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Kosovo: In Brief

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SUMMARY

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Kosovo: In Brief

Kosovo declared independence from Serbia in 2008, and it has since been recognized by over 100 countries. The United States and most European Union (EU) member states recognize Kosovo, whereas Serbia, Russia, China, and various other countries do not.

Key issues for Kosovo include the following:

- **Government formation.** As of January 2020, Kosovo's domestic political situation remains unsettled. Vetëvendosje (Self-Determination), the top-performing party in an October 2019 early parliamentary election, has been unable to form a government coalition. If current efforts fail, Kosovo could face a second early election.
- **Resuming talks with Serbia.** An EU-brokered dialogue to normalize relations between Kosovo and Serbia stalled in 2018 when Kosovo imposed tariffs on Serbian goods in response to Serbia's efforts to undermine Kosovo's international recognition. Despite U.S. and EU pressure, the parties have not resumed talks.
- **Strengthening the rule of law.** Vetëvendosje's victory in the 2019 election is considered to partly reflect voter dissatisfaction with corruption. Weakness in the rule of law contributes to Kosovo's difficulties in attracting foreign investment and complicates the country's efforts to combat transnational threats.
- **Relations with the United States.** Kosovo regards the United States as a key ally and security guarantor. Kosovo receives the largest share of U.S. foreign assistance to the Balkans, and the two countries cooperate on numerous security issues. The United States is the largest contributor of troops to the NATO-led Kosovo Force (KFOR), which has contributed to security in Kosovo since 1999.

Congress was actively involved in debates over the U.S. response to a 1998-1999 conflict in Kosovo and subsequently supported Kosovo's declaration of independence. Today, many in Congress continue to support Kosovo through country- or region-specific hearings, congressional visits, and foreign assistance funding levels averaging around $50 million per year since 2015.

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Overview

The Republic of Kosovo declared independence from Serbia in 2008, nearly a decade after the end of a brief but lethal conflict between Serbian forces and a Kosovo Albanian insurgency led by the Kosovo Liberation Army (KLA). Since 2008, Kosovo has been recognized by more than 100 countries. The United States and most European Union (EU) member states recognize Kosovo, whereas Serbia, Russia, China, and various other countries do not. The United States has strongly supported Kosovo's state-building and development efforts, as well as its ongoing dialogue with Serbia to normalize their relations.

Kosovo at a Glance

Capital: Pristina

Population: 1.82 million (2019 est.)

Ethnic Groups: Albanian (92.9%), Bosniak (1.6%), Serb (1.5%)

Languages: Albanian (94.5%), Bosnian (1.7%), Serbian (1.6%), Turkish (1.1%)

Religions: Muslim (95.6%), Catholic (2.2%), Orthodox Christian (1.5%)

Sources: CIA *World Factbook*; International Monetary Fund; 2011 Kosovo Census.

Note: Population share for ethnic Serbs, Serbian language, and Orthodox Christians is likely closer to 5%-9%. Serbs largely boycotted the 2011 census.

Congress has maintained interest in Kosovo for many decades—from concerns over Serbia's treatment of ethnic Albanians in the former Yugoslavia to the armed conflict in Kosovo in 1998-1999 after the Yugoslav federation disintegrated. Many Members were active in debates over the U.S.- and NATO-led military intervention in the conflict. After Serbian forces withdrew in 1999, many Members backed Kosovo's independence. Today, many in Congress continue to support Kosovo through country- or region-specific hearings, congressional visits, and foreign assistance funding levels averaging around $50 million per year since 2015.

Looking ahead, Members may consider how the United States can support the Kosovo-Serbia dialogue, Kosovo's Euro-Atlantic ambitions, transitional justice processes, and regional security. U.S. support for the rule of law and reform may be particularly significant in light of growing uncertainty over the Western Balkan countries' prospects for EU membership.

Domestic Issues

Key issues in Kosovo's domestic situation include ongoing efforts to form a government after early elections in October 2019, relations with the country's ethnic Serb minority, particularly in northern Kosovo, and economic growth and job creation.

Politics

Kosovo is a parliamentary republic with a prime minister, who serves as head of government, and an indirectly elected president, who serves as head of state. The unicameral National Assembly has 120 seats, of which 20 are reserved for ethnic minorities, including 10 for ethnic Serbs. Ramush Haradinaj has been prime minister since 2017, but he has served in an acting capacity since resigning in July 2019, upon receiving a summons to a special war crimes court (see "Transitional Justice," below). In 2016, the National Assembly elected Hashim Thaçi, previously prime minister from 2008 to 2014, to a five-year term as president.

Following Haradinaj's surprise resignation, Kosovo held early parliamentary elections on October 6, 2019. Albin Kurti of the left-wing Self-Determination Party (Vetëvendosje) appeared poised to become prime minister. Vetëvendosje and its most probable coalition partner, the center-right Democratic League of Kosovo (LDK), received just over 50% of votes combined (see **Table**

1). Despite expectations of swift formation of a new government, negotiations appear to have reached an impasse due to disagreement over the allocation of ministerial portfolios and over which party's candidate the proposed coalition would back as presidential candidate in 2021. The National Assembly formally convened on December 26, 2019. Further delays in forming a government could trigger another early election and prolong the current political crisis.

