



Decentralization of Dialogue in Kosovo:

The Role of Municipalities in the EU-Facilitated
Dialogue between Kosovo and Serbia

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1. Introduction

It often sounds like a cliché to say that municipalities are the first door where citizens can address their problems, but when taken seriously, this helps us understand the centrality of local governance and the way municipalities operate. The placement of a parking lot can affect the daily routine of a parent waiting for their child after school; the bus schedule can reshape how a working day is organized; or a few more or less seconds at a traffic light can prove decisive in an emergency. These seemingly small decisions illustrate the importance of municipalities in shaping citizens' everyday lives and their trust in institutions.

The same logic applies to interethnic coexistence: the way institutions function, how representative and present municipalities are in dialogue processes, how inclusive policies are designed and implemented, and the quality of municipal programs all have a direct impact on building trust and fostering cooperation between communities.

In the context of normalization between Serbia and Kosovo, however, the presence of municipalities at the negotiating table has always been absent. Although municipalities are the frontline of service delivery and citizen trust, they remain excluded from the EU-facilitated dialogue, the main channel for normalization between the two countries. Agreements often touch directly on municipal competences, such as policing, civil registries, and energy, yet municipalities are not visibly represented at the table.

The guiding question of this policy brief is therefore: To what extent have municipalities been present in the EU-facilitated dialogue, and what does their absence mean for implementation and legitimacy? This question is essential for advancing an inclusive and multiethnic society in Kosovo, as local actors stand at the frontline of interethnic relations. For citizens, municipal decisions are not merely technical; they shape daily life and perceptions of shared spaces and social security. For minority communities in particular, the functionality of these mechanisms is directly linked to fair representation and the protection of rights.

This policy brief argues that the decentralization of dialogue in Kosovo can serve as a genuine tool for integration only if the role and presence of municipalities are strengthened and directly represented in discussions between the two states. The international community especially the European Union as the main facilitator of the dialogue should ensure greater municipal involvement in the negotiation process. Bringing municipalities closer to the drafting of agreements would not only improve their practicality and enforceability on the ground but also strengthen the legitimacy of the dialogue by making it more responsive to citizens' everyday needs.

With respect to methodology, this policy brief relies exclusively on document analysis as its research method. The analysis covers both primary and secondary sources in order to trace how municipalities have (or have not) been included in the EU-facilitated dialogue and how their absence affects implementation.

- **Primary sources** include official agreements reached between Kosovo and Serbia from 2011 to 2023, as published by the European Union, the Government of Kosovo, and the Government of Serbia. In addition, EU press releases and statements from the European External Action Service (EEAS) were examined to capture the official framing of the dialogue process.

- **Secondary sources** consist of reports, policy papers, and analyses produced by civil society organizations and think tanks such as the Kosovar Centre for Security Studies (KCSS), Belgrade Centre for Security Policy (BCSP), the Balkans Policy Research Group (BPRG), Friedrich Ebert Stiftung (FES), and other relevant actors.

Together, these sources provide the basis for assessing both the formal role assigned to municipalities in dialogue-related agreements and the broader perceptions of their absence in shaping implementation and legitimacy on the ground.

2. Background / Context

The EU-facilitated Kosovo–Serbia dialogue, initiated in the early 2010s, has remained a primarily central-level process aimed at technical arrangements and gradual normalization, while the practical effects of agreements are largely implemented at the municipal level. The architecture and pace of the dialogue reflect the EU’s role as lead facilitator and the repeated pattern of technical agreements followed by uneven implementation on the ground. The long record of negotiated documents and their mixed implementation outcomes is documented in quantitative assessments that group Brussels documents and measure implementation rates across core issues.¹

Kosovo’s decentralization framework embedded in post-Ahtisaari reforms and subsequent law, gives municipalities substantive competencies (education, health, local planning and service delivery). Those competencies make municipalities the first implementers of many Brussels outcomes and therefore central to whether dialogue gains translate into everyday normalization.² The 2013 Brussels package planned the Association/Community of Serb-majority Municipalities (ASM/CSM) as an institutional mechanism for inter-municipal cooperation on areas such as education, health and economic development; however, disagreements over its mandate, scope and constitutional fit have prevented full implementation and left the ASM/CSM effectively unrealized in practice.^{3 4}

Analyses and public-opinion evidence show a persistent gap between central-level agreements and municipal realities. Citizens on both sides tend to support the concept of dialogue in the abstract but report little personal benefit and low familiarity with the content of negotiations, underlining that the dialogue is predominantly elite-driven and does not sufficiently reach or empower local actors.⁵ Civil-society surveys and trust-building research confirm that public perceptions, local legitimacy of municipal officials, and the presence (or removal) of parallel, externally financed structures shape how dialogue outcomes are experienced and implemented at local level.⁶

Municipalities in Serb-majority areas, especially the four northern municipalities (North Mitrovica, Leposavić, Zubin Potok, Zvečan) have been focal points for implementation problems and contested authority, as both Prishtina and Belgrade have political

1 <https://library.fes.de/pdf-files/bueros/belgrad/17009.pdf>

2 https://qkss.org/images/uploads/files/The_Kosovo-Serbia_Dialogue_Between_Achievements%2C_Setbacks%2C_and_Unknowns.pdf

3 <https://library.fes.de/pdf-files/bueros/belgrad/17009.pdf>

4 https://qkss.org/images/uploads/files/The_Kosovo-Serbia_Dialogue_Between_Achievements%2C_Setbacks%2C_and_Unknowns.pdf

5 https://bezbednost.org/wp-content/uploads/2021/03/BCSP_EU-Integration-1.pdf

6 <https://ngocasa.org/public-survey-report-perceptions-of-compromise-in-the-kosovo-serbia-normalization-process-difficult-questions-ahead/>; https://bezbednost.org/wp-content/uploads/2021/03/BCSP_EU-Integration-1.pdf

and administrative stakes there. Local contestation in the north has repeatedly shown how municipal institutions, local elections, and de facto parallel services can either enable or obstruct the translation of Brussels agreements into concrete governance outcomes.⁷ This local dynamic helps explain why some Brussels agreements (e.g., on police and civil protection integration) proceeded to implementation while politically sensitive items (notably the ASM/CSM) remained blocked.⁸

The combined evidence suggests that making the dialogue durable requires moving beyond centralized negotiation to greater municipal inclusion in implementation and monitoring. Position papers and policy analyses argue that better-structured municipal involvement through clearer implementation roadmaps, local monitoring, inclusive consultations and communication with citizens would increase local ownership and reduce the perception that the dialogue is an elite exercise with limited local benefit.⁹ Public-opinion reports further underline that unless citizens see tangible local gains (services, legal clarity, economic benefits), the political sustainability of any central agreement will remain fragile.¹⁰

In short, decentralization in Kosovo is simultaneously (a) an administrative design for local governance and (b) a critical political channel through which the EU-facilitated dialogue must be operationalized if normalization is to be sustained. The balance of evidence in the cited reports indicates that municipalities are pivotal implementers and potential trust-builders but only if they are meaningfully integrated into the dialogue's implementation mechanisms and if the ambiguity around institution-building (like the ASM/CSM) is resolved in ways that respect constitutional constraints and local governance capacities.¹¹

7 https://qkss.org/images/uploads/files/The_Kosovo-Serbia_Dialogue_Between_Achievements%2C_Setbacks%2C_and_Unknowns.pdf

8 <https://library.fes.de/pdf-files/bueros/belgrad/17009.pdf>

9 <https://newsocialinitiative.org/wp-content/uploads/2025/01/23-Kosovo-Position-Paper-All01.pdf>

10 <https://ngocasa.org/public-survey-report-perceptions-of-compromise-in-the-kosovo-serbia-normalization-process-difficult-questions-ahead/>

11 <https://library.fes.de/pdf-files/bueros/belgrad/17009.pdf>; https://qkss.org/images/uploads/files/The_KosovoSerbia_Dialogue_Between_Achievements%2C_Setbacks%2C_and_Unknowns.pdf

3. Findings / Analysis

This paper examines the role of municipalities in the EU-facilitated dialogue between Kosovo and Serbia, with a particular focus on how decentralization has shaped their position in the process. The analysis of official agreements, institutional frameworks, and secondary sources reveals four main findings: (1) municipalities are absent as negotiation actors, even in matters directly concerning their governance, (2) dialogue agreements strongly reshape municipal competences without their input, (3) the exclusion of municipalities undermines both legitimacy and local implementation, and (4) most critically, sidelining municipalities weakens Kosovo's decentralization framework and risks reducing local governments to passive executors rather than active agents of governance.

The findings of this study can be grouped into four interrelated arguments, with the fourth standing out as the most critical for understanding the long-term risks posed to Kosovo's decentralization framework and governance model.

1. Municipalities are absent as peacebuilding actors

The first finding is the total absence of municipalities as actors in the EU-facilitated dialogue for normalization of relations. From the outset of the EU-facilitated process, negotiations were framed as high-level discussions between the central governments of Kosovo and Serbia, mediated by the European External Action Service. Municipal representatives whether from Serb-majority areas directly implicated by agreements or from Kosovo's broader municipal system-were not granted a seat at the table.

