Kosovo* and the EU

An overview of relations between the EU and Kosovo (*).

Political relations

The European Union has played a leading role in the international effort to build a new future for Kosovo since 1999. Kosovo has a clear European perspective as part of the wider Western Balkans region.

The EU is active in Kosovo through its Special Representative (EUSR), and the European Security and Defence Policy (ESDP) mission in the rule of law area (EULEX). The EU is also present through member countries’ Embassies and Liaison offices.

The European Union Office in Kosovo plays a pivotal role in implementing the EU agenda in the territory, especially the promotion of European norms. The Office ensures permanent political and technical dialogue between Kosovo and the EU institutions. The EUSR offers advice and support to the Government of Kosovo, coordinates the EU presence, and promotes human rights and fundamental freedoms.

EULEX

The European Union Rule of Law Mission in Kosovo (EULEX) is the largest civilian mission ever launched under the European Security and Defence Policy. The aim is to assist the Kosovar authorities in the area of rule of law, specifically in the police, judiciary and customs. EULEX is a technical mission that mentors, monitors and advises, while retaining a number of limited executive powers.

Stabilisation & Association Process

The Stabilisation and Association Process (SAP) is the European policy framework for relations between the EU and the Western Balkan countries, all the way to their eventual accession to the Union. The partnership between the EU and the Western Balkans is in the interest of all sides, promoting peace, stability, freedom, security and justice, prosperity and quality of life. The SAP promotes stabilisation and the transition to a market economy, regional cooperation and preparation for EU accession.

The EU has conducted regular meetings with the Kosovar authorities as part of the Stabilisation and Association Process Dialogue (SAPD). This monitors progress in the EU enlargement process, following
a "carrots and sticks" approach (see the Economic Relations section below). With the entry into force of the Stabilisation and Association Agreement (SAA) between the EU and Kosovo on 1 April 2016, the dialogue framework will be reformed – discussions will take place within the SAA framework, in sub-committees.

The EU and the Kosovar authorities are discussing a wide range of policy issues and agreeing on follow-up actions in meeting conclusions. Plenary meetings are held once a year. Prior to each SAP Dialogue, the EU discusses the same issues with local civil society. Annual Country Reports assess the readiness of the Western Balkan countries to move closer to the EU.

Specific sectoral meetings have been set up for technical discussions in the following areas: justice, freedom and security; innovation, information society and social policy; agriculture, fisheries, forestry and food safety; internal market, competition and consumer/health protection; trade, industry, customs and taxation; transport, energy, environment and regional development; and economic and fiscal matters. Sectoral meetings take place once a year.

**Economic relations**

The European Union – both its member countries and its institutions, notably the European Commission – play a prominent role in the reconstruction and development of Kosovo. The EU is by far the single largest donor providing assistance to Kosovo and the Western Balkan region, and is at the forefront of the reconstruction effort.

Kosovo has received more than €2.3 billion in EU assistance since 1999, and close to €1 billion in support to international presence since 1999. While it initially focused on emergency relief actions and reconstruction, it now concentrates on promoting Kosovo’s institutions, sustainable economic development and Kosovo’s European future. Eighteen EU countries maintain representative offices in Kosovo, and numerous non-governmental organisations from EU countries are active there.

In the context of the Stabilisation and Association Process (SAP, see above) that is seeking to bring Kosovo into line with European norms, the EU has a number of "carrots." These include a mixture of trade concessions, economic assistance (Instrument for Pre-Accession Assistance Programme) and treaties (Stabilisation and Association Agreements).

**Technical and financial cooperation**

The European Union's political and financial commitment to Kosovo is two-fold. The EU provides assistance to meet Kosovo's institution-building needs and socio-economic development, and it also provides a substantial contribution to the international presence in Kosovo.

Responding to the Council's request to use community instruments to promote Kosovo's economic and political development, the Commission organised a donors' conference in Brussels on 11 July 2008. The Kosovo authorities presented a Mid-Term Expenditure Framework 2009-11, which estimated a funding gap of some €1.1 billion for Kosovo's socio-economic development over the coming three years. A total of €1.2 billion was pledged by the international community, including some €100 million for a stabilisation fund for contingent liabilities. The EC pledged €508 million, consolidating Instrument for pre-accession assistance (IPA) and Macro-Financial Assistance (MFA) allocations to be disbursed during this period. The EU Member States pledged a further €286 million
from their bilateral assistance budgets.

In 2010, Kosovo received € 67.3 million of financial aid under the Instrument for Pre-Accession Assistance (IPA). The allocation for 2011 totals € 68.7 million. The 2010 programme covers 11 areas from three major categories: political criteria, economic criteria, and European standards. The projects have been prepared in close cooperation with the authorities and beneficiaries in Kosovo and in close consultation with other donors.