Despite the current impasse, the victory of Vetëvendosje and the LDK, both of which were previously in opposition, is considered to reflect deep voter dissatisfaction with corruption and economic conditions, as well as a desire to hold accountable the small number of parties that have largely rotated in government over the past several decades. Prior to the 2019 election, the Democratic Party of Kosovo (PDK), led by Thaçi until 2016, had participated in all governments since independence. The PDK and Haradinaj's Alliance for the Future of Kosovo grew out of factions of the KLA resistance and, along with several other parties, sometimes are referred to as the *war wing*. Critics charge that these parties became entrenched in state institutions.[1]

Table 1. Oct. 2019 Parliamentary Elections

Party	Vote (%)	Seats (#)
Vetevëndosje	26.27	29
Democratic League of Kosovo (LDK)	24.55	28
Democratic Party of Kosovo (PDK)	21.23	24
Coalition led by Alliance for the Future of Kosovo	11.52	13
Serbian List	6.4	10
Coalition led by Social Democratic Initiative	5.0	6
Other	5.0	10
Total	100%	120 seats

Source: Republic of Kosovo Electoral Commission

By contrast, neither Vetëvendosje nor its leader, Albin Kurti, has been in national government. The party grew out of a 2000s-era protest movement that channeled popular frustration with government corruption. Vetëvendosje also railed against aspects of post-1999 international administration of Kosovo, accusing international missions of failing to establish the rule of law despite their vast powers. The party has steadily built support across election cycles, particularly in urban areas and among youth.[2] In the past, Vetëvendosje was criticized for using obstructionist tactics, including releasing tear gas in parliament. Longtime Vetëvendosje leader Kurti maintains that the party would govern responsibly and prioritize socioeconomic reforms and the rule of law. Vetëvendosje has floated the idea of eventual unification with Kosovo's neighbor and close ally, Albania; however, this issue does not appear to be a priority for Vetëvendosje or to be likely under current conditions, not least of all due to U.S. and EU objections.[3]

[1] Freedom House, *Nations in Transit 2018: Kosovo Country Profile,* 2017. Hereinafter, Freedom House, *Kosovo Country Profile.* See also discussion in U.S. Agency for International Development (USAID), *Kosovo Political Economy and Analysis, Final Report,* December 2017. Hereinafter, USAID, *Kosovo Political Economy and Analysis.*

[2] Freedom House, *Kosovo Country Profile;* Franziska Tschinderle, "The Split Opposition," ERSTE Stiftung, 2019.

[3] While unification appears to have considerable (albeit fluctuating) support in Albania and Kosovo, some observers contend that politicians at times have strategically used pan-Albanian statements to mobilize political support or to pressure the European Union (EU) to bring Albania and Kosovo closer to membership. Furthermore, Kosovo's constitution states that Kosovo "shall seek no union" with any other state (Art. 1). Others assert that the countries should instead focus on gaining EU membership, which would offer an alternative way to bind together the two countries. See discussions in Blerta Begisholli, "Kosovo and Albania Agree to Run Joint Foreign Policy," *BalkanInsight,* July 3, 2019; Fatos Bytyci and Matt Robinson, "Albania and Kosovo to United, Inside EU or Not: Albanian PM," Reuters, April 7, 2015; Agon Maliqi, "What a New Poll Reveals About Albania-Kosovo Relations,"

Analysts generally have been positive in their assessments of Kosovo's democratic development since 2008, particularly its active civil society, pluralistic media sector, and track record of competitive elections.[4] At the same time, many regard corruption and weak rule of law to be serious problems.[5] The so-called Pronto Affair, one of several scandals to emerge in recent years, raised allegations of nepotism on the part of the then-governing PDK. In 2018, 11 PDK officials, including a minister and a lawmaker, were indicted for allegedly offering public jobs to party backers. According to the U.S.-based nongovernmental organization Freedom House, the Pronto case showed "a systemic abuse of power and informal control over state structures."[6] Further, U.S. and EU officials, as well as watchdog groups such as Freedom House, have urged Kosovo to more rigorously enforce anti-corruption rules and uphold judicial independence.[7]

Figure 1. Republic of Kosovo

Source: Congressional Research Service.

Kosovo Serbs and Northern Kosovo

About 100,000 to 120,000 Serbs live in Kosovo, primarily in semi-isolated rural communities.[8] Kosovo Serbs are accorded various forms of representation and partial autonomy under the 2008 constitution and related legislation. This framework is partly the result of U.S. and other foreign pressure on Kosovo's leaders to incorporate power-sharing measures to bolster minority rights and protection.[9] These provisions established a municipal level of governance with specific areas of responsibility (most Serbs live in 10 minority-majority municipalities). Power-sharing arrangements require Serb representation in parliament, the executive, and other institutions. Majority consent from minority members of parliament is mandatory on some votes, and Serbian has official language status. Nevertheless, some have questioned the effectiveness of these measures in integrating the Serb population in practice.[10]

Sbunker.net, November 27, 2019.

[4] Freedom House, *Kosovo Country Profile*.

[5] U.S. Embassy in Kosovo, "Op-Ed for End of Year Edition of Kosova Sot," December 30, 2017; U.S. Department of State, *Integrated Country Strategy: Kosovo*, August 9, 2018; European Commission, *Kosovo 2019 Progress Report*.

[6] Freedom House, *Kosovo Country Profile*.

[7] Freedom House, *Kosovo Country Profile*; European Commission, *Kosovo 2019 Progress Report*; U.S. State Department, *Country Reports on Human Rights Practices for 2018*.

[8] See estimates in Tim Judah, "Kosovo's Demographic Destiny Looks Eerily Familiar," *BalkanInsight*, November 7, 2019; Florian Bieber, "The Serbs of Kosovo," in Sabrina Ramet et al., eds., *Civic and Uncivic Values in Kosovo*, (Budapest: Central European University Press, 2015), pp. 175-197. Hereinafter, Bieber, "Serbs of Kosovo."

[9] Florian Bieber, "Power Sharing and Democracy in Southeast Europe," *Taiwan Journal of Democracy*, (Special Issue 2013); Ilire Agimi, "Governance Challenges to Interethnic Relations in Kosovo," in Mehmeti and Radeljić, eds., *Kosovo and Serbia: Contested Options and Shared Consequences* (Pittsburgh: University of Pittsburgh Press, 2016), pgs. 85-105. Hereinafter, Agimi, "Governance Challenges."

[10] See discussion in Agimi, "Governance Challenges."

More than half of Kosovo Serbs live in minority-majority municipalities in central and southeastern Kosovo. These municipalities do not border Serbia and are largely integrated into Kosovo institutions, although wartime legacies of distrust and fear persist. By contrast, the situation in northern Kosovo is one of the most enduring challenges in Kosovo's state building since independence. About 40% of the Serb population lives in four Serb-majority municipalities north of the Ibar River that are adjacent to Serbia (see map in **Figure 1**).

Pristina has been unable to exert full authority in northern Kosovo, whereas Serbia has retained strong influence (albeit not full authority) there despite the withdrawal of its forces in 1999. Kosovo Serbs turned to Serbian-supported *parallel structures* for security, health care, education, and other services.[11] Due to its grey-zone status, northern Kosovo is considered a regional hub for smuggling and other illicit activities.[12]

Serbian List (*Srpska Lista*), the party that has dominated recent elections in northern Kosovo, is considered to be close to the Serbian government. There have been reports of harassment and intimidation against opposition Serb politicians in the north, most recently in the October 2019 elections.[13] The 2018 murder of opposition Serb politician Oliver Ivanović raised questions about the power structures and vested interests that prevail in northern Kosovo.[14]

Economy

The 1998-1999 war with Serbia caused extensive damage to Kosovo's infrastructure and economy. Two decades later, economic recovery continues. Employment is an acute policy challenge; Kosovo's average 40% labor force participation rate is the lowest in the Western Balkans. The unemployment rate stood at about 29% in 2018, with disproportionately higher levels for working-age females and youth.[15] The economy and perceived limits to upward socioeconomic mobility contribute to high rates of emigration.

Kosovo's gross domestic product (GDP) grew by 3.8% in 2018 and is expected to grow by 4.2% in 2019. Recent growth is driven by investment, services exports, and consumption. Foreign direct investment (FDI) in Kosovo in 2018 was €214 million (about $240 million), the lowest in the region. By contrast, remittances received from citizens abroad (primarily in European countries) amounted to €801 million (about $899 million) in 2018, equivalent to 12% of GDP.[16]

Kosovo's key trade partners are the EU and neighboring countries in the Western Balkans. Kosovo has largely liberalized trade with both blocs through its Stabilization and Association Agreement with the EU (a cooperation framework that includes steps to liberalize trade) and as a signatory to the Central European Free Trade Agreement (CEFTA) alongside other non-EU Balkan countries.[17] Of Kosovo's 2018 exports (totaling €367.5 million, about $412.6 million),

[11] Bieber, "Serbs of Kosovo"; OSCE Mission in Kosovo," *Parallel Structures in Kosovo,* October 2003.

[12] See, for example, Global Initiative Against Transnational Organized Crime, *Hotspots of Organized Crime in the Western Balkans,* May 2019; Marko Prelec, "North Kosovo Meltdown," International Crisis Group, September 6, 2011.

[13] European External Action Service, "Well-Administered and Transparent Elections Affected by an Uneven Playing Field, and Marred by Intimidation and Lack of Competition in the Kosovo Serb Areas," October 8, 2019.

[14] "Ivanovic Named Radoicic as North Kosovo Dark Ruler," *BalkanInsight,* February 27, 2018.

[15] World Bank, *Western Balkans Regular Economic Report: Rising Uncertainties*, fall 2019 (hereinafter, World Bank, *Rising Uncertainties)*; "Kosovo Labour Force Participation Rate," CEIC data. Labor force participation rate reflects the percentage of working-age persons who are employed or actively looking for work.

[16] International Monetary Fund, World Economic Outlook database, April 2019; World Bank, *Rising Uncertainties*; Central Bank of Kosovo, 2018 data.

[17] CEFTA countries include Albania, Bosnia, Kosovo, Moldova, Montenegro, North Macedonia, and Serbia.

nearly half went to CEFTA countries and about 30% to the EU. Kosovo's top exports are metals; mineral products; plastics and rubber; and prepared foods, beverages, and tobacco.[18]

In lobbying for greater FDI, Kosovo officials tout the country's young labor force, natural resources, low corporate tax rate, use of the euro, and preferential access to the EU market. Kosovo developed a 1,200-acre American Economic Zone, which is to offer free land exempt from property taxes to U.S. firms.[19] However, various impediments to investment remain, including corruption, weak rule of law, uncertainties over Kosovo's dispute with Serbia, and energy supply disruptions.[20]

Relations with Serbia[21]

Kosovo declared independence from Serbia in 2008 with U.S. support. Serbia does not recognize Kosovo and relies on Russia in particular for diplomatic support. Many believe that Kosovo and Serbia's non-normalized relations impede both countries' prosperity and progress toward EU membership, imperil Western Balkan stability, and detract from pressing domestic reforms.