This exclusion is particularly striking when considering the Association/Community of Serb-majority Municipalities (ASM/CSM). The ASM/CSM was conceived as an arrangement for inter-municipal cooperation on issues such as education, healthcare, and economic development. Yet despite being an instrument explicitly tied to local governance, it was negotiated entirely by central elites. Municipal voices were absent not only from the drafting process but also from subsequent debates about its scope and compatibility with Kosovo's constitutional framework.

The absence of municipalities creates a structural disjuncture between the high-level design of agreements and the practical realities of governance. Political arrangements conceived in Brussels are disconnected from the everyday challenges that municipalities face, leaving local authorities to interpret, adapt, or resist agreements in ways that often diverge from the intended outcomes.

2. Agreements directly reshape municipal competences

While municipalities are excluded from the negotiation table, they are directly implicated in the implementation of agreements. For instance, the Agreement on Cadastre Records¹², the reopening of the Mitrovica Bridge,¹³ and the management of the Development Fund for the North¹⁴ all require municipal involvement for implementation, even though municipalities were not represented when these agreements were negotiated.

Moreover many dialogue outcomes fall squarely within municipal areas of responsibility, including the integration of police structures, the management of civil registries, the dissolution or transformation of civil protection units, and the distribution of energy services. These are not abstract policy areas but central pillars of local service delivery and authority.

For example, the integration of police structures in northern Kosovo required local coordination to ensure the dismantling of Serbian-controlled units and their incorporation into Kosovo's system. Similarly, agreements on civil registries and property records were not merely legal texts but administrative tasks that municipalities had to carry out with citizens on the ground. Municipal staff, offices, and resources were thus critical to the success or failure of implementation.

This dynamic places municipalities in a reactive position. They are tasked with carrying out agreements they did not help design, often without sufficient clarity, resources, or political support. In Serb-majority municipalities, this burden is compounded by competing pressures from Belgrade and Prishtina, leaving local governments caught between two centers of authority. Far from empowering municipalities, the dialogue often constrains their autonomy, undermining the very rationale of decentralization.

3. Exclusion undermines legitimacy and implementation

The third finding is that municipal exclusion undermines both the legitimacy and the effectiveness of the dialogue process in terms of implementation of agreements. Without local ownership, agreements have faced delays, partial implementation, and at times outright resistance. This is particularly evident in Serb-majority municipalities, where local leaders and communities often perceive the dialogue as a distant, imposed process.

Public-opinion research confirms that many citizens have limited knowledge of the dialogue's content and little confidence in its outcomes. For communities, especially those in the north, the lack of municipal involvement reinforces the perception that agree-

ments are externally imposed rather than domestically grounded. This perception fuels skepticism and resistance, making implementation fragile and prone to contestation.

The legitimacy deficit is not confined to Serb-majority areas. Even in majority-Albanian municipalities, there is a sense that the dialogue operates as an elite-driven process with little regard for the needs and voices of ordinary citizens. The absence of municipal participation deepens the gap between political elites and local communities, eroding trust in institutions and weakening the democratic foundations of the process.

4. Municipal exclusion undermines decentralization and weakens governance

The most significant finding is that the exclusion of municipalities from the dialogue process undermines Kosovo's decentralization framework and, by extension, its broader governance model. Decentralization has been a cornerstone of Kosovo's post-independence political architecture. It was designed to empower local governments, safeguard minority rights, and embed democratic participation at the community level. Yet the practice of sidelining municipalities in such a central political process risks undermining this framework.

The ASM/CSM provides a telling example. While envisioned as a mechanism of decentralization, its negotiation and framing took place entirely at the central level, with municipalities treated as passive objects of external bargaining. Instead of strengthening local governance, the ASM/CSM became a political flashpoint, contested between Prishtina and Belgrade, and disconnected from the municipalities it was meant to empower. This not only undermines the credibility of decentralization but also erodes municipalities' role as agents of governance.

By excluding municipalities, the dialogue weakens their capacity to act as trust-builders and service providers. Local governments are reduced to executing external decisions rather than shaping policies responsive to citizens' needs. This disempowerment erodes their legitimacy and constrains their ability to deliver on their mandate. In the long run, such exclusion risks creating an undermined form of decentralization, where municipalities exist in name but lack meaningful agency.

The consequences of this hollowing-out are profound. It undermines the integration of Serb-majority municipalities into Kosovo's institutional framework, weakens the social contract between local governments and citizens, and limits the potential of municipalities to serve as bridges for interethnic cooperation. Moreover, it jeopardizes the sustainability of normalization itself: agreements crafted without municipal participation are less likely to be implemented, respected, or trusted at the local level.