The financial allocation for Kosovo for the period 2007-2012 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented by EC Liaison Office</td>
<td>68.3</td>
<td>184.7</td>
<td>106.1</td>
<td>67.3</td>
<td>68.7</td>
<td>70.0</td>
<td>107.2</td>
<td>672.3</td>
</tr>
<tr>
<td>Implemented by DG Enlargement</td>
<td>6.3</td>
<td>37</td>
<td>2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For more information on IPA funds for Kosovo please visit this link

IPA Annual Programme 2007:

- **Programme Description** [16 KB]
- **Commission Decision** [17 KB]
- **Financing Proposal** [87 KB]
- **Summary of projects** [35 KB]

IPA Annual Programme 2008:

- **Programme Description** [14 KB]
- **Commission Decision and Financing Proposal** [118 KB]
- **Summary of projects** [33 KB]

IPA Annual Programme II 2008:

- **Programme Description** [12 KB]
- **Commission Decision and Financing Proposal** [91 KB]
- **Summary of projects** [20 KB]

IPA Annual Programme 2009:

- **Commission Decision and Financing Proposal** [88 KB]
- **Summary of Projects** [32 KB]

IPA Annual Programme 2010:

- **Commission Decision and Financing Proposal** [96 KB]

Examples of EU-assisted projects can be found on the list of projects and case studies webpage.

Annual programmes of the Instrument for Pre-accession are designed in accordance with the strategic Multi-Annual Programming Documents (MIPDs). They are adopted by the Commission following consultation with the beneficiaries and a wide range of stakeholders. In the case of Kosovo,
they are implemented by centralised management.

In the past, the EU has provided support to Kosovo under a variety of financial instruments, including Community Assistance for Reconstruction, Development and Stabilisation (CARDS), macro-financial support and humanitarian aid. Kosovo also benefits from TAIEX and Twinning projects, EU higher education programmes such as Erasmus+ as well as the European Instrument for Democracy and Human Rights.

## Development Fund

### Introduction

The Development Fund for the northern Kosovo municipalities was established as a result of the EU facilitated Dialogue between Kosovo and Serbia.

Conclusions reached at the Customs Working Group meeting held on 17 January 2013 in Brussels, in the context of the implementation of the Dialogue, determined that revenues collected at the crossing points of Gate 1 Jarinje and Gate 31 Brnjak would form the basis of the Development Fund revenues.

The Fund was established with the aim to support the socio-economic development in the four northern municipalities, Leposavic, North Mitrovica, Zubin Potok and Zvecan. The money is public; its disbursement and expenditure follows Kosovo law.

The operation of the Fund is decided by the Management Board composing the EU Special Representative in Kosovo as the Chair, the Kosovo Minister of Finance on behalf of the Kosovo authorities, and a representative of the Serb community in the four municipalities.

Each municipality is encouraged to submit proposals for projects that will have a direct impact on improving the lives of its citizens. These can include the maintenance or construction of schools, hospitals or roads, but also business and social projects targeting specific sectors such as SMEs, agriculture producers, women, children or minorities.

### Revenues

The revenues from both Crossing Points are transferred into an account established in a commercial bank in Pristina determined by the EU.

As of 31 December 2018, the Fund has collected in excess of 15.5 million EUR. To that date, the Management Board has approved 30 different projects amounting to 11 mil EUR. These projects are now in their implementation phase. A number of projects are being prepared for submission to the Management Board.

<table>
<thead>
<tr>
<th>Funds collected by 31 December 2018</th>
<th>Number of projects approved</th>
<th>Total amount of money allocated until August 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€15.5m</td>
<td>30</td>
<td>€11m</td>
</tr>
</tbody>
</table>

[Development Fund overview - December 2018](#)
Types of projects financed

The Fund favours public investment projects, which will have an impact on the socio-economic developments in the municipalities in the north.

Specifically, projects which are proposed should aim at improving the lives of the local population, should be financially viable, cost effective, environmentally responsible and sustainable.

They can be related to the construction and maintenance of public infrastructure including roads, hospitals, water supply, waste water treatment and waste management; support to business, farms and civil society; promotion of human rights, education, access to healthcare and transportation.

It has been agreed that the Fund may also co-finance projects funded by the EU or other donors with whom the Government of Kosovo has cooperation agreements.

Role of Management Board

The operation of the Fund is decided by the Management Board. It is composed of three members: the EU Special Representative in Kosovo as the Chair, the Kosovo Minister of Finance on behalf of the Kosovo authorities, and a representative of the Serb community from the four northern municipalities.

The Management Board held its first meeting in December 2013. Since then, it has been meeting on a regular basis to decide how to disburse funds following the submission of projects by the mayors from the northern municipalities.