War and Independence

After centuries of Ottoman rule, Kosovo became part of Serbia in the early 20th century. After World War II, Kosovo eventually had the status of a province of Serbia, one of six republics of Yugoslavia. Some Serbian perspectives view Kosovo's incorporation as the rightful return of territory that was the center of a medieval Serbian kingdom and is prominent in national identity narratives. Kosovo Albanian perspectives, by contrast, largely view Kosovo's incorporation into Serbia as an annexation that resulted in the marginalization of the Albanian-majority population.[22]

During the 1980s, Kosovo Albanians grew increasingly mobilized and sought separation from Serbia. In 1989, Serbia—then led by autocrat Slobodan Milošević, who leveraged Serbian nationalism to consolidate power—imposed direct rule in Kosovo. Throughout the 1990s, amid Yugoslavia's violent breakup and Milošević's continued grip on power in Serbia, human rights groups condemned Serbian repression of Albanians in Kosovo, including suppression of the Albanian language and culture, mass arrests, and purges of Albanians from the public sector and education.[23] In the late 1990s, the primarily Albanian-led Kosovo Liberation Army (KLA) launched an insurgency against Serbian rule in Kosovo. Serbia responded with increasingly heavy force in 1998 and 1999 (see "Transitional Justice," below).

Following a NATO air campaign against Serbian targets in early 1999, Serbia agreed to end hostilities and withdraw its forces from Kosovo. U.N. Security Council (UNSC) Resolution 1244 authorized the U.N. Interim Administration Mission (UNMIK) to provide transitional civil administration and the NATO-led KFOR mission to provide security (both missions still operate on a smaller scale). Milošević lost power in 2000 amid mass protests in Serbia.

[18] Trade data from Kosovo Agency of Statistics, "International Trade Statistics, 2018," June 3, 2019.

[19] Grant Gerlock, "Kosovo Offers Free Land and Tax Breaks to Iowa Businesses," Iowa Public Radio, June 12, 2019.

[20] U.S. Department of State, *2019 Investment Climate Statements: Kosovo.*

[21] For simplification, this report uses *Serbia* to refer to the Federal Republic of Yugoslavia (1992-2003) and the State Union of Serbia and Montenegro (2003-2006); Serbia was the dominant entity in both configurations.

[22] See Leandrit I. Mehmeti and Branislav Radeljić, "Introduction" in Mehmeti and Radeljić, eds., *Kosovo and Serbia: Contested Options and Shared Consequences* (Pittsburgh: University of Pittsburgh Press, 2016), pp. 3-13.

[23] See, for example, Human Rights Watch, *HRW World Report 1990-Yugoslavia,* January 1, 1991.

Kosovo's decision to declare independence in 2008 followed protracted, ultimately unsuccessful efforts on the part of the international community to broker a settlement with Serbia. Serbia challenged Kosovo's actions before the International Court of Justice (ICJ); however, the ICJ's 2010 advisory opinion found that Kosovo had not contravened international law.

European Union-Facilitated Dialogue: Status and Prospects

Following the ICJ ruling, the EU and the United States urged Kosovo and Serbia to participate in a dialogue aimed at eventual normalization of relations, but with initial focus on technical measures to facilitate the movement of goods and people and otherwise improve the quality of life. In 2012, the talks advanced to a political level, bringing together leaders from the two countries for EU-brokered meetings.[24] Among the most contentious issues have been the situation in the north, the status and protection of Serbian cultural and religious sites, and strategic resources like water, energy, and mines. Leaders in both countries are constrained by public opinion and a political climate that tends to make major concessions costly.

Kosovo and Serbia's desire to join the EU is a significant incentive driving their participation in the dialogue; the EU maintains that neither Kosovo nor Serbia can join the union until both countries normalize relations. The EU at times has linked incremental progress in the dialogue to advancement in the EU accession process, leveraging domestic support for EU membership in both countries and the economic benefits of closer cooperation with the EU. Kosovo's participation in the dialogue also is motivated by its desire to clear a path to U.N. membership and, eventually, NATO and EU membership (Serbian recognition is seen as a key to unlocking Kosovo's U.N. membership).

To date, the dialogue has produced 33 agreements, most of which are of a technical nature. In 2013, Serbia and Kosovo were commended for reaching the Brussels Agreement. The agreement outlined principles concerning the normalization of relations, primarily focused on the situation in the north. It included measures to dismantle Serbian-backed parallel structures in the north and create an Association of Serb Municipalities (ASM) linking Kosovo's 10 Serb-majority municipalities. Implementation of the dialogue's agreements has progressed in some areas, such as Serb participation in elections and the integration of law enforcement and the judiciary in the north into statewide institutions. It has lagged in other areas, such as in the energy sector and in the creation of the ASM.[25]

Although the dialogue format does not predetermine a specific outcome, the EU has urged a "comprehensive, legally binding" agreement between the parties.[26] Two particularly thorny issues in any such agreement are the scope of Serbian recognition of Kosovo and the situation in northern Kosovo. It remains undetermined whether Serbia would fully recognize Kosovo or accept Kosovo's institutions and U.N. membership without formal recognition. It is also uncertain how northern Kosovo would be addressed in any final settlement. Prior to 2018 (see below), U.S. and EU officials rejected local (primarily Serbian) leaders' occasional hints at partition as a potential solution. The United States and the EU feared that transferring territory or

[24] On the early stages of the dialogue, see International Crisis Group, *Kosovo and Serbia after the ICJ Opinion,* 2010.