Taken together, these findings illustrate a fundamental contradiction: municipalities are indispensable to the success of the dialogue yet excluded from its design. Their absence as negotiation actors, the direct impact of agreements on their competences, and the resulting legitimacy deficit all point to the same conclusion: sidelining municipalities not only

¹² <https://dialogue-info.com/cadastral-records/>

¹³ <https://dialogue-info.com/mitrovica-a-bridge/>

¹⁴ <https://dialogue-info.com/customs-revenue-collection-and-development-fund/>

hampers implementation but also undermines the very principle of decentralization.

The central argument of this paper is therefore clear: the exclusion of municipalities from the dialogue process weakens Kosovo's decentralization framework and undermines local governance. Unless municipalities are treated as genuine stakeholders rather than passive executors, both decentralization and normalization risk becoming hollow frameworks, unable to deliver on their promises of empowerment, integration, and stability.

4. Conclusion and Recommendations

The analysis in this paper shows that municipalities are both central to the success of the Kosovo–Serbia dialogue and systematically marginalized in shaping its outcomes. Their absence from negotiation processes, combined with the direct impact of agreements on local competences, has weakened legitimacy, slowed implementation, and undermined the core principles of decentralization. Most critically, excluding municipalities transforms them from active agents of governance into passive implementers, eroding their ability to safeguard minority rights, build trust, and deliver essential services. To ensure the sustainability and credibility of the dialogue, it is imperative that the EU, central governments, and municipal associations recalibrate the process to meaningfully integrate local authorities, strengthen their capacities, and provide channels for citizen engagement. Doing so would not only reinforce Kosovo's decentralization framework but also enhance the long-term prospects for interethnic cooperation, democratic governance, and durable normalization between Kosovo and Serbia.

The findings underscore the need to recalibrate the Kosovo–Serbia dialogue so that municipalities are not merely implementers of decisions but genuine stakeholders in shaping them. To ensure sustainability, legitimacy, and effective governance, the following recommendations are proposed:

For the European Union (EU)

- **Establish a municipal consultation track within the dialogue framework or independently managed by the EU Offices in Kosovo and Serbia.** The EU should institutionalize structured consultations with mayors and municipal associations before finalizing agreements. This would ensure that commitments made at the negotiation table are aligned with on-the-ground capacities and community needs.
- **Include municipal representatives in technical working groups.** On issues such as energy distribution, civil registries, policing, and cross-border cooperation, municipalities are direct implementers. Their involvement in technical discussions would reduce misalignments between negotiated provisions and local realities.
- **Involve municipal associations in policy discussions.** Bodies such as the Association of Kosovo Municipalities (AKM) and the Standing Conference of Towns and Municipalities (SCTM) in Serbia should be granted a formal advisory role. This would promote a more bottom-up approach to dialogue, reflecting the interests of both majority and minority communities.
- **Facilitate cross-municipal forums.** The EU could sponsor regular forums where municipalities from both Kosovo and Serbia exchange concerns, share best practices, and articulate proposals. Such platforms would complement high-level negotiations by strengthening local-level trust and cooperation.

For the Government of Kosovo

- **Strengthen municipal capacity for implementation.** The government should provide training, budget allocations, and legal guidance to municipalities tasked with implementing dialogue-related obligations. Establishing dedicated liaison officers within municipalities could bridge communication gaps between central authorities and local administrations.
- **Reaffirm decentralization as a governance priority.** By embedding municipal perspectives into the dialogue process, the government would reinforce Kosovo's decentralization framework, which was originally designed to safeguard minority rights and enhance local governance.
- **Promote transparency and communication.** The government should ensure municipalities receive timely and clear information on agreements that affect their competences. This would reduce uncertainty and prevent misinterpretations that often fuel local resistance.

For the Government of Serbia

- **Support technical cooperation.** On cross-border issues such as trade, infrastructure, and service delivery, Belgrade should enable municipalities to engage directly with their counterparts in Kosovo under EU supervision. This would reduce the political burden on central elites and foster pragmatic cooperation.
For Municipalities and Municipal Associations
- **Claim agency in the dialogue process** - Municipal leaders, particularly through associations such as AKM and SCTM, should actively advocate for their inclusion in dialogue structures. This requires building a unified voice that transcends partisan divides.
 - Invest in policy expertise - Municipal associations should strengthen their analytical and advocacy capacities by producing position papers, conducting local consultations, and offering policy alternatives. This would make them more credible interlocutors in dialogue settings.
- **Enhance citizen engagement** - Municipalities should organize public consultations to better understand community perspectives on dialogue-related obligations. Such efforts would both enhance legitimacy and provide negotiators with grounded insights from the local level.

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