

2018 both Presidents signed a common statement in which they agreed that once the border/boundary demarcation agreement enters into force, a bilateral working group will be established to identify and address potential disputes on the marking of the border/boundary in specific sectors. In February 2017, Kosovo adopted a strategy for the affirmation and integration of the Montenegrin minority.

Kosovo has maintained good relations with *Turkey*. Reciprocal high level visits took place, during which both countries expressed their commitment to increase economic cooperation and trade.

5. NORMALISATION OF RELATIONS BETWEEN KOSOVO AND SERBIA

Work under the EU-facilitated dialogue has continued throughout the reporting period. Four official high-level meetings took place under the facilitation of HRVP Mogherini in July, August and September 2017, as well as in March 2018. Presidents Thaçi and Vučić agreed to work on a new phase of the dialogue with a view to a comprehensive normalisation of relations between Kosovo and Serbia. This work is currently ongoing and needs to be accelerated. Meetings at technical level resumed early 2018.

January 2017 saw an attempt to send a train, emblazoned with Serbian nationalist slogans, from Belgrade to the north of Kosovo. Following heavy pressure from the EU and other international partners, the train did not enter northern Kosovo.

Implementation of the **25 August 2015 Agreements** has overall been slow. Progress has been made on the **Association/Community of Serb majority municipalities** in Kosovo. On 4 April 2018, Kosovo has given a mandate to the Management Team to start drafting the statute of the Association/Community. The **energy** agreement between Serbia and Kosovo must be implemented without further delay in order to avoid that this longstanding dispute has further consequences for energy stability and security in Serbia, Kosovo and countries across Europe. These consequences have become more acute and visible in recent months. Serbia needs to register and license the two Serbian energy companies to be established in Kosovo as a matter of urgency. A wall in North Mitrovica alongside the bridge was illegally constructed in December 2016. It has since been dismantled. The **Mitrovica bridge**, on which works have started in August 2016, should be opened without further delay or obstructions. The **telecoms** agreement is now fully implemented. Kosovo has been allocated a dialling code for its use and operation in November 2016. Serbia established a telecommunications company as subsidiary of Srbija Telekom under the Kosovo legal and regulatory framework.

Further progress has been made on the implementation of the **April 2013 ‘First agreement of principles governing the normalisation of relations’**. The **justice** agreement is now fully implemented. In October 2017, Kosovo President Thaçi decreed 40 Kosovo Serb judges, 13 prosecutors and their respective support staff, thus finalising the recruitment process of the judicial personnel for the north. All former Serbian judicial personnel are now fully integrated into the Kosovo system, as are Kosovo Serb **police and civil protection** personnel. In the context of the **liaison arrangements**, official visits are directly arranged by liaison officers in line with the relevant agreement but on occasions the agreement is not fully respected. Events in March 2018 surrounding the entry procedures and the treatment of Serbian government official Marko Djuric heightened tensions.

Some of the **Technical Dialogue Agreements (2011-2012)** are not being implemented. Both sides need to remain committed to the continued implementation of the agreement on representation and participation of Kosovo in **regional forums**. The issue of **university diplomas** recognition is yet to be solved as are the **licence plate** related elements of the

agreement on freedom of movement. Serbia has yet to address the issue of re-located Serbian administrative **customs** structures with Kosovo denomination that operate from within Serbia, and to cease the issuance of documentation or affixing of stamps with denomination that contravenes to the related agreement. On **IBM**, while the interim crossing points are fully operational, Serbia has obstructed progress in constructing four out of six permanent common crossing points in Tabavije/Bërnjak, Jarinje/Jarinjë, Konculj/Konqul and Mucibabe/Muçibabë. Additional measures need to be taken by Serbia to close illegal crossings. Requests for **mutual legal assistance** are being processed. Serbia provides support for the judicial process led by **EULEX**.

Overall, Kosovo has remained engaged in the dialogue. However, Kosovo needs to make further substantial efforts and contribute to the establishment of circumstances conducive to a comprehensive normalisation of relations with Serbia. A legally binding agreement is urgent and crucial so that Serbia and Kosovo can advance on their respective European paths.

6. EUROPEAN STANDARDS

6.1. Free movement of goods

Kosovo is at an **early stage of preparation**/has **some level of preparation** for the free movement of goods. It made **some progress** during the reporting period. However, out of the three recommendations of the 2016 report, Kosovo only fulfilled partly the recommendation on further aligning with the EU *acquis*. The recommendations on developing more capacity, increasing resources and interinstitutional coordination to enable law enforcement, in line with the SAA requirements, have yet to be addressed to ensure proper implementation.

In the coming year, Kosovo should in particular:

- ensure the proper implementation of the recently adopted Law on Standardisation, Law on Metrology, Law on Accreditation and Law on Technical Requirements for Products and Conformity Assessment, including through the adoption of all relevant secondary legislation;
- further improve interinstitutional coordination to enable proper enforcement of legislation and strengthen the capacity of the Kosovo Standardisation Agency, the Kosovo Metrology Agency, and the General Accreditation Directorate;
- make progress on alignment with the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation.

General principles

On **general principles**, the framework for the **production, distribution and marketing of industrial products** has been further aligned with the *acquis*. This is notably the case for the Law on Metrology, the Law on Standardisation and the Law on Technical Requirements for Product and Conformity Assessment adopted in 2018, and the Law on Accreditation. The National Programme for implementation of the Stabilisation and Association Agreement sets out the planning for gradual approximation with the *acquis* and its implementation.

Non-harmonised area

Kosovo's legislation needs to be aligned with **Articles 34-36 of the Treaty** on the Functioning of the European Union (TFEU). However, it has not yet developed an action plan to ensure this.

The Ministry of Trade and Industry is the competent authority to ensure the **obligation to notify** on technical regulations at the draft stage, following the applicable EU requirements and international agreements.