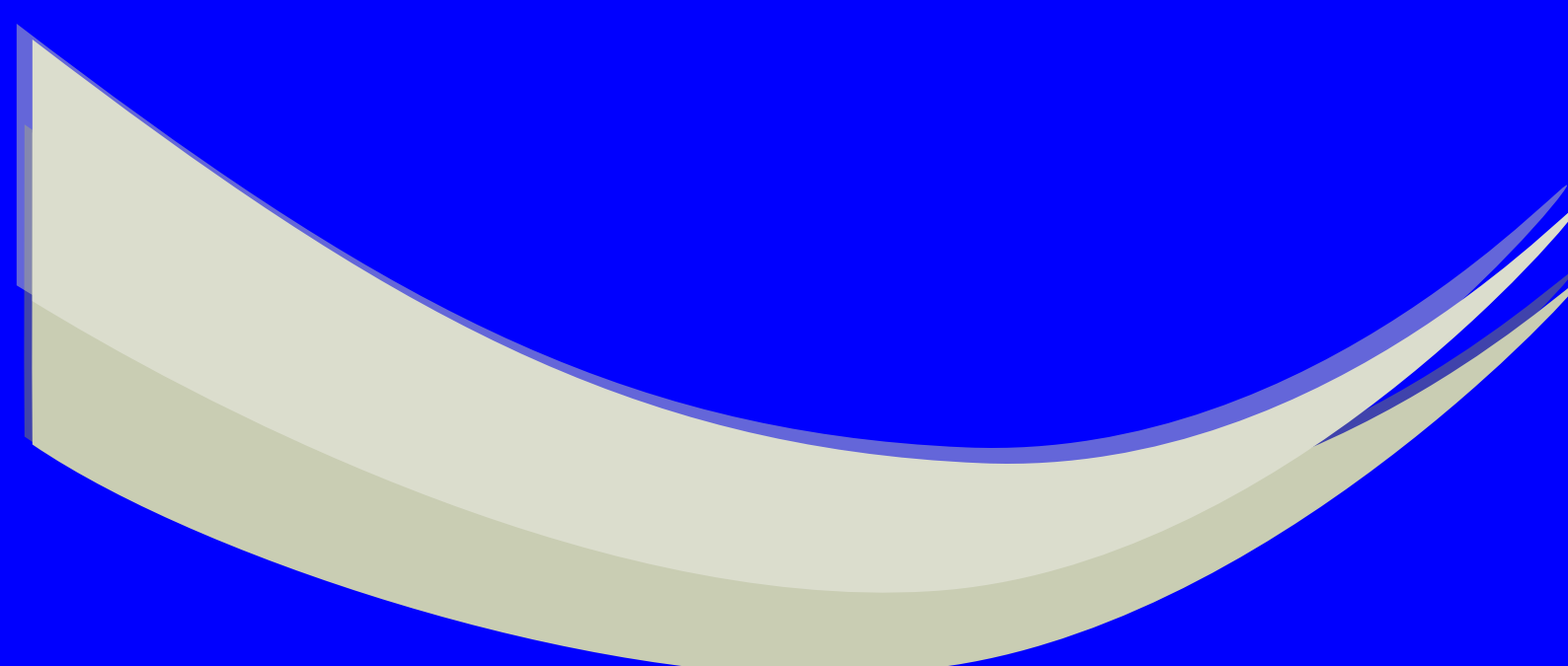




WHAT NEXT FOR KSF: AN ARMY OR NOT?

POLICY PAPER

2013





What next for Kosovo Security Sector: KSF an army or not?

This analysis was prepared for Forum 2015

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1. INTRODUCTION

The Security Sector Review is a necessary process in view of the changes in the external environment and internal developments in Kosovo. The development of the security sector in Kosovo has been underway since the post-conflict period and most notably in the aftermath of the declaration of independence. The evolving political situation which affects the national strategic goals as well as constraints in resources and the evolving threats necessitates a comprehensive security review. This exercise should highlight the main orientations of security priorities as well as carry some implications for the institutional set-up and resources dedicated to the priorities therein.

The past decade has experienced new developments in the political, economic and technological sphere. This has changed the perception of threats of the major international stakeholders. On the other hand, the region of Western Balkans is gradually transforming from a source of threat and tension towards active participants in shaping Europe's security. All Western Balkans countries have signed contractual relations with the European Union (EU), while a number have recently joined the North Atlantic Treaty Organisation (NATO). While challenges to stability still linger in the region, it should be noted that nearly all countries are on a path of reforms and have actively taken part in contributing to stability and peace.

The sources of external threats have increasingly become unpredictable. The more traditional and conventional sources of military threats have given way to new asymmetric threats coming from non-state actors. As the region has stabilised from conflicts, other conflicts in the neighbouring regions produce a diverse set of threats to national security namely immigration, international terrorism, threats of biological and chemical weapons, and narcotics. The changes in the surrounding and global environment necessitates a comprehensive review of Kosovo's security structure so as to adopt to its strategic foreign policy goals of Euro-Atlantic integrations. The security structures should balance their local responsibilities with those of gradually increasing contributions to regional and global peace. The process of security sector review should hereto aim to produce a security structure that is well trained, inter-operable and ready to respond to immediate threats.

The purpose of this policy brief is to outline some key features that need to be addressed in the security sector review, highlight three scenarios for the future modelling of the Kosovo Security Force to respond to both local and international priorities and determine the competencies, responsibilities and resources needed to accomplish the strategic national goals. The process is dictated in part by the political constraints resulting from the NATO involvement in Kosovo and complexities arising from unresolved political issues with Serbia. Nevertheless, the aforementioned constraints do not prevent Kosovo from adopting itself and its security structures to meet the contemporary demands and requirements that emanate from its stated ambitions for NATO and EU membership.

2. METHODOLOGY

The purpose of the policy paper is to outline the threats, interests and potential courses of action in structuring the Kosovo Security Force. The process of security sector review is a complex process involving more institutions and study areas. However, this research limits itself to the defence and military component only. The study is an attempt to highlight some approaches in the exercise of the security sector review. It represents a first step from a non-governmental perspective and is aimed at generating a more comprehensive debate on the issue. In addition to mapping out contemporary threats, challenges and risks, the paper also highlights programmatic approaches and milestones that Kosovo has to fulfilling in achieving its strategic security objectives. Finally, it proposes and elaborates three potential scenarios for the future of Kosovo Security Force.

When the issue is whether to adopt a particular option at all, most policy analyses are comparative; they compare and contrast a menu of options, searching for the best candidate. An analysis might assess the performance of an existing policy, examine a single new candidate to replace it, and compare the results. Or it might compare and contrast a bigger set of alternative options, perhaps three, five, or even more. It can examine how these options achieve a single goal, or how they achieve several goals. It might focus on multiple goals, develop a separate policy for each of them, and assess how these separate policies could be blended together to make a coherent whole. It might then assess how to coordinate and synchronize the execution of these policies.

This policy analysis adopts a blend of methodology that should enable the the readers to both explain the strategic political side [the big picture] but also the metrics to assess the economic implications of each policy option. Strategic evaluation methods are typically used for big-picture subjects. Often employed by political scientists, these methods, although rigorous, tend to be verbal and qualitative rather than quantitative. They are aimed at making broad-gauged judgments rather than fine-grained assessments. However, to complement the limitations and reinforce the information behind each argument the paper should also uses system analysis They make frequent use of graphical curves and related calculations to help focus on the cost-effectiveness of trade-offs among different policies and programs, especially those that consume large quantities of resources, such as weapons systems. They aspire to get the numbers for costs and effectiveness basically right, but not to an extreme degree of precision.

Overall, the paper should proceed with a strategic evaluation first in order to generate and compare alternative policy options. This level of analysis has assisted the research team in carry out a threat-mapping exercise and highlight Kosovo's strategic interests and goals. Assessments of policy-options and composite plans evaluations relied on systems analysis methods. Some of the information needed to feed strategic evaluation was accessed through desk-research and interviews with stakeholders. System analysis methods and scenario

cost-effectiveness relied on assumptions and statistical information from international organisations and first-hand data processing of Government accounts.

The study was developed and implemented by Kosovar Centre for Security Studies on the basis of generic methodological approaches in policy analysis of defence reviews. We must acknowledge that there were several limitations in the research process. Firstly, despite the generous support from KFOS Foundation a study of this sort needs more resources. Secondly, statistical assessments often rely on secondary data, some data were missing or that different states used different categories of data. Thirdly, the research team would have preferred more recent data and more time to process them. Finally, the research team would have preferred more time and resources for stakeholder consultation and interviews.

3. KOSOVO SECURITY SECTOR IN THE CONTEMPORARY STRATEGIC ENVIRONMENT

The contemporary strategic environment for the Kosovo security sector has become fairly complex with increased volatility in the socio-economic domain, challenges for living environment, technological developments and a complex political environment in the post-independence period. Nowadays Kosovo enjoys a relative security. Despite the bitter experience during the conflict and political disputes with Serbia over its status, few perceive any imminent external military threat (Kosovo Security Barometer, 2013). Like other countries in the region, Kosovo may be exposed to asymmetric, non-conventional security risks and threats. As a new country it is small in size and has limited resources and has heavily relied on the presence of NATO troops to offset potential short-term challenges. Recent agreements with Serbia on normalising the relations have paved the way for an increased regional cooperation and participation in collective security mechanisms.

Kosovo has fairly recently come out of a conflict with Serbia. It declared its independence in 2008 and despite some minor inter-ethnic frictions; it has ever since enjoyed a period of relative stability. Relations with Serbia have remained tense but stable. Disagreement over its status and Serbia's objections has often left Kosovo outside of the remit of regional cooperation initiatives. However, both Serbia and Kosovo are on institutionalized path of EU integration and that should contribute to easing the remaining disputes between the two. Just as many other regional countries, Kosovo still faces challenges of weak institutions and rule of law. The institutions of the Republic of Kosovo have faced challenges in extending their authority in the northern part due to Kosovo Serbs' refusal to recognise the institutions that resulted from the Ahtisaari Plan.

Among the most obvious forms of external threat to the national security of Kosovo are international organized crime, illegal migration, international terrorism and the potential spread of weapons of mass destruction. On the other hand, it is also challenged by other indirect but unpredictable sources of threats emanating from the political developments in Western Balkans, the impact of economic crisis and low levels of socio-economic development, environmental challenges and threats stemming from globalisation and technological developments. Majority of threats, risks and challenges that it faces are regional and transnational in nature and as a result international cooperation and participation in collective regional and international mechanisms is essential.

3.1 Military environment

The significance of the military environment has changed since the end of the Cold War and conflict in former Yugoslavia. The presence of NATO forces in Kosovo has offset the concerns of any potential external military attack in the post-conflict period. Kosovo is not under any imminent military threat. While political disputes and rivalries in Western Balkans persist, all national armies are on a process of reform and downsizing. Croatia and Albania have become NATO members while Macedonia remained out of the last membership bid due to objections from Greece. Serbia has adopted a neutral military policy refusing to seek membership in NATO. With international troops present in the region and

states having firmly committed to the path of EU integration few would expect any resort to military means in solving disputes in Western Balkans. Direct military attacks towards Kosovo remain distant though not impossible.

In the future, basic sources of security threats will emanate from politically destabilised areas [e.g. Middle East], terrorist organisations, international organized crime groups and proliferation of weapons of mass destruction. Armed and defence forces will have to reorient their strategies and means to tackle these sources of threats. Kosovo along with countries in the region are small and lack resources to tackle global threats and this necessitates their participation in combined and international operations. The unpredictability and scope of threats require that nations aim to build multipurpose security forces that are able to adapt and react quickly to global dynamics.

The security forces would have to be combat ready for rapid reactions to potential crisis and be prepared for quick deployment. The security forces should also be able to react to a diverse nature of threats including those related to territorial integrity, ability to respond to international crisis and peace-building operations and responsiveness to natural and emergency situations. The changes in the strategic environment also dictate the type of exercises, partnerships, development of concepts and doctrines and the purchase of equipment. Unconventional asymmetric warfare and system-against-system warfare are taking the place of conventional forces –against-forces warfare.

3.2 Political environment

Despite the consolidation of the security situation, the region and Kosovo as part of it will continue to need initiatives that contain and prevent political tensions in the future. Serbia, along with a large number of international actors, continues to challenge the legality of Kosovo's declaration of independence. The Belgrade authorities have refrained from direct interference but have continued to obstruct the strengthening and expansion of authority of Kosovo institutions in general and those of security in particular. To-date Serbia continues to finance and operate parallel administrative and security institutions in Serb-dominated areas in Kosovo.

