
ANALYSTS: KOSOVO, SERBIA CUSTOM AGREEMENT DETAILS UNCLEAR

- 23.01.2013

23.01.2013 SETimes The agreement hinges on the parallel institutions in northern Kosovo. Kosovo and Serbia reached a temporary agreement on the payment of custom fees in the northern part of the country, but the particulars are still hazy, according to analysts. Catherine Ashton, high representative of the EU for foreign affairs, who met with Kosovo Prime Minister Hashim Thaci and Serbia Prime Minister Ivica Dacic, said they had a "long and constructive discussion." "Building on the agreement on the integrated border management * the two prime ministers came to a provisional understanding on the collection of customs duties, levies and VAT," Ashton said. Thaci said the agreement will be based on Kosovo laws, and that the country will be one customs zone, instead of the current situation where Serbs in northern Kosovo do not pay custom fees. The agreement, part of the ongoing talks between Pristina and Belgrade, is an important stepping stone to the more controversial issue of the Serb-run parallel institutions in northern Kosovo. By tackling the sticky issues through the EU-mediated talks, Serbia is hoping to smooth its accession path to the union, while Kosovo is seeking autonomy and international recognition. "We will develop a fund for the north * Of course, the customs fees will be paid according to the standards defined by the constitution and Kosovo laws," Thaci told reporters after the meeting. "We agreed that the money from customs would go to a special fund formed under the auspices of the EU, which would be used for the development of municipalities in northern Kosovo," Dacic said, according to Belgrade-based B92. "It is a temporary solution and some technical details have yet to be worked out, but the agreement is in accordance with the national interest and view of the Kosovo Serbs, who do not want to pay customs fees to Pristina's institutions," Dacic added. But Belul Beqa, a professor at the University of Pristina, said there are different interpretations of what came out of the meeting. "Thaci says Kosovo laws will be implemented and Dacic says a special fund will be established in which customs and taxes will be paid in a special commercial bank to be defined by the EU and that it is being talked for a special status of the Serbs," Beqaj told SETimes. "We don't have acceptable evidence to see * the real agreement," Beqaj added. Mentor Vrajolli, of the Kosovo Centre for Security Studies, sees the VAT as an economic issue. "It is widely known that Kosovo's budget strongly depends on the custom incomes," Vrajolli told SETimes. Thaci and Dacic also discussed the parallel institutions in the north that are financed and supported by Serbia. Dacic said that the solution is to form new institutions in northern Kosovo that would be acceptable for Pristina and Kosovo Serbs. Vrajolli said any agreement reached on the parallel institutions needs to transform them into Kosovo legal institutions. "Indeed one of the biggest priorities for Kosovo government should be the transform these 'parallel structures' into legitimate ones. However it seems that this is not going to happen soon," Vrajolli told SETimes. Gerard Gallucci, a former UN Regional Representative in Mitrovica, said the really difficult issue, however, is the degree of Pristina's involvement in the local institutions in the north and in their links to Belgrade, including funding. "The Ahtisaari Plan allows a degree of involvement by Pristina -- the ability in effect to block funding or countermand local decisions -- that would

probably be unacceptable to the northern Kosovo Serbs," Gallucci told SETimes.

Kaynak/Source: