









Procedure file

Basic information		
INI - Own-initiative procedure	2018/2149(INI)	Procedure completed
2018 Commission report on Kosovo		
Subject 8.20 Enlargement of the Union		
Geographical area Kosovo under UNSCR 1244/1999		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Foreign Affairs		16/05/2018
		 ŠOLTES Igor	
		Shadow rapporteur	
		 ADAKTUSSON Lars	
		 PANZERI Pier Antonio	
		 DZHAMBAZKI Angel	
		 VAUTMANS Hilde	
		 CASTALDO Fabio Massimo	
European Commission	Commission DG Neighbourhood and Enlargement Negotiations	Commissioner HAHN Johannes	

Key events			
19/04/2018	Non-legislative basic document published	SWD(2018)0156	Summary
05/07/2018	Committee referral announced in Parliament		
09/10/2018	Vote in committee		
16/10/2018	Committee report tabled for plenary	A8-0332/2018	Summary
28/11/2018	Debate in Parliament		

29/11/2018	Results of vote in Parliament		
29/11/2018	Decision by Parliament	T8-0479/2018	Summary
29/11/2018	End of procedure in Parliament		

Technical information

Procedure reference	2018/2149(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 87-p4
Stage reached in procedure	Procedure completed
Committee dossier	AFET/8/13290

Documentation gateway

Non-legislative basic document		SWD(2018)0156	19/04/2018	EC	Summary
Committee draft report		PE623.698	02/07/2018	EP	
Amendments tabled in committee		PE627.017	10/09/2018	EP	
Committee report tabled for plenary, single reading		A8-0332/2018	16/10/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0479/2018	29/11/2018	EP	Summary
Commission response to text adopted in plenary		SP(2019)92	26/03/2019	EC	

2018 Commission report on Kosovo

PURPOSE: to present a Commission staff working document on the Kosovo 2018 report in the context of EU enlargement.

BACKGROUND: the EU-Kosovo Stabilisation and Association Agreement (SAA) has been in force since April 2016. In order to define reform priorities, the Kosovo government together with the European Commission launched in November 2016 the European Reform Agenda (ERA). The Agenda outlines priority actions in the fields of good governance and the rule of law, competitiveness and investment climate, and employment and education. The implementation of the ERA is ongoing.

CONTENT: as regards alignment with European standards, Kosovo is at an early stage. Legislative alignment has continued in some areas but implementation is weak. Some progress was made in the area of free movement of goods and services, public procurement and competition as well as in improving the business environment. In the area of taxation and customs, some progress was also made in collecting revenue and simplifying administrative procedures, but Kosovo should step up the fight against the informal economy and tax evasion. The energy sector continues to face serious challenges. No progress has been achieved to address environmental issues. Overall, Kosovo needs to improve its administrative capacity and coordination, across all sectors, to ensure effective implementation of the acquis.

A summary of the main chapters of the report is as follows:

Political and economic dialogue: Kosovo held early elections in June 2017. A new Assembly and government took office in September. So far, however, the new ruling coalition has had limited success in bringing forward EU related reforms and building consensus on key strategic issues for Kosovo. The continuing political fragmentation and polarisation have adversely affected the role of the Assembly and have impacted the effectiveness of the government. The ratification of the border/boundary demarcation agreement with Montenegro in March 2018 was an important breakthrough.

As regards the economic criteria, Kosovo has made good progress and is at an early stage of developing a functioning market economy. The business environment has improved. However, the informal economy remains widespread. Kosovo has made some progress and is at an early stage in terms of capacity to cope with competitive pressure and market forces within the EU. No progress was made on improving the quality of education and addressing skills gaps in the labour market. Kosovo made some progress in improving road infrastructure but large infrastructure gaps in the railway and energy sectors remain. Structural changes in the economy are slow as it remains reliant on the retail trade sector. Integration with the EU is hampered by the slow implementation of the SAA.

Judicial system: Kosovo's judicial system is at an early stage. The integration of Kosovo Serb judges and prosecutors and their support staff across Kosovo into the Kosovo judicial system was a big achievement of 2017. The judiciary is still vulnerable to undue political influence and rule of law institutions need sustained efforts to build up their capacities. The administration of justice remains slow and inefficient.

Corruption and organised crime: Kosovo is at an early stage of preparation in the fight against corruption and organised crime. Law enforcement agencies struggle to effectively fight organised crime in the north of Kosovo. Some progress was made in the fight against

terrorism, including through measures to tackle violent extremism and radicalisation and in preventing citizens from joining conflicts abroad. The Kosovo authorities need to be more effective in their efforts to fight money laundering and the relevant law should be brought in line with EU acquis and international standards.

2018 Commission report on Kosovo

The Committee on Foreign Affairs adopted the own-initiative report by Igor SOLTES (Greens/EFA, SL) on the 2018 Commission Report on Kosovo.

Whilst welcoming the important pieces of legislation adopted within the framework of the European Reform Agenda (ERA), Members pointed to the slow pace in implementing fundamental reforms, caused by a lack of cross-party consensus and continued political polarisation. They called on all political parties to establish an inclusive political dialogue and condemned the obstructive behaviour of some parliamentarians.

The committee also welcomed the fact that the area of public administration has registered some progress, but called for the state administration to be depoliticised and restructured.