International community has often intervened to contain these tensions from out bursting into open hostilities. Serbian residents in northern Kosovo responded with angry demonstrations and road blockages to Kosovo Governments attempts to seal the northern border-crossing from untaxed goods coming from Serbia. However, political disputes have calmed recently with the mediation of international community. Belgrade and Prishtina signed an agreement in April 2013 on the normalisation of relations under the auspices of the European Union – it stipulates the dismantling of Serbia structures in the north in exchange for a greater degree of autonomy for northern Serb-inhabited municipalities. Tense relations with Serbia remain a challenge but not a direct threat.

The integration of Western Balkans and Kosovo in the European political, economic and security institutions will lessen the potential for political instability and encourage regional cooperation. The European Union membership will especially serve as a catalyst to neutralise the sources of political tensions in Serbia and Kosovo. It should also lead to a relaxation of Serbia's obstructions to Kosovo's incorporation in regional political, economic and security mechanisms. Mending relations with Serbia is important as a mean to remove

the opposition of non-recognizing EU members towards Kosovo's signing of the Stabilisation and Association Agreement with the European Commission. Another organisation of particular importance as far as political stability is concerned is NATO. It has played an active role in Kosovo through KFOR since the post-conflict period. Kosovo has benefited from the security contribution of the NATO member states but has not entered into a formal cooperation modality with the Alliance. The former has found it difficult to maintain the consensus of all member states since the declaration of Kosovo independence.

3.3 Socio-economic environment

The socio-economic environment directly affects and shapes the political and security processes and hence is an essential element of security. Economies are becoming increasingly connected and inter-dependent and more sensitive to global economic trends. Kosovo faces serious unemployment and poverty problems. Poverty rates are highest in Europe. The country is landlocked and its economy has suffered from a long period of neglect and under-investment. The economy has been growing steadily in recent years but that has not done much to offset the social pressure. Kosovo's demographic structure is dominated by young people – majority of whom are unemployed. Growth rates and private sector development was too slow to accommodate the demands for jobs. The economy and welfare still rely heavily on remittances and international aid.

The recent economic and debt crisis in Europe has negatively affected the Western Balkans countries – growth rates nearly stalled (IMF, 2011). The negative consequences of the crisis have also affected people incomes and welfare. Government spending on social security and welfare state have decreased since 2008 (Barttlet, 2009). Life satisfaction levels have dropped significantly as well as people's trust in institutions (Balkan Monitor, 2010). These consequences attest to the region's interconnectedness and the spill over effect of external risks which could challenge the stability. Kosovo Security Barometer survey (2013) found that Kosovans perceive the economic situation as the paramount challenge face Kosovo and its security.

Kosovo's membership in the Central Europe Free Trade Agreement (CEFTA) and the prospect of EU membership will certainly have positive effects on its socio-economic development. Regional political and economic cooperation in an attempt to minimise the perceived regional political risks should also be helpful in encouraging foreign direct investment and capital exchange. However, the opening of Kosovo's economy to global trade and competitiveness will also lead to increased volatility to developments in the global economy. External asymmetric shocks should become much more common once Kosovo's economy and business cycle has been fully integrated into regional and European markets. Forces of global competition will necessarily cause tensions in the society as it adjusts to more competition. Kosovo needs to formulate a social security to provide a safety net and insurance against economic re-adjustments in the future.

3.4 Other challenges

Kosovo has in recent years faced few instances of natural disasters as flooding, avalanches, landslides and earthquakes. In addition, industrial and chemical waste from Trepca Complex

and Obilic Power Plants continue to be pose risks to the overall population. Both sources of natural and man-made hazards still loom in the Kosovo society. In addition, Kosovo has to account for the technological advancement over the last decades and the challenges that it creates for its security. Incursions into information systems, blocking of entire systems, unauthorized access and the potential dissemination of inaccurate information are new forms of threats made possible by the use of information technology.

4. KOSOVO INTERESTS AND STRATEGIC GOALS

The national security policy is a balanced set of activities and programmes comprising foreign, defence, economic, social and cultural policies. The most important goal of Kosovo national security policy deriving from the strategic interests and values is to ensure the security of Kosovo and its people and to strengthen regional and global peace, security and stability. Kosovo has declared its independence in 2008 and its institutions are still in the development phase. However, it has firmly committed itself to pursuing integration in the European Union, NATO and UN. The Government has since stated its objective of consolidating Kosovo's standing in international relations; pursue good neighbourly relations and active cooperation in South-East Europe political and economic organisations.

Kosovo is a small country in global security terms and has limited resources. It is still in the process of consolidating its democracy and institutions. It declared its independence from Serbia in 2008 after decade of United Nations Administration. Majority of EU and NATO countries have recognised its independence but there are still members that have failed to endorse the act. Roughly half of the members of United Nations have so far recognised it as sovereign country. The failure to win recognition from a number of key states has made Kosovo's participation and relations with EU and NATO quite complex. It is the only country in the region that does not have a Stabilisation and Association Agreement with the EU. While it has profited from a heavy NATO presence, it still does not have a clear path of cooperation and participation in NATO structures. Serbia continues to claim Kosovo as part of its territory. Their refusals to accept Kosovo as a sovereign nation have posed a number of internal challenges and difficulties in participating in regional political and economic initiatives.

Nevertheless, the European Union mediated dialogue between Belgrade and Prishtina has produced a number of results in improving their relations and a relaxation of Serbia's objections towards Kosovo's participation in regional institutions. That culminated with Brussels Agreement (2013) on normalising relations. Kosovo government officials have hailed the agreement as a good step towards consolidating Kosovo's statehood and a step towards the opening of the European integration perspective. The text of the agreement, among others, stated that neither Kosovo nor Serbia should obstruct each-others' path towards European integrations. This could create a conducive environment for constructive cooperation with neighbours and strengthening regional relations based on trust and cooperation as a way to ensure Kosovo's long-term security.

In pursuing its national security policy and strategic goal, Kosovo has to reach a number of objectives and milestones namely (a) build good neighbourly relations, (b) actively participate in regional cooperation mechanisms, (c) sign a Stabilisation and Association Agreement with the EU, (d) participate in the NATO Partnership for Peace program as a first step towards full membership, (e) seek membership and cooperation in the Organisation for Security and Cooperation in Europe (OSCE) and (f) seek membership in United Nations and other international organisations. In essence Kosovo has to follow a defence policy centred on the priorities of multinational integration and cooperation, participation in international peace-building operations, continue the consolidation of Kosovo Security Force into a

structure capable of contributing to security goals and finally increase its resources for defence.

