EU/Kosovo Stabilisation and Association Agreement

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PURPOSE: to conclude a Stabilisation and Association Agreement between the European Union and the European Atomic Energy Community, of the one part, and of Kosovo, of the other part.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: in June 2013, the Council authorised the Commission to open negotiations with Kosovo on an EU-only Stabilisation and Association Agreement and adopted negotiating directives. The negotiations resulted in the initialling of the draft text of the agreement on 25 July 2014 which is the subject of this proposal.

CONTENT: in this proposal, the Council is called upon to adopt the Stabilisation and Association Agreement between the European Union and the European Atomic Energy Community, of the one part, and of Kosovo, of the other part, on behalf of the European Union, for the parts falling under the Treaty on European Union and the Treaty on the Functioning of the European Union.

Characteristics of the agreement: the Agreement is based on similar agreement signed with countries in the region, while taking into account that this is an EU-only agreement, as well as Kosovo's particular situation.

Legal basis: a 'First agreement on principles governing the normalisation of relations' was reached on 19 April 2013 in the framework of the EU-facilitated dialogue. The Agreement as signed provides for the establishment of an association between the EU and Kosovo involving reciprocal rights and obligations, common actions and special procedure. The decision to conclude this Agreement should therefore be based on the legal basis providing for the establishment of an association allowing the Union to enter into commitments in all areas covered by the Treaties.

Main objectives of the Agreement: the Stabilisation and Association Agreement with Kosovo provides for wide-ranging cooperation:

- **political dialogue:** the agreement provides for a framework for political dialogue with Kosovo, both at a bilateral and regional level. It promotes regional cooperation and **Kosovo makes a strong commitment in the agreement to the normalisation of relations with Serbia**;
- **trade cooperation:** the deepening of economic and trade relations is one of the main goals of the agreement. The agreement sets out the perspective of establishing a **free trade area** covering goods and services, consistent with the relevant WTO principles, after a transitional period in specific areas. The length of the transitional period was established during the negotiations in light of the state of preparation of Kosovo.
- **internal market:** the agreement also includes provisions on establishment, supply of services, current payments and movement of capital. It includes the commitment by Kosovo to progressively harmonise its legislation with that of the EU, notably in key areas of the internal market. It establishes relations covering almost all areas of EU interest, including justice and home affairs, which is limited to technical, financial and economic aspects.

Overall, the cooperation is underpinned by EU financial and technical assistance, which provides Kosovo with the necessary support and assistance in the implementation of certain aspects of the agreement.

Recognition of Kosovo's international status: it is important to note that the conclusion of the future agreement is without prejudice to Member States' position on the status of Kosovo, which will be decided in accordance with their national practice and international law.

None of the terms, wording or definitions used in this proposal and the attached text of the Agreement, nor any recourse to all the necessary legal bases for the conclusion of the Agreement constitute recognition of Kosovo by the Union as an independent State nor does it constitute recognition by individual Member States of Kosovo in that capacity where they have not taken such a step.