[25] Donika Emini and Isidora Stakic, *Belgrade and Pristina: Lost in Normalisation?,* EU Institute for Security Studies, April 2018; Martin Russell, *Serbia-Kosovo Relations: Confrontation or Normalisation?* European Parliamentary Research Service, February 2019; BIRN, *Big Deal: Lost in Stagnation,* April 2015; Marta Szpala, *Serbia-Kosovo Negotiations: Playing for Time Under Pressure from the West,* Centre for Eastern Studies (Warsaw), August 21, 2018. A 2015 agreement elaborated on the proposed ASM's competences.

[26] European Commission, *2019 Communication on EU Enlargement Policy,* May 29, 2019.

changing borders along ethnic lines could set a dangerous precedent and destabilize the region. Alternatively, some consider the integration of the north through autonomy measures, such as the ASM, to be a potential compromise that could preserve Kosovo's territorial integrity while offering concessions to Kosovo Serbs. However, the ASM has faced resistance from some in Kosovo due to concerns that it could, if endowed with significant executive functions and formalized links to Serbia, undermine state integrity and the central government's authority.[27]

Since late 2015, there has been little progress in reaching new agreements or implementing existing ones. Further, a shift in focus absorbed some of the dialogue's energies: in 2018, Kosovo President Thaçi and Serbian President Aleksandar Vučić raised the prospect of redrawing borders as an approach to normalizing relations (sometimes described as a *land swap,* a *partition,* or a *border adjustment*). Analysts believe such a measure could entail transferring Serb-majority municipalities in northern Kosovo to Serbia, possibly in exchange for Albanian-majority areas of Serbia's Preševo Valley. To the surprise of some, Trump Administration officials broke with long-standing U.S. and EU opposition to redrawing borders/partition by signaling willingness to consider such a proposal if Kosovo and Serbia were to reach a mutually satisfactory agreement.[28] However, some European allies, particularly Germany, remain opposed. Most Kosovo politicians and much of the population also oppose ceding territory.[29]

The dialogue has been suspended since late 2018, when Kosovo imposed tariffs on Serbian goods in retaliation for Serbia's campaign to block Kosovo's Interpol membership bid and its efforts to lobby countries to "de-recognize" Kosovo. Serbian leaders say they will not return to negotiations until the tariffs are lifted. U.S. and European officials have repeatedly urged Kosovo officials to rescind or suspend the tariffs and have called on Serbia to end its de-recognition campaign.

If the dialogue resumes, several issues could affect talks going forward. Kosovo's current political crisis has contributed to a further delay in resuming talks, with the political contours of the next government uncertain. Vetëvendosje has been critical of the dialogue and protested some of its agreements, including the ASM. Kurti's early postelection interviews in 2019 indicate a potentially different stance on negotiations with Serbia; he hinted at raising the issue of wartime reparations, rejected the notion of a quick deal, and stated his intention to review existing agreements. Kurti also said he would assume leadership of the dialogue from President Thaçi, who has largely led Kosovo's participation to date.[30]

Separately, some observers caution that growing uncertainty over the Western Balkan countries' EU membership prospects could alter the incentive structure weaving together the dialogue and the accession process. These concerns resurfaced in October 2019, when France effectively blocked the launch of membership talks with North Macedonia, even after the country had concluded a difficult agreement with Greece (and agreed to change its name in the process) based on the assumption that doing so would unlock the accession process. Some expressed concern

[27] See footnote 25. See also Balkans Policy Research Group, *Scenarios for the 'Grand Finale' Between Kosovo and Serbia*, 2018; International Crisis Group, *Kosovo and Serbia after the ICJ Opinion,* August 26, 2010.

[28] "Bolton Says U.S. Won't Oppose Kosovo-Serbia Land Swap Deal," RFE/RL, August 24, 2018; U.S. Embassy in Kosovo, "Ambassador Kosnett's Interview with Koha Ditore," December 2, 2019.

[29] In a December 2019 interview, U.S. Ambassador to Kosovo Philip Kosnett stated that, given "very little appetite in Kosovo" for partition, it is "under current conditions…old news." U.S. Embassy in Pristina, "Ambassador Kosnett's Interview with Jeta Xharra," December 6, 2019.

[30] Valon Fana, "Kurti Urges for Discussion on Reparations in Kosovo-Serbia Dialogue," *PrishtinaInsight,* October 28, 2019; "Kosovo's Likely PM Says Relations With Serbia Should Be Based on 'Reciprocity,'" RFE/RL, October 10, 2019; Simon Ilse, "I Want This State to Succeed First," Heinrich Boll Stiftung, December 3, 2019.

that the setback could undermine the EU's credibility in the Kosovo-Serbia dialogue.[31] Observers are also watching the effects of EU leadership changes on future prospects for the dialogue.

