

BILATERAL AGREEMENT

BETWEEN

THE REPUBLIC OF KOSOVO

AND

THE GRAND DUCHY OF LUXEMBOURG

The Government of the Republic of Kosovo, represented by its Ministry of European Integration,

and

The Government of the Grand Duchy of Luxembourg, represented by its Ministry of Foreign and European Affairs;

both hereinafter referred to as the "Parties"

Considering the programme of the Government of the Republic of Kosovo 2015-2018 and its annual work plans;

Considering Law Nr. 2008/03-L-033 on the Status, Immunities and Privileges of Diplomatic and Consular Missions and Personnel in the Republic of Kosovo, and on the International Military Presence and Its Personnel;

Considering the strategies and principles of the Development Cooperation of the Grand-Duchy of Luxembourg;

Considering the commitment of the government of the Grand-Duchy of Luxembourg to the socio-economic development of the countries of South-East Europe;

Considering all humanitarian and development cooperation projects and programmes of the Grand Duchy of Luxembourg implemented in Kosovo since 1999;

Considering the general bilateral agreement between the Republic of Kosovo and the Grand-Duchy of Luxembourg signed on 23rd April 2013;

Considering the signature of the Stabilization and Association Agreement between the European Union and the Republic of Kosovo signed on 27th October 2015 and its entry into force on 1st April 2016;

Considering the desire of the Parties to further deepen their collaboration;

have agreed on the following:

Article I: Guiding principles

The development cooperation relations between the Parties, as well as all provisions contained in this bilateral Agreement, are based on the respect of democratic principles and human rights, rule of law and good governance, all of which constitute integral elements of the present Agreement.

Article II: Scope and objectives

The Parties, within the framework of their cooperation for development, commit themselves to the fight against poverty and to the implementation of development projects and programmes intended to satisfy the basic needs of the most vulnerable part of the population. Fulfilment of basic needs, promotion of social development, as well as equitable distribution of the benefits of growth will be given the priority.

A special focus will be on the capacity building of those involved in the functioning and improvement of the institutional framework necessary for a democratic and pluralistic

society and for EU integration. Good governance, social cohesion and the emergence of an active and organised civil society form an integral part of this approach. The role of women, gender equality, as well as the protection of minorities will be systematically upheld and promoted in all activities undertaken in the framework of this Agreement. The requirements of a sustainable management of natural resources and of the protection of the environment will be applied and incorporated at all levels of the partnership.

Article III: Competent authorities, implementation and monitoring

In accordance with their national laws, the Parties entrust the bodies listed hereunder with the responsibility for co-ordinating and planning the implementation of the development projects and programmes in the framework of this Agreement.

For the Grand Duchy of Luxembourg, the competent body shall be the Directorate for Development Cooperation of the Ministry of Foreign and European Affairs.

For the Republic of Kosovo, the competent body shall be the Department for Development Assistance of the Ministry for European Integration.

All activities carried out within the framework of this Agreement shall be agreed upon by the competent bodies of both Parties referred to in §2 and 3above or their mandated representatives, always with due consultation with respective line ministries and recipient bodies, through project/programme protocols containing the object, the budget, the methods of implementation and all obligations to be respected by the Parties. To each project or programme protocol a detailed project or programme document shall be annexed.

A High Level Partnership Commission will be convened by the parties once a year, alternately in Pristina and Luxembourg, in order to monitor the implementation of the projects and programmes.

Article IV: Cooperation modalities and priority sectors of intervention

The cooperation carried out within the framework of this Agreement can take one of the following forms:

1. Financial support for the implementation of development cooperation projects or programmes;
2. Provision of technical assistance, expertise and qualified personnel;
3. Any other form of cooperation that may be agreed by the Parties.

The priority sectors in which this cooperation is going to take place will be jointly agreed upon and defined in a separate memorandum.

Article V: Contributions of the Parties

a) Contributions of the Grand Duchy of Luxembourg:

- ✓ Perform all the activities defined as obligations of the Government of the Grand Duchy of Luxembourg in the project/programme protocols referred to in Article III of this Agreement and in related project/programme documents;
- ✓ Cover all expenses which arise from the assignment of personnel made available by the Government of the Grand Duchy of Luxembourg;
- ✓ Supply the personnel made available by the Government of the Grand Duchy of Luxembourg with the means required to carry out their work in said projects and programmes. These personnel will work in coordination with the personnel made available by the Republic of Kosovo.

b) Contributions of the Republic of Kosovo:

- ✓ Perform all the activities defined as obligations of the Government of the Republic of Kosovo in the project/programme protocols referred to in Article III of this Agreement and in related project/programme documents;
- ✓ Provide the necessary personnel required for the implementation of such projects/programmes. These personnel will work in coordination with the personnel made available by the Government of the Grand Duchy of Luxembourg. The Government of the Republic of Kosovo guarantees the availability of these personnel;
- ✓ Provide, where possible, the facilities and material means required for the proper operation and implementation of the projects or programmes;
- ✓ Undertake swiftly all administrative and legal steps necessary for the proper implementation of the activities carried out within the framework of this Agreement, in particular those set out under article VII below.