4.1 Multinational integration and cooperation

European Integration and participation in the future European Security and Defence Policy (ESDP) should guide the national security policy. Kosovo along with other Western Balkans states has been offered the European integration perspective at the Thessaloniki Summit (2003). Formalisation of its relations with the EU has proven difficult due to internal disagreements within the union – five members maintain a policy of non-recognition of Kosovo's statehood. Kosovo hosts a large EU rule of law mission and receives significant assistance as part of Instrument for Pre-Accession (IPA). Cooperation with the EU instruments and programmes has advanced over the course of the past years but has been complicated process due to EU policy on status neutrality.

Both the government and political elites are staunch supporters of EU integration as a national strategic goal. The vast majority of the population is firmly supportive of the integration process (Kosovo Security Barometer, 2013). Kosovo has been offered the Visa Liberalisation Process by the European Commission in 2012 and it presents an important mechanism for dialogue on important security concerns. In addition it serves as an important catalyst for the Europeanization of the security practices. However, the Government still awaits the green light from the Commission on the Mechanism for Stabilisation and Association – a process that should officialise and streamline the dialogue with the EU and provide further incentives for reforms for the fulfilment of the Copenhagen Criteria. Kosovo's European integration perspective is an important development for regional cooperation and stability in Western Balkans.

NATO has actively participated in the establishment of the Kosovo security apparatus in the post-conflict period. Its KFOR force is responsible for the security of Kosovo. Despite the high level of NATO's direct involvement in Kosovo for more than a decade and irrespective of the fact that all Kosovo's neighbouring countries have already signed Partnership for Peace (PFP) programs with NATO, Kosovo is the only country outside of the accession talks. Kosovo was still in the process of capacity building and as such could not assert its candidacy to join Euro-Atlantic accession agreements. Hence this can be seen as the reason why Kosovo institutions did not officially apply to NATO to start the process of eventually signing the PFP. While the non-recognizing NATO members have been pragmatic enough to enable the assistance and training of the Kosovo Security Force, it should be noted that contractual relations between Kosovo and NATO will be challenged by internal opposition within the Alliance.

These delays were not only attributed to political constraints, but also to the internal security transition which has been occurring over the last four years. However, considering that now the Kosovo security sector has entered its final stage of strategic review, the expression of interest for Euro-Atlantic integration is finally getting a higher priority on the institutional agenda. The vast majority of Kosovans consider NATO membership as a good thing for Kosovo and are of the opinion that it along with EU integration solves their security dilemmas (Kosovo Security Barometer, 2013).

Kosovo is not a United Nations member – two UN Security Council members oppose its independence and membership. UN membership is an important security policy milestone for Kosovo. It is both a mechanism to increase cooperation on pressing security challenges and for participation in international conflict-prevention and peace-keeping operations. Kosovo security structures should aim in the long-term to sign a memorandum of cooperation with the Multinational United Nations Stand-by Forces High Readiness Brigade. In view of its existing complexities for membership in multilateral organisations, Kosovo should seek active participation in regional Western Balkans and South-East Europe political and security initiatives.

4.2 Participation in international operations

The Kosovo Security Force was in the consolidating phase ever since the declaration of independence in 2008. The establishment of the force, standard operations procedures and its mandate were under international military presence supervision and authority. The Government of Kosovo is in the process of seeking the final approval of operation capacities (FOC) by NATO Council. The confirmation of FOC has been delayed due to the internal security sector review process and hesitations by a number of NATO members (ELIAMEP, 2013).

In spite of operational challenges and political complexities, the Kosovo Security Force has expressed its willingness to contribute to the international peace and security. The Constitution of the Republic of Kosovo states that that '*KSF...may send its members abroad in full conformity with its international responsibilities*' (Constitution of the Republic of Kosovo, 2008). The Assembly of Kosovo recently adopted the Law on Overseas Deployment of the Kosovo Security Force to regulate its participation in peace support operations, humanitarian operations and trainings. KSF participation in international missions has suffered for both operational and political reasons. However, it successfully carried out a limited humanitarian search and rescue operation to assist Albania in managing a flooding disaster in 2011. The force participation in international missions should be done through bilateral agreements with host countries rather than through multilateral agreements in view of the existing political challenges.

4.3 Defence capabilities

The mandate of the militaries to perform tasks in the framework of the territorial integrity is a conventional task and thus applicable to all sovereign states. This mandate implies the primary tasks of all military forces in the world to make necessary investments to defend the country in case of military attacks or any other external non-conventional attacks to the wellbeing of the country and its citizens. While decrease of the military threats in Europe (and in the Western Balkans) weakened the arguments for investing in this domain however, none of the European military forces refrained entirely or withdrew from exercising further this mandate. The mandate to some extent is becoming symbolic but it is an essential pillar of the contemporary defence sector.

In Kosovo, the international military presence (KFOR) is the only authority exercising this mandate since the post-conflict period. The foundations of the mandate are based on the UN

SC Resolution 1244 as well as the Military-Technical Agreement (Kumanovo Agreement). However and, in particular, since the declaration of the independence of Kosovo there were significant changes in the structure and performance of KFOR on the ground. Troops decreased drastically with an improved security situation; the responsibilities for the border control with Albania, Montenegro and Macedonia were transferred to the Kosovo Police while the geographical scope of the performance of KFOR was predominantly limited to the northern part of Kosovo.

Kosovar security institutions, particularly the KSF, did not exercise any component falling within the scope of defending territorial integrity. The existing legislation does not provide an explicit mandate for the KSF to perform tasks in ensuring territorial integrity. However, the Constitutional provisions are broad enough to allow for creative interpretations.. The Article 125 makes it explicit that "*the Republic of Kosovo has authority over law enforcement, security...and boarder control within its territory*". While there is no direct reference to defence structure or defence policies, the Constitutional provisions recognise the authority of the President of Kosovo in declaring the state of emergency. In sum, the existing legislation does not explicitly regulate the mandate of KSF for ensuring territorial integrity in Kosovo but on the other hand there are no legal provisions prohibiting it.