Transitional Justice

Transitional justice relating to the 1998-1999 war is a sensitive, emotionally charged issue in Kosovo and Serbia and a source of friction in efforts to normalize relations. Serbian police, soldiers, and paramilitary forces were accused of systematic, intentional human rights violations during the conflict. About 13,000 people were killed, and nearly half of the population was forcibly driven out of Kosovo. An estimated 20,000 people were victims of conflict-related sexual violence. The vast majority of all victims were ethnic Albanians. On a smaller scale, some KLA fighters—particularly at the local level—carried out retributive acts of violence against Serb civilians, other minority civilians, and Albanian civilians whom they viewed as collaborators.[32]

Before closing in 2017, the International Criminal Tribunal for the former Yugoslavia tried several high-profile cases relating to the Kosovo conflict, including deposed Serbian leader Milošević, who died before his trial finished, and former Kosovo Prime Minister Haradinaj, who was twice acquitted of charges relating to his role as a KLA commander. Domestic courts in Kosovo and Serbia now handle most war crimes cases. Weak law enforcement and judicial cooperation between Kosovo and Serbia is an impediment in the many cases in which evidence, witnesses, victims, and alleged perpetrators are no longer in Kosovo.[33] Critics assert that low political will in Serbia in particular hampers transitional justice. Officials from successive post-Milošević Serbian governments have been criticized for downplaying or failing to acknowledge Serbia's role in the wars in Bosnia, Croatia, and Kosovo in the 1990s and for fostering a climate that is hostile to transitional justice and societal reconciliation with the past.[34]

Transitional justice processes concerning the KLA are controversial in Kosovo. Under U.S. and EU pressure, in 2015 the National Assembly adopted a constitutional amendment and legislation to create the Kosovo Specialist Chambers and Specialist Prosecutor's Office. These institutions are part of Kosovo's judicial system but are primarily staffed by international jurists and located in The Hague, Netherlands, to allay concerns over witness intimidation and political pressure. They are to investigate the findings of a 2011 Council of Europe report concerning allegations of war crimes committed by some KLA units. The Specialist Chambers is controversial in Kosovo, because it is to try only alleged KLA crimes. In 2017, lawmakers from the then-governing coalition moved to abrogate the Specialist Chambers but backed down after the United States and allies warned that doing so would have "severe negative consequences."[35] More than 120 former

[31] "U.S. Envoy Knocks EU's 'Bad Message' to the Balkans," *Euractiv,* November 4, 2019; Valerie Hopkins, "EU's Gatekeeper Laments Bloc's Message to Would-Be Balkan Members," *Financial Times,* November 13, 2019.

[32] For further information, see Human Rights Watch (HRW), *Under Orders: War Crimes in Kosovo,* 2001 (hereinafter, HRW, *Under Orders*); Amnesty International, *"Wounds That Burn Our Souls": Compensation for Kosovo's Wartime Rape Survivors, But Still No Justice*, 2017; Organization for Security and Cooperation in Europe (OSCE), *Kosovo/Kosova As Seen, As Told: The Human Rights Findings of the OSCE Kosovo Verification Mission,* 1999.

[33] International missions in Kosovo previously oversaw most cases but were criticized for low rates of investigation and prosecution. OSCE, *Kosovo's War Crimes Trials,* May 2010. On current challenges in transitional justice, see Human Rights Watch, *World Report 2019;* Humanitarian Law Centre (Belgrade), *Regional Judicial Cooperation in the Prosecution of War Crimes: Analysis and Improvement Recommendations,* December 2018.

[34] On Serbia, see Milica Stojanovic, "Serbia: A Year of Denying War Crimes," *BalkanInsight,* December 26, 2019; HRW, *Under Orders*; Humanitarian Law Centre (Belgrade), *Report on War Crimes Trials in Serbia,* 2019; and relevant sections in European Commission, *Serbia Progress Report 2019.*

[35] U.S. Embassy in Kosovo, "Quint Member States Statement," January 4, 2018.

KLA fighters are reported to have received summons for questioning during 2019, and analysts believe some Kosovo politicians could face indictment.[36]

Relations with the EU and NATO

Both the EU and NATO have played key roles in Kosovo; these institutional relationships continue to evolve alongside Kosovo's state-building processes.

European Union

The EU has played a large role in Kosovo's postwar development. A European Union Rule of Law Mission (EULEX) was launched in 2008, assuming rule-of-law tasks that UNMIK had carried out since 1999. EULEX's current mandate runs through June 2020, with the option of renewal. The mission's scope has decreased over time, as domestic institutions assume more responsibilities; today, EULEX's primary role is to monitor and advise on rule-of-law issues, with limited executive functions.[37] The EU is the largest single source of financial assistance to Kosovo, providing over €1.48 billion (about $1.65 billion) in assistance funds from 2007 to 2020.[38]

Kosovo is a potential candidate for EU accession; however, its membership bid is complicated by the fact that five EU member states do not recognize it.[39] In 2014, Kosovo and the EU signed a Stabilization and Association Agreement.[40] The next steps in Kosovo's EU membership bid are obtaining candidate status and launching accession negotiations, which would commence the lengthy process of harmonizing domestic legislation with that of the EU.

Kosovo's more immediate goal in its relationship with the EU is to obtain for its citizens visa-free entry into the EU's Schengen area of free movement, which allows individuals to travel without passport checks between most European countries. Kosovo is the only Western Balkan country that does not have this status, and its leaders assert that the country has met the EU's conditions.[41]

NATO

The NATO-led Kosovo Force (KFOR) was launched in 1999 with 50,000 troops as a peace-support operation with a mandate under UNSC Resolution 1244. KFOR's current role is to maintain safety and security, support free movement of citizens, and facilitate Kosovo's Euro-Atlantic integration. As the security situation in Kosovo improved, NATO defense ministers in 2009 resolved to shift KFOR's posture toward a deterrent presence. Some of KFOR's functions have been transferred to the Kosovo Police. The United States remains the largest contributor to KFOR, providing about 660 of the 3,500 troops deployed as of November 2019.[42] Any changes to the size of the mission would require approval from the North Atlantic Council, and be "dictated

[36] Serbeze Haxhiaj, "Kosovo: War Commanders Questioned as Prosecutors Step up Probes," *BalkanInsight,* December 27, 2019; Dean Pineles, "American Dilemma: What If Kosovo's Thaci is Indicted?" *BalkanInsight,* January 24, 2019.