The report went on to discuss progress still required in several areas, including:

- electoral shortcomings, including a lack of transparency on funding for political parties, and allegations of widespread voter intimidation, particularly within many Kosovo Serb communities, requiring measures to address the outstanding recommendations of EU and European Parliament observation missions and of the Venice Commission;
- Kosovo's under-financed judiciary, widespread corruption, elements of state capture, undue political influence and issues of a lack of respect for fair trials and due process;
- corruption and organised crime, including drug and human trafficking, and cybercrime, which remain issues of concern that require concerted efforts;
- the need for a comprehensive approach to investigations and prosecutions, which should be substantiated by the freezing, confiscation and recovery of assets;
- the necessity for genuine and constructive judicial and police cooperation between Kosovo and Serbia's authorities and support for the creation of a regional commission (RECOM) for the establishment of the facts about war crimes and other gross human rights violations committed in the former Yugoslavia between 1991 and 2001;
- gender-based violence and the under-representation of women in decision-making positions;
- the fact that minorities, such as Roma, Ashkali and Egyptians, continue to face problems acquiring personal documents, which affects their ability to access citizenship, education, healthcare and social assistance.

The committee considered it vital to grant visa liberalisation to Kosovo without undue delay, and welcomed the Commission's confirmation, issued on 18 July 2018, that the benchmarks for visa liberalisation have been fulfilled, and called on the Council to swiftly adopt its mandate to move forward towards the adoption of a visa-free regime.

Relations with Serbia: the report noted the ongoing debate and public statements concerning possible adjustments of the border between Serbia and Kosovo, including exchanges of territories, and it stated that any agreement could only be acceptable if mutually agreed, taking into account the overall stability in the region and international law. Members underlined the multi-ethnic nature of both Kosovo and Serbia and that ethnically homogeneous states should not be the objective in the region. They supported the dialogue facilitated by the EU as the framework to reach a comprehensive normalisation agreement between Serbia and Kosovo.

Members added that a full normalisation of relations with Serbia, under a legally binding agreement and its implementing arrangements, will not be possible without a comprehensive and mutual application of the existing agreements and is a key element of both parties' paths towards European integration. They noted that five EU Member States have not yet recognised Kosovo and invites them to do so; stresses that recognition would be beneficial to the normalisation of relations between Kosovo and Serbia.

Lastly, the committee regretted the fact that many of the agreements signed hitherto have not been implemented or have been delayed, such as those on energy and on the association of Serb majority municipalities. It called on the European External Action Service (EEAS) to carry out an evaluation of the performance of both sides in fulfilling their obligations so as to address all the challenges facing implementation.

2018 Commission report on Kosovo

The European Parliament adopted by 393 votes to 139 with 71 abstentions a resolution on the 2018 Commission Report on Kosovo.

Whilst welcoming the important pieces of legislation adopted within the framework of the European Reform Agenda, Parliament pointed to the slow pace in implementing fundamental reforms, caused by a lack of cross-party consensus and continued political polarisation. It called on all political parties to establish an inclusive political dialogue and condemned the obstructive behaviour of some parliamentarians.

Members also welcomed the fact that the area of public administration has registered some progress, but called for the state administration to be depoliticised and restructured.

Visa liberalisation: Parliament considered it vital to grant visa liberalisation to Kosovo without undue delay, and welcomed the Commission's confirmation, issued on 18 July 2018, that the benchmarks for visa liberalisation have been fulfilled, and called on the Council to swiftly adopt its mandate to move forward towards the adoption of a visa-free regime. It considered that visa liberalisation would improve stability and bring Kosovo closer to the EU by improving the ease of travelling and doing business, while helping to counter people smuggling and corruption.

Welcoming the long overdue ratification of the August 2015 Border Demarcation Agreement with Montenegro in March 2018, Members underlined the significance of this step towards visa liberalisation.

Further progress required: Parliament went on to discuss progress still required in several areas, including:

- electoral shortcomings, including a lack of transparency on funding for political parties, and allegations of widespread voter intimidation, particularly within many Kosovo Serb communities, requiring measures to address the outstanding recommendations of

EU and European Parliament observation missions and of the Venice Commission;

- Kosovos under-financed judiciary, widespread corruption, elements of state capture, undue political influence and issues of a lack of respect for fair trials and due process;
- corruption and organised crime, including drug and human trafficking, and cybercrime, which remain issues of concern that require concerted efforts;
- the need for a comprehensive approach to investigations and prosecutions, which should be substantiated by the freezing, confiscation and recovery of assets;
- the necessity for genuine and constructive judicial and police cooperation between Kosovo and Serbias authorities and support for the creation of a regional commission (RECOM) for the establishment of the facts about war crimes and other gross human rights violations committed in the former Yugoslavia between 1991 and 2001;
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Parliament regretted the fact that many of the agreements signed hitherto have not been implemented or have been delayed, such as those on energy and on the association of Serb majority municipalities. It called on the European External Action Service (EEAS) to carry out an evaluation of the performance of both sides in fulfilling their obligations so as to address all the challenges facing implementation.

Lastly, welcoming the signing of the agreement on Kosovos participation in the Erasmus+ and Creative Europe programmes, the resolution urged Kosovo to fully harness the potential offered by EU programmes.