The exercise of disaster relief and civil protection tasks is an essential mandate of the existing KSF. The institution's focus was solely in increasing the capacities of civil protection. The civil protection mandate of the KSF is clearly regulated in the Law on KSF. It is mandated to assist civil authorities in responding to natural and man-made hazards and emergencies, including as part of regional or international crisis response to conduct explosive ordinance disposal and to assist civil authorities through civil protection operations. Prospective defence force with consolidated civil protection capabilities may serve also the regional and international efforts for crisis management. While Kosovo seek NATO membership, it is also required to adhere to the "smart defence" concept which requires from each member to provide their most expertise. KSF can offer either one of the following specializations: civil protection (especially urban rescue tasks) or explosive ordinance disposal (including demining)

5. KOSOVO DEFENCE POLICY OPTIONS AND FUTURE SCENARIOS FOR KOSOVO SECURITY FORCE

The context of security sector development in Kosovo differed to other Western Balkans countries. The institutions were predominantly build from scratch through the support of the international community. There was no institutional correlation between former Yugoslav security structures and post-conflict security institutions in Kosovo. There are three phases of the security sector development: first phase (1999-2005) marked the establishment of the first Kosovo security institutions, notably the Kosovo Police and civil emergency structures; second phase (2005-2008) highlighted the initial handover of the responsibilities from the international community to the Kosovo Government (this period also reflected the establishment of civilian and oversight structures); third phase (2008-2013) embedded a new security sector architecture in light of Kosovo's statehood. The third phase reflected a completed security sector while new security institutions were established: namely the Kosovo Security Force and Kosovo Intelligence Agency. In all of the three phases, the predominant argument for the development of the security sector relied on the UN SC Resolution 1244 and the suggestions provided by international actors. Those arguments reflected upon the political stability argument.

The key feature of all three phase of security sector development in Kosovo is that policy choices were based on a top-down approach with little say from local actors or adequate consideration for the nature and scope of threat that Kosovo faced. Decisions regarding the structure and institutional set-up of the sector were carefully implemented so as to balance local demands with regional and international political concerns. However, nearly fourteen years after the conflict and five years after the declaration of Kosovo independence provide an optimal and more conducive momentum for a security sector review that is anchors the bottom-up approach. It is essential that the principle of local ownership prevails. The on-going Kosovo security sector review provides a good opportunity to craft a national security policy and structure that is rational and designed to meet the expectations of fledgling democracy. The scope of reforms and analysis of the security sector is wide. The paper is primarily concerned only on the future of Kosovo Security Force.

The preceding sections highlighted the main threats and Kosovo interests and values. This section in turn presents a list of scenarios structured along a number of criteria of analysis. Each option should provide a clear sense of scope and purpose and a basis for determining how its instruments are to perform functional activities that create consequences that achieve the goal being pursued. The number of options examined is dictated by the situation on the ground. Sometimes the policy options to be studied are dictated by policymakers; other times, the analyst determines them. The following policy options were developed in a consultative process by the research team. All attempts were made to present options that reflect the dynamics and choices that augment significant local and international stakeholders' stances over the issue.

The next step in crafting a conceptual framework is to develop subject areas for guiding the analysis. These subject areas help pose the critical questions to be asked and define the

types of information and judgments needed to evaluate the options. Their purpose is to tell policymakers and other readers what they need to know about the options. They focus on such critical issues as the nature of the policy options, their performance characteristics, whether they are likely to succeed or fail, the broader considerations that influence evaluation of them, and their overall merits.

5.1 Scenarios overview

Scenario 1 - The first scenario represents the status-quo. Under this policy options KSF is mandated to carry our civil protection tasks and contribute in international humanitarian operations. Its legal status is that of a civil protection force that operates as a means to complement KFOR security responsibilities. The force would continue to be lightly armed and constrained in the type of equipment that it can operate. It will instead specialise in urban search and rescue operations. The size and numbers of active and reserve component of the force would remain intact – 2500 active members and 800 in the reserve component. Its external relations and partnerships will be strictly monitored by KFOR. Under this scenario contractual relations and potential NATO membership is excluded in the foreseeable future. The

Scenario 2 - Under the second scenario the existing Kosovo Security Force would transform into a Kosovo Defence Force (KDF). The future force's mandate is to ensure Kosovo's territorial integrity, security, provide civil protection assistance and contribute to international peace. The numbers of active members will be increased to 3,500 in view of additional tasks and responsibilities. It will work alongside KFOR in ensuring Kosovo's stability and would gradually assume new security responsibilities. The operational budget of the force should be increased to 1.1% of GDP (current growth estimates and exchange rate). KDF would be an equal regional partner and a potential candidate for NATO membership.

Scenario 3 – Under this scenario the KSF would transform into Kosovo Army. The mandate of the future army will be to ensure Kosovo's territorial integrity and contribute to civil protection and international peace and stability. The numbers of active members will be increased to 5,000 in view of additional tasks and responsibilities. It will take the primary responsibility to ensure Kosovo's stability. The operational budget of the force should be increased to 1.6% of GDP (current growth estimates and exchange rate). The Kosovo Army would be an equal regional partner and a potential candidate for NATO membership.

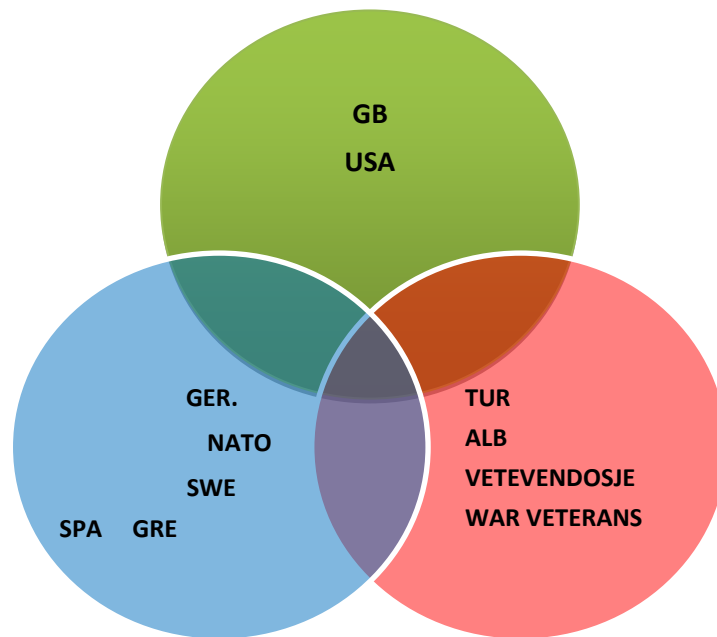
	Scenario 1	Scenario 2	Scenario 3
Name	Kosovo Security Force	Kosovo Defence Force	Kosovo Army
Mandate	Civil protection tasks and contribute to international humanitarian operations	Ensuring Kosovo territorial integrity, civil protection and contributing to international peace	Ensuring Kosovo territorial integrity, civil protection and contributing to international peace
Size	2,500	3,500	5,000+
Policies	Security Policies	Defence and Security	Defence and Security
Relations with KFOR	Operational cell	Partner	Partner
NATO membership	No	YES	YES
Equipment	Lightly armed	No limits - determined by threats and resources	No limits - determined by threats and resources
Budget (% GDP)	0.70%	1.10%	1.60%
SMART Defence	Urban Rescue	Search and Rescue	Search and Rescue +Demining
Institutional Structure	Integrated Ministry of KSF	Integrated Ministry of Defence	Ministry of Defence separated from HQ