[37] European Union Rule of Law Mission in Kosovo, "About EULEX;" UNMIK, "Rule of Law in Kosovo and the Mandate of UNMIK."

[38] European Commission, "Kosovo on Its European Path," July 2018.

[39] The five EU member states that do not recognize Kosovo are Cyprus, Greece, Romania, Slovakia, and Spain.

[40] European Commission, *Kosovo 2019 Progress Report.* The SAA entered into force in 2016.

[41] Kosovo fulfilled a key requirement, the ratification of a border demarcation agreement with Montenegro, in 2018.

[42] NATO, "KFOR: Key Facts and Figures," November 2019; NATO, "NATO's Role in Kosovo," November 19, 2019.

by continued positive conditions on the ground."[43] Many analysts assert that KFOR continues to play an important role in regional security.[44]

KFOR has played a key role in developing the lightly armed Kosovo Security Force (KSF) and bringing it to full operational capacity. KSF's current role is largely nonmilitary in nature, focused instead on emergency response. A recurring issue is how KSF may transform into a regular army. In December 2018, Kosovo lawmakers amended existing legislation to gradually transform KSF, drawing sharp objections from Kosovo Serb leaders and Serbia.[45] NATO Secretary-General Jens Stoltenberg called the measure "ill timed" given heightened tensions with Serbia, cautioned that the decision could jeopardize cooperation with NATO, and expressed concern that the decisionmaking process had not been inclusive.[46] The United States, however, expressed support for the Kosovo government's decision and urged officials to ensure that the transformation is gradual and inclusive of all communities.[47]

U.S.-Kosovo Relations

The United States enjoys broad popularity in Kosovo due to its support during the Milošević era, its leadership of NATO's 1999 intervention, and its diplomatic support for Kosovo since 2008. The United States remains engaged in the country and supports a "multiethnic, democratic Kosovo, fully integrated into the international community."[48] The United States backs Kosovo's Euro-Atlantic ambitions, as well as the EU-facilitated dialogue between Kosovo and Serbia. Kosovo regards the United States as a security guarantor and critical ally, and many believe United States retains influence in domestic policymaking and politics.

The Trump Administration has signaled growing interest in securing a deal to resolve the Kosovo-Serbia dispute. In August 2019, U.S. Secretary of State Mike Pompeo appointed Deputy Assistant Secretary Matthew Palmer as his Special Representative for the Western Balkans, and shortly thereafter President Donald Trump appointed U.S. Ambassador to Germany Richard Grenell as Special Presidential Envoy for Serbia and Kosovo Peace Negotiations. Some Members of Congress questioned the logic of two high-level appointments with seemingly similar mandates.[49]

Palmer and Grenell met with leaders of the parties that won Kosovo's October 2019 elections and have continued to call for Kosovo to revoke the tariffs against Serbia and restart the dialogue. U.S. officials have called full normalization of relations a "strategic priority" for the United States.[50] According to a *Bloomberg* report, Ambassador Grenell has a "full mandate" to secure an agreement between Kosovo and Serbia.[51] Some analysts caution that the United States is more effective in engaging the Western Balkans when its aims and positions are in accord with those of

[43] NATO, "The Evolution of NATO's Role in Kosovo," November 19, 2019.

[44] "Is KFOR Still Guaranteeing Stability and Security in Kosovo?" *European Western Balkans,* December 17, 2018.

[45] "Kosovo Votes to Turn Security Force into Army," *BalkanInsight,* December 14, 2018.

[46] "NATO Chief Warns Kosovo Over 'Ill-Timed' Army Plans," RFE/RL, December 5, 2018.

[47] Fatos Bytyci, "NATO, U.S. Slap Kosovo's Move to Create National Army," Reuters, March 8, 2017.

[48] U.S. Department of State, *U.S. Relations with Kosovo,* October 31, 2019.

[49] U.S. Congress, Senate Foreign Relations Committee, Subcommittee on Europe and Regional Security Cooperation, *Successes and Unfinished Business in the Western Balkans*, hearing, 116th Cong., 1st sess., October 23, 2019.

[50] U.S. Embassy in Pristina, "Special Representative for the Western Balkans Matthew Palmer," November 1, 2019.