Article VI: Representatives bodies

In order to facilitate the coordination and the implementation of the activities carried out within the framework of this Agreement, the Government of the Grand Duchy of Luxembourg will delegate the day-to-day supervision of the projects and programmes to its Embassy in Pristina and affect adequate staff to said Embassy.

In the framework of the present Agreement the Government of Grand-Duchy of Luxembourg will entrust the major part of the implementation of the development projects/programmes to Lux-Development S.A., its Implementing Agency, as well as to Foundation Kosovo-Luxembourg, a Kosovo based NGO.

In order to supervise the implementation of the development cooperation projects and programmes for which they have been respectively mandated, Lux-Development S.A. and Foundation Kosovo-Luxembourg will maintain Regional Offices respectively in Pristina and Ferizaj, and affect adequate staff to them.

Article VII: Privileges and immunities

The Republic of Kosovo shall:

- a) Grant the Regional Office of Lux-Development S.A. in Pristina the status of an international organisation in the sense of Article 3.2.e) of the Law Nr. 03/L-033 on the Status, Immunities and Privileges of Diplomatic and Consular Missions and Personnel in the Republic of Kosovo, and on the International Military Presence and Its Personnel. The definition of family members, as mentioned in article 5 of said Law but also under point b) here below, will be considered to include spouses or partners of a civil solidarity pact, as well as children under the age of 21 years;
- b) Provide all Lux-Development S.A. expatriate staff working in bilateral development projects that fall under the purview of this agreement, as well as their family members, with all residence and work permits, visas and other legal documents necessary to reside in Kosovo and fulfil their duties. This category of staff and their family members will also be granted the benefit of article 5.5 of the above mentioned Law Nr. 03/L-033 regulating immunity from the criminal jurisdiction of the Republic of Kosovo. Further, these staff and their family members will be relieved from import taxes, customs duties, excise duties and V.A.T. on all personal belongings they bring into the Republic of Kosovo during the process of their moving for official purposes. These staff members, but not their family, unless covered by other exemptions, will furthermore be relieved of any income or other personal taxes at municipal and republic level. Finally the Republic of Kosovo will guarantee these staff members indemnity against any claim or liability arising from their conduct, provided that such conduct shall be in the course and within the scope of their employment under this Agreement and provided further that no liability shall arise to the Republic of Kosovo under this clause in the event of such claim or liability arising from the gross negligence or wilful misconduct of such expert;
- c) Relieve all Lux-Development S.A. offices functioning under a specific agreement and under the general umbrella of the present Agreement, from any customs duties, sales taxes and other taxes (including V.A.T.), fees and levies on all supplies (goods, works and services) which will be either imported into Kosovo or obtained locally and used in the framework of this Agreement.
- d) Facilitate the proper registration of all Lux-Development S.A. offices that function on the basis of specific agreements falling under the umbrella of this agreement in such a way that these project offices will have a clear legal status allowing them to operate according to the principles laid out in this Agreement and benefit from the privileges and immunities listed in paragraphs b) and c) above;
- e) Provide complete relevant information and prepare all necessary documentation required for customs duties, sales taxes and other taxes (including VAT), fees and levies exemption;
- f) Ensure the security of the personnel, premises and belongings of the Regional Office of Lux-Development S.A. as well as its other offices that function under specific bilateral agreements falling under the general umbrella of the present Agreement.

**Article VIII: Entry into force, amendments,
settlement of disputes and termination**

1. This Agreement shall replace and supersede the Agreements signed by the Parties on 23 April 2013, and shall enter into force on the date on the date of receipt of the last written notification by which the Parties notify each other through diplomatic channels, that their respective internal legal procedures of ratification have been completed. It shall remain in force until 31 December 2020 and, unless explicitly revoked by either or both of the Parties, shall be automatically extended on a yearly basis. In case one of the Parties wishes to end it, a formal written notice to the other Party will be required at least three (3) months in advance.
2. If either of the Parties considers it necessary to amend this Agreement, it may request consultations with the other Party. Any amendments to this Agreement shall only be made in writing.
3. Any dispute arising in relation to the implementation or interpretation of the present Agreement shall be solved in an amicable way and through direct consultation between the Parties or through diplomatic channels.

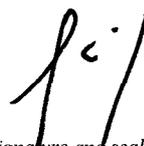
In witness thereof, the undersigned, acting on behalf of their respective Governments, have signed the present Agreement in two originals in the English language.

For the Government of the Republic of
Kosovo


(Date, signature and seal)
Hajredin Kuç

First Deputy Prime Minister

For the Government of the Grand Duchy
of Luxembourg


(Date, signature and seal)

Romain Schneider

Minister for Development Cooperation
and Humanitarian Assistance