5.2 Scenarios Analysis: actors preferences and political implications

This section will list the visions and ambitions of actors and stakeholders. The exercise will list actors [both international and local] behind every scenario. The research team has used both official statements and discourse analysis in placing actors' preferences for the three potential Scenarios. It should be noted that many of the actors have refrained from making an explicit stance and it is difficult to precisely know their motivations.

There has been an intensive debate about the future of the Kosovo Security Force after the end of international supervision of Kosovo independence. The second half of 2013 marks the end of the provisional legal constraints on the mandate and numbers of the Kosovo Security Force. Along the same view, the Government of Kosovo has launched the Strategic Security Sector Review process to determine the outcome after the initial operationalization of the Kosovo Security Force. According to Governments' assessments', Kosovo Security

Force transformation is yet another milestone the state-building process. The completion of ISG mission in Kosovo and the end of Ahtisaari's Plan provisional limitations point to a natural development for Kosovo to assume responsibilities for its own security and defence.



Legend:

Scenario 1 [Blue] – Actors' preferences

Scenario 2[Green]- Actors preferences

Scenario 3 [Red] – Actors' preferences

NATO on the other hand has recognised the progress that KSF has made since its establishment but has stopped short of issuing an assessment over whether KSF has reached the Full Operational Capability (FOC). Kosovo will abstain from a unilateral declaration of a national army, and the KSF will maintain its current status and mandate even after June 2013. The operational capabilities of the KSF will remain under the oversight of KFOR, and under no circumstances will they exceed the agreed upon limitations that currently stand under Kosovo's Law on the KSF. In return, NATO appears willing to issue a public declaration, which will certify that the KSF has reached its Full Operational Capabilities (FOC) and will be ready in the future to assume more responsibility in providing security in Kosovo (ELIAMEP, 2013).

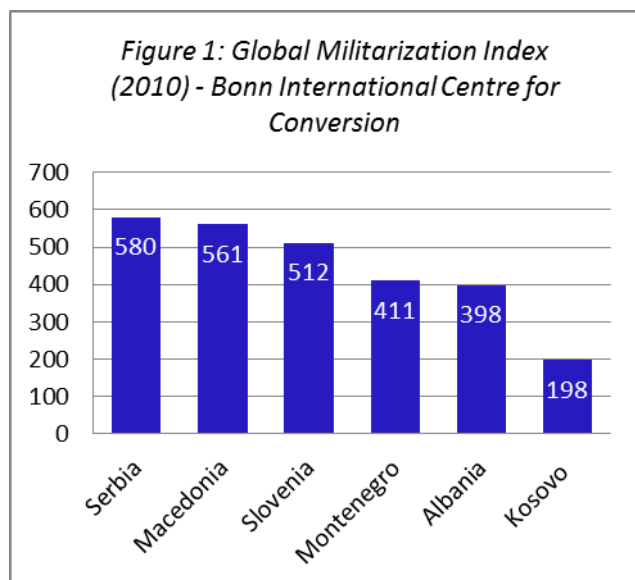
The existing *Scenario 1* would see Kosovo Security Force concentrate on its existing mandate of providing emergency assistance to law enforcement agencies in the event of natural disasters or man-made hazards. In addition the force would be available for limited regional and international missions agreed upon on a bilateral basis and with the permission of international military presence in Kosovo. The civil protection force would be an operational local cell to assist NATO forces in providing security to Kosovo. The existing scenario would be most probably an option favoured by international military presence in view of difficulties to come up with a consensual vision on KSF. In addition, the status quo would presumably approximate the stance of a number of regional and existing NATO

members who oppose any further militarisation of KSF. A potential review of KSF mandate would happen at a later stage once the non-recognising members have come to terms with it or in the event that Kosovo becomes a member of the United Nations. Until then Kosovo would be discouraged from seeking NATO membership.

However, the existing scenario would be consistently challenged by the local political establishment. A growing domestic pressure would likely compel the ruling establishment to push for unilateral actions and legal amendments. Kosovo political elites would consider this as a natural step and reward after the completion of the mandate of the International Steering Group for Kosovo (ISG). It would require significant international pressure to maintain the local actors' current course of action. Unilateral actions towards changing the mandate and institutional structure of KSF would probably cause tensions between Kosovo and a number of existing NATO members and potentially sever Kosovo's chances for future NATO membership given the unanimity rule. Such actions will predictably cause an outcry in Serbia and would further complicate Governments' relations with Serb-inhabited municipalities in the north. They could also hamper efforts to implement the Brussels agreement (2013) and make local Serbs more reluctant to integrate in the structure.

Under the *Scenario 2*, Kosovo Security Force would transform into a Kosovo Defence Force (KDF) after the NATO's certification that KSF has reached the Full Operational Capabilities (FOC). In addition to the existing mandate, the future KDF would assume further responsibilities and be mandated to protect the territorial integrity and security of Kosovo. KDF would partner KFOR in exercising security responsibilities and would enable a gradual and phased hand-over of responsibilities in different geographical regions. In addition to extended internal responsibilities, the KDF would have no legal constraints in entering into regional cooperation mechanisms. Both political and legal constraints looming over KSF mandate, equipment and international partnerships would be removed. KDF just like the case with the Bosnian Army would be on a two level relationship with the Alliance – both as a partner in maintain security and stability but also as a perspective candidate for PFP and full membership.