Management Board composition

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nataliya Apostolova</td>
<td>EU Special Representative  Chair</td>
</tr>
<tr>
<td>Bedri Hamza</td>
<td>Kosovo Minister of Finance  Member</td>
</tr>
<tr>
<td>Danijela Zubac</td>
<td>Representative of Serb Community  Member</td>
</tr>
</tbody>
</table>

Responsibility for project implementation

The implementation of the projects is undertaken by the four municipalities, who are obliged to respect the public procurement procedures for the implementation of projects in accordance with applicable rules and procedures. For each project the respective municipality shall submit a final report as well as an audit report to the Management Board.

European Union Special Representative

The EUSR offers advice and support to the Government of Kosovo in the political process; provides overall coordination for the EU presences in Kosovo; and contributes to the development and consolidation of respect for human rights and fundamental freedoms in Kosovo.

The EU Special Representative reports to the Council of the European Union, the inter-governmental body representing the 28 EU member states, through the High Representative for the Common
Rule of Law and Legal Section

Rule of Law and Legal Section of the EUSR is composed of local and international experts from the EU Member States, who provide a collective day-to-day contribution for the reform and development of rule of law sector in Kosovo. Through various mechanisms in place, EUSR Rule of Law experts provide a consolidated advice to the Government and the Assembly of Kosovo on the EU Acquis standards and best European practices applicable in the legislative process; facilitate mutual legal assistance and support judicial cooperation between Kosovo and external counterparts; complement EULEX in the process of capacity building of local rule of law institutions and provide a link between the EULEX expertise and the high level political forum. The Section supports the EUSR’s role of a coordinator of the EU policy in Kosovo, promotes the Rule of Law and supports Kosovo in its path towards the Union.

- Legislative Review Mechanism (LRM)

  LRM is a mechanism composed of EUSR/EU office, EULEX and other international organisations/offices active in Kosovo, that provides the Government and the Assembly of Kosovo with the consolidated advice on EU Acquis standards and best European practices applicable to the legislative initiatives specified in the Government's Legislative Programme, as well as on legislative benchmarks enumerated in the formal EU alignment processes such as the Stabilisation and Association Agreement, Country Report, Visa Liberalization Roadmap, and requirements deriving from the Pristina-Belgrade dialogue.

Read more

- Mutual Legal Cooperation (in Criminal and Civil matters)

  The EUSR Rule of Law and Legal Section facilitates mutual legal assistance and supports judicial cooperation between Kosovo and external counterparts.

Read more

- Co-operation with EULEX

  The EUSR Rule of Law and Legal Section complements EULEX in the process of capacity building of local rule of law institutions.

Read more
Cooperation with EULEX

Useful links:

- European Reform Agenda
- Justice and Home Affairs
- EU Legislation/acquis
- EU-funded projects in the area of the Rule of Law in Kosovo

Civil society dialogue

Civil society organisations play a vital role in the reforms carried out in candidates and potential candidates for EU membership. Their work can prove crucial in determining the pace and quality of the accession process, as well as generating public support for accession.

Responsibility for strengthening the role and influence of civil society in the enlargement countries lies primarily with the countries themselves. However, the European Commission is also willing to step up its own support for civil society development in these countries.

Besides a significant increase in financial assistance to civil society projects under the Instrument for Pre-accession Assistance (IPA) and the European Instrument for Democracy and Human Rights (EIDHR), the Commission intends to continue improving consultations with civil society representatives and work towards other measures to bolster civil society, for example by improving donor coordination and continuing work towards visa-free travel for citizens of the candidates and potential candidates.

During the conference "Civil Society Development in Southeast Europe: Building Europe Together" in Brussels on 17-18 April 2008, it was agreed that permanent dialogue between the Commission and CSOs from the enlargement countries should be established through regular meetings, whose format and periodicity is to be decided in future.

In addition to these meetings, it is envisaged to establish a virtual platform for Civil Society Organisations from the candidates and potential candidates and the EU, to enhance dialogue, exchange good practices, search for partners and eventually develop specific projects.

The EC Liaison Office to Kosovo engages in a regular dialogue with civil society organisations in Kosovo during the Progress Report drafting process and after. Each year, the EC Liaison Office invites Civil Society Organisations to provide input for the annual reporting exercise, and to discuss the findings of the report after its publication.

Prior to the Progress Report drafting, civil society organisations are invited to provide their input to the sectoral meetings of the Stabilisation and Association Dialogue.

The European Commission Liaison Office also engages with civil society organisations in the framework of the SAP Dialogue.

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Kosovo (*) - This designation is without prejudice to positions on status, and is in line with UNSCR
1244/1999 and the ICJ opinion on the Kosovo declaration of independence.

Documents

Stabilisation and Association Process Dialogue

See also

Key documents
Kosovo 2018 Report
Strategy for the Western Balkans
Dialogue between Belgrade and Pristina
www.eeas.europa.eu

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