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MUNICIPAL BUDGETS IN NORTHERN KOSOVO: AGREEMENT, AT LAST

May 4th marked the end of a deadlock between Kosovo's four Serb-majority northern municipalities and the central government on the status of the municipal budgets in Zvečan/Zvečan, Zubin Potok, Leposaviq/Leposavić and Mitrovicë/Mitrovica North. The stalemate began on February 28th, after the municipalities failed to reach an agreement regarding the exact amount to be allocated to each municipality by the central government as part of the 2015 Kosovo budget. Initially, each municipality requested amounts that were deemed by the Ministry of Finance to be far in excess of their respective population size. Moreover, the requested amount was well above the budgets of other municipalities in Kosovo with similar population figures. The disparity between what was requested, and what the central government had allocated to each municipality was significant: Zvečan/Zvečan budgeted for €14 million, while being allocated €1.6 million; Zubin Potok requested €21.5 million, but €1.8 million was earmarked by the government; Leposaviq/Leposavić approved €11.5 million, while the government approved €2.3 million; and in Mitrovicë/Mitrovica North, the municipality requested €20 million, while the central government allotted €2.7 million to the municipality.¹ Due to the large disparities between the budgets at the municipal and central level, the government in Prishtina requested that each municipal assembly develop new budgets in line with the budget circulars set by the central government.² The Mayor of Mitrovicë/Mitrovica North, Goran Rakić, stated that the budget differences can be partly explained by the differing figures of population size between the local and central government.³ According to Rakić, the central government has found that the municipality has 12,000 inhabitants, yet the recent 28,000 voters in the previous elections indicate that the population is actually much higher.⁴ The varying numbers regarding population size are a result of the central government basing the population on the 2011 census, however many Serbs boycotted this census, making the numbers controversial. For more information on the 2011 Kosovo census and the figures of each minority community, please refer to our [analysis](#).

Rakić also noted that Mitrovicë/Mitrovica North is the only municipality in Kosovo lacking a municipal building, which should be taken into account when establishing the budget.⁵

¹<http://www.balkaninsight.com/en/article/prishtina-blocks-the-accounts-of-serb-municipalities>

²<http://www.balkaninsight.com/en/article/prishtina-blocks-the-accounts-of-serb-municipalities>

³<http://www.rts.rs/page/stories/sr/story/9/Politika/1705529/Raki%C4%87%3A+Mali+bud%C5%BEet+za+Severnu+Mitrovicu.html>

⁴<http://www.rts.rs/page/stories/sr/story/9/Politika/1705529/Raki%C4%87%3A+Mali+bud%C5%BEet+za+Severnu+Mitrovicu.html>

⁵<http://www.radiokim.net/vesti/politika/rakic-budzet-za-severnu-mitrovicu-nedovoljan.html>

Another stumbling block was the exclusion of health and education personnel working in schools and hospitals in the northern municipalities from the budget lines proposed by the municipalities; the Ministry of Finance asked the municipalities that they include each and every employee paid through the public budget—including personnel working in the public health and education sector, currently financed by the Republic of Serbia. Personnel working in the public health and education sector in the North of Kosovo, however, remain on the payroll of the Republic of Serbia. On behalf of the central government, Edita Tahiri, Minister for Dialogue, claimed that the “functionality of the municipal legal structures in northern Kosovo is hampered by interference from Serbia” and that their budget lines should fully correspond to the Kosovo standards.⁶

Representatives of the northern municipalities, on the other hand, chose not to include the salaries of municipal officials working in health care and education sectors, as they expected these wages would continue to be funded by Serbia through the Association/Community of Serb-majority Municipalities. They argued that until the financing of these sectors are regulated through the Association, it should not be included in the Kosovo budget of the relevant municipalities. The Head of the Municipal Assembly in Mitrovicë/Mitrovica North, Ksenija Božović, asserted that the municipal budgets in northern municipalities were developed in accordance with the Brussels Agreement and in the future should be conducted through the Association of Municipalities, once it is established.⁷

According to the Brussels Agreement, the Association of Serb Municipalities will have full overview over areas of economic development, education, health, urban and rural planning. However, the Agreement fails to specify whether the Association will have the authority to create municipal budgets,⁸ and existing Kosovo legislation does not allow the municipalities to transfer their competences in the areas of budgets and finances to any other authority, including a future Association of Municipalities. For more on this please refer to our latest [analysis](#) on possible competences and duties the Association of Serb Municipalities may have according to Kosovo law.

After prolonged discussions and following another round of meetings within the Brussels dialogue, the municipal budgets were modified to be in line with the legal framework and in accordance with the budgets designed by the central government. It is unclear whether these municipal employees will be paid only by the municipalities through their Kosovo-approved budgets, or whether they will continue to be funded by Serbia without Kosovo's assent.

ECMI Kosovo commends the consensus reached on the budgets, ending the two-month impasse, and encourages the local and central governments to work jointly and effectively to ensure that all communities are equally represented and receive appropriate funding. The question of the integration of health care and education in the North within Kosovo, however, remains unresolved and requires the full implementation of provisions of the Brussels Agreement, including also those that deal with the Association.

Finally, the Government of Kosovo should consider adapting or revising census results for the Serb community in Kosovo, taking into consideration the important steps toward the integration of the Serb community in Kosovo that have been taken since the last census in 2011.

⁶<http://www.dw.de/komunat-e-veriut-të-kosovës-refuzojnë-buxhetin-e-prishtinës/a-18287041>

⁷ <http://illyriapress.com/bllokohen-xhirollogarite-e-komunave-me-shumice-serbe-ne-veri/>

⁸<http://mm.primedb.net/projects/new-perspektiva/alb/?PostID=77>

POLITICAL UPDATE

About ECMI Kosovo

ECMI Kosovo is the principal non-governmental organisation engaged with minority issues in Kosovo, with the overarching aim to develop inclusive, representative, community-sensitive institutions that support a stable multi-ethnic Kosovo. ECMI Kosovo contributes to the developing, strengthening and implementation of relevant legislation, supports the institutionalisation of communities-related governmental bodies, and enhances the capacity of civil society actors and the government to engage with one another in a constructive and sustainable way.