This Scenario would please the local political establishment and would ease the opposition's pressure for unilateral actions. The Kosovo Assembly would amend the existing Law on KSF through a qualified majority vote. In order to allay neighbours' concerns, the law would also enshrine a clause specifying the defensive nature of the force. This scenario would cause a temporary uproar among a number of NATO members. However, this would be an outcome closet to a *natural equilibrium* accounting for both local demands and international concerns



and a creative balance of actors' positions. Non-recognising NATO members could choose to maintain the unity of the Alliance by keeping their relations with the force intact while refraining from providing direct assistance in implementing the extended legal mandate.

Under the constellation of the *Scenario 2* the KDF would enter into bilateral agreements with NATO members to develop its capacities in implementing the objective of assuming direct security responsibilities. The exercise would enable KDF to widen its scope of development to tackle the threats looming over Kosovo but with significant resource constraints. As the Figure 1 data from Global Militarization Index point out, Kosovo is the least militarized country in the region and would not pose a threat to regional stability. The ultimate goal under this scenario is to develop a force big enough to tackle existing risks and be deployable in international operations but small enough so as not to overburden Kosovo budget.

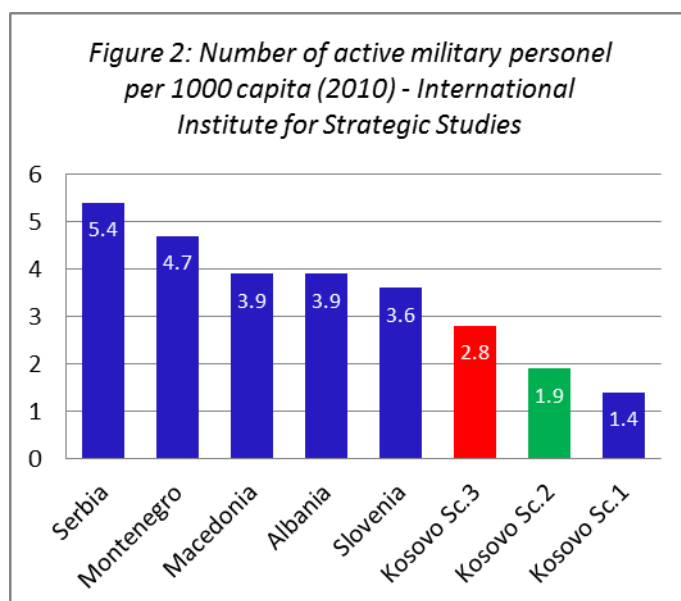
The *Scenario 3* is the preferred course of action for a number of local actors. Vetevendosje Movement and War Veterans have been strong advocates of this option. This outcome is seen as by these actors both as a culmination of Kosovo’s statehood but also a necessary symbolic move to strengthen Kosovo sovereignty. Proponents of this policy option argue that there is no reason to lessen Kosovo’s ambitions for as long its security is challenged by Serbia. Furthermore, despite the changes in the nature of threats and integration into NATO, nearly all states have sought ways how to advance their capabilities rather than downgrade their status or operations.

Kosovo Security Force enjoys some of the highest favourability and satisfaction levels among the population. The vast majority were in favour of KSF transforming into an army (Kosovo Security Barometer, 2012). However, many international actors have doubts about the suitability of Scenario 2 and especially Scenario 3. Despite the expiry of the provisional legal constraints imposed under the Ahtisaari Plan, a number of international actors told the research team that the move towards unilateral transformation could also jeopardize EU efforts to normalise relations between Kosovo and Serbia. Additionally, these untimely steps could also challenge Kosovo internal stability – local Serbian population and especially those living in northern Kosovo could see it as a step to extend Kosovo’s institutions’ authority in the areas through the use of force.

5.3 Economic implications

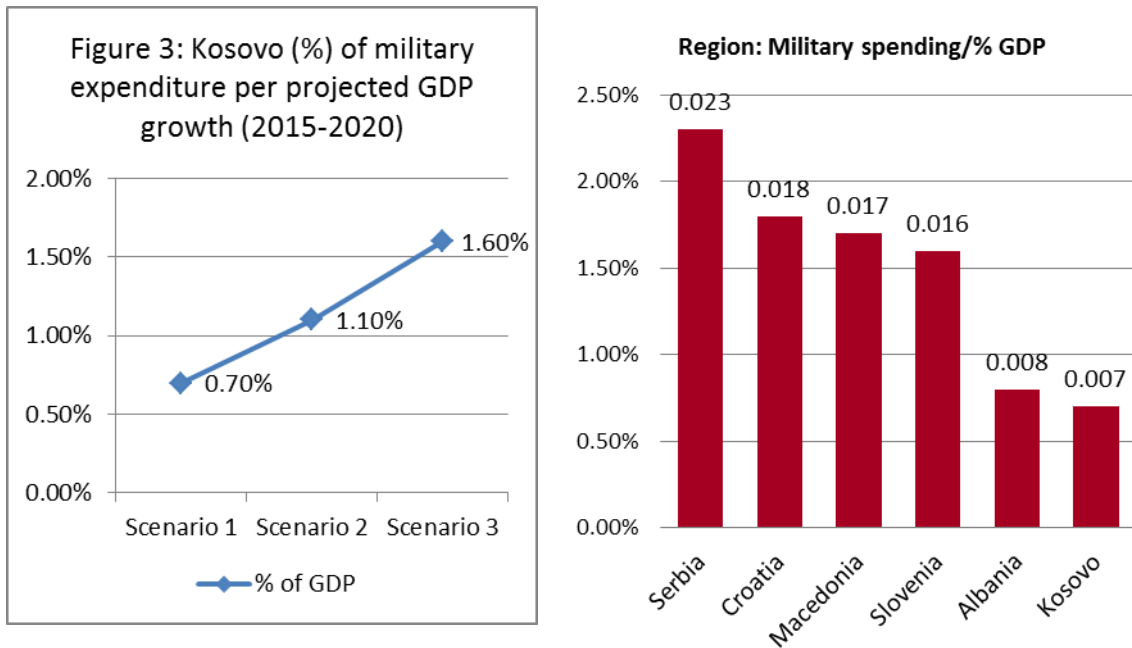
This section should try to summarize the resources required to sustain each policy option, should clearly list the costs of each scenario and measure it against existing and prospective economic growth and public budget. It should also list potential international support that each option can garner and the types of actions that are required.

