that this fund will have a connection with "self-management" or the eventual Association of municipalities with a Serbian majority.

The fund should be used to improve inter-ethnic relations and help to achieve normalization between Kosovo and Serbia. This can be done by fostering multi-ethnic projects, as well as promoting more intercultural dialogue and exchange, encouraging more inclusion and social cohesion, fostering more trust and cooperation, and increasing awareness and understanding between different ethnic groups and communities in the northern municipalities, as well as with other parts of Kosovo. The very existence and influence of the DTF should be emphasized by the Kosovar side in the dialogue, so that this concession is not neglected. Otherwise, the DTF risks becoming yet another gain for Serbia through its strategy of "salami slicing." The neglect of this Fund by international mediators, during the continuous search for concessions from Kosovo, is worrying.

The fund is a valuable instrument for supporting the socio-economic development and integration of the four northern municipalities of Kosovo, as well as for advancing the process of dialogue and normalization between Kosovo and Serbia. The fund has achieved some important results and impacts, but it also faces challenges and has opportunities for improvement. But MDF needs more thorough and systematic evaluation, transparency, participation, and collaboration to ensure its impact.

NOTES

1. Press Release: 6.4 million EUR to the municipalities in the north from the North Kosovo Development Fund, INTER, 2016
2. EU Office in Kosovo Website (https://www.eeas.europa.eu/kosovo/eu-and-kosovo_en?s=321, last accessed on 03.08.2023).
3. 700,000 euro awarded to two projects in northern Kosovo municipalities from Development Fund (https://www.eeas.europa.eu/node/7235_en, last accessed on 03.08.2023).
4. Financial aid impact in the North Kosovo after the Brussels Agreement – do we live better? INTER, 2016.
5. Ibid.
6. A brief history of citizens' views on the dialogue between Belgrade and Priština. What has (not) changed? INTER, 2021.
7. Follow up audit of the DTF, NAO, 2020.