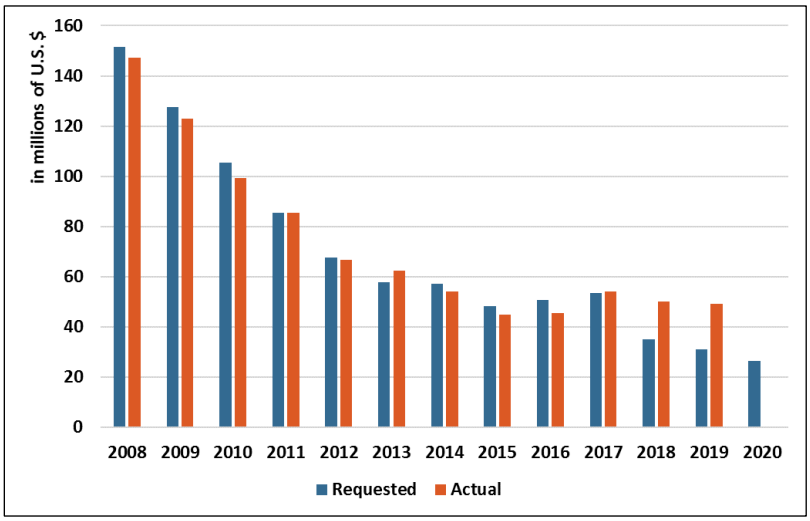
[51] "Trump Gave Grenell Full Mandate to Clinch a Quick Deal on Kosovo," *Bloomberg,* October 9, 2019.

the EU and key allies in the EU; they contend that current gaps between the United States and allies such as Germany on the Kosovo-Serbia dialogue have undercut engagement efforts.[52]

Financial Assistance

The United States is a significant source of foreign assistance to Kosovo (see **Figure 2**). U.S. assistance aims to support the implementation of agreements from the Kosovo-Serbia dialogue and to improve transparent and responsive governance, among other goals.[53] Additional assistance is provided through a $49 million Millennium Challenge Corporation (MCC) Threshold Program that launched in 2017, with focus on governance and energy efficiency and reliability. Threshold programs are intended to help countries become eligible to participate in a larger Compact Program; in December 2018 and again in December 2019, the MCC board determined that Kosovo was eligible to participate in a compact.

Figure 2. U.S. Foreign Assistance to Kosovo Since 2008



Sources: U.S. State Department Congressional Budget Justifications. FY2019 State Department estimate.

Cooperation on Transnational Threats and Security Issues

The United States and Kosovo cooperate to combat transnational threats and bolster security. Like elsewhere in the Western Balkans, Kosovo is a transit country and in some cases a source country for trafficking in humans, contraband smuggling (including illicit drugs), and other criminal activities. Kosovo is considered to have a relatively strong legal framework to counter trafficking, smuggling, and other transborder crimes. At the same time, the United States and the EU have urged officials in Kosovo to better implement the country's domestic laws by more strenuously investigating, prosecuting, and convicting traffickers, as well as by improving victim support.[54]

Combatting terrorism and violent extremism is a core area of U.S.-Kosovo security cooperation. Kosovo is a secular state with a moderate Islamic tradition, but an estimated 400 Kosovo citizens

[52] "U.S., Germany Diverge on Serbia-Kosovo Plan to Redraw Border," *Bloomberg,* October 19, 2018; Florian Bieber, *Leadership Adrift: American Policy in the Western Balkans,* Balkans in Europe Policy Advisory Group, August 2019.

[53] U.S. Department of State, *U.S. Relations with Kosovo,* October 31, 2019.

[54] U.S. Department of State, *2019 Trafficking in Persons Report: Kosovo (Tier 2).*

traveled to Syria and Iraq in the 2010s to support the Islamic State amid the terrorist group's growing recruitment efforts. As this policy challenge emerged, the United States assisted Kosovo with tightening its legal framework to combat recruitment, foreign fighter travel, and terrorism financing, as well as strengthening its countering violent extremism strategy.[55]

The United States also provides support to Kosovo law enforcement and judicial institutions to combat terrorism and extremism. The State Department's Antiterrorism Assistance program, for example, has provided training or capacity-building support for the Kosovo Police's Counterterrorism Directorate and for the Border Police. Kosovo and the United States agreed to an extradition treaty in March 2016. In April 2019, the United States provided diplomatic and logistical support for the repatriation of about 110 Kosovo citizens from Syria—primarily women and children—who had supported the Islamic State or were born to parents who had. Some repatriated persons were indicted on terrorism-related charges.[56]

Kosovo has a sister-state relationship with Iowa that grew out of a 2011 State Partnership Program (SPP) between the Iowa National Guard and the Kosovo Security Force. That relationship has been hailed as a "textbook example" of the scope and aims of the SPP.[57]

Congressional Engagement

Congressional interest in Kosovo predates Yugoslavia's disintegration. Through resolutions, hearings, and congressional delegations, many Members of Congress highlighted the status of ethnic Albanian minorities in Yugoslavia, engaged in heated debates over intervention under the Clinton Administration, urged the George W. Bush Administration to back Kosovo's independence, and supported continued financial assistance.

Congressional interest and support continues. In the 116th Congress, several hearings have addressed Kosovo in part or in whole, including an April 2019 House Foreign Affairs Committee hearing on Kosovo's wartime victims and recent hearings on Western Balkan issues held by the Senate Armed Services Committee and the Senate Foreign Relations Committee's Subcommittee on Europe and Regional Security Cooperation.

Given Kosovo's geography, history, and current challenges, the country also factors into wider U.S. foreign policy issues in which Congress remains engaged. Such issues include transitional justice, corruption and the rule of law, combatting human trafficking and organized crime, U.S. foreign assistance, security in Europe, and EU and NATO enlargement.

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[55] See U.S. Department of State, *Country Reports on Terrorism: Kosovo* for 2014-2018.

[56] "Kosovo is Trying to Reintegrate ISIL Returnees. Will It Work?" *Al Jazeera,* June 9, 2019.

[57] "Iowa, Kosovo a Model National Guard State Partnership Program," National Guard, November 25, 2015.

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