Kosovo, under the existing *Scenario 1* has low numbers of active military personnel compared to regional counterparts



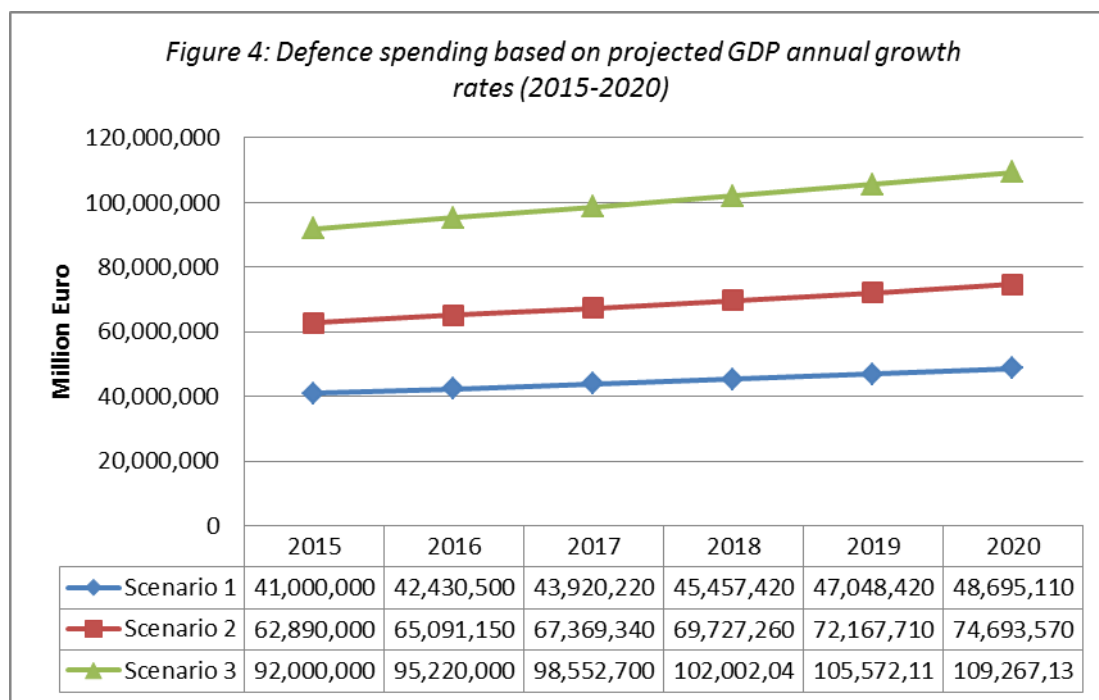
including Slovenia as a member of NATO and EU. The data are based on international assessments of the numbers of active military personnel per 1000 people in a given country (IISS, 2010). The data for Kosovo were generated on the basis of the latest Census Report and the numbers of KSF members at the given time. Slight modifications might have occurred due to on-going reforms in other regional countries and budget cuts but the figures represent a rough representation of the current situation. With all things remaining the same, an increase in the number of military personnel as in Scenario 2 and Scenario 3 would modestly improve the situation albeit would still remain well below the regional average.

Kosovo military expenditures compared to other states in the region



Source: International Institute for Strategic Studies (2010)

Kosovo's 2013 military expenditure as a percentage of gross domestic products (GDP) is 0.7% (Scenario 1). This level of military expenditure is significantly lower compared to other countries in the region (SIPRI, 2013). Serbia tops the list of regional countries in terms of military expenditure with 2.3% of GDP, followed by Macedonia (1, 7%) and Slovenia (1, 6%). Only Albania has a comparable percentage of military expenditure with 0.8% of GDP. Under the Scenario 2 Kosovo's military expenditure would increase to 1.1%. The percentage of military expenditure under Scenario 3 would be 1.6% somewhat closer to Slovenia's average in the past five years. Military expenditures have been calculated on the basis of actual spending for Scenario 1 while Scenario 2 and Scenario 3 also account for personnel increases and capital investments that may results due to a revised mission statement.



Scenario 1 is affordable and sustainable in the medium and long-term. The second scenario involves a significant increase in defence spending as of 2015 – starting with nearly 63 Million Euro and gradually increasing to 75 Million Euro by 2020. The gradual increase of spending under this scenario is based on the assumption that the tax base will widen in view of rather optimistic GDP growth projections over the next six years. An increase in military spending will necessarily involve some trade-offs – there will be less resources for investment in other important public policy sectors. The implementation of Scenario 2 programme requires external budgetary support – often available to countries that are part of the NATO PfP programmes.

The Scenario 3 is costly. It may well cross the point where losses outweigh security gains. This is particularly relevant at this given period when other social policy challenges dominate the public policy agenda. Although the political justification of much of the growth of military spending is usually based on the need to maintain national security, these recent dynamics have led to renewed debate over whether the increase of the military expenditure enhances or deteriorates economic growth and welfare. These trade-offs are particularly salient for Kosovo which faces severe economic problems and under-investment in other public policy domains as health, education and social policy. Decisions about the preferred course of action should be rational and carefully planned against the backdrop of immediate social challenges.

6. RECOMMENDATIONS AND CONCLUDING REMARKS

- Kosovo should set-up a responsive security policy which accounts for the changes in the strategic environment, the in the internal dynamics as the ever increasing scope of non-traditional threats.
- International and local security institutions should carefully consider the changing dynamics of threats resulting from Kosovo exposure to international economic, technological and environmental setting.
- Kosovo security policy should incorporate a combined blend of defence, foreign policy, economic and cultural aspects.
- NATO and major international stakeholders should gradually lead the process of transformation of Kosovo Security Force into a Kosovo Defence Force which is mandated with responsibilities for security, civil protection and contribution to international peace and stability.
- The future Kosovo Defence Force should be trained and capable to perform diverse tasks and responsibilities. The force should be capable of rapid reaction and deployment and should be trained and resourced to sustain the challenges of contemporary security environment.
- Kosovo should prepare to increase military expenditure to accommodate the need for an additional 1000 active troops, better training and equipment.
- The future Kosovo force should be able and willing to enter into regional cooperation initiatives and increase bilateral cooperation with recognising NATO members.
- The legal amendments should explicitly highlight the defence nature of the force
- The dynamics of implementation and timeframe should account for internal stability concerns and important EU initiatives to improve regional relations.
- Kosovo political actors should seek to maintain and further nurture the partnerships with NATO and avoid any unilateral steps that may jeopardize future membership into the Alliance.