

TITLE I

GENERAL PRINCIPLES

Article 2

Respect for democratic principles and human rights as proclaimed in the Universal Declaration of Human Rights and as defined in the Convention for the Protection of Human Rights and Fundamental Freedoms, in the Helsinki Final Act and the Charter of Paris for a New Europe, respect for principles of international law, including full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY), and the rule of law as well as the principles of market economy as reflected in the Document of the CSCE Bonn Conference on Economic Cooperation, shall form the basis of the domestic and external policies of the Parties and constitute essential elements of this Agreement.

Article 3

The Parties consider that the proliferation of weapons of mass destruction (hereinafter also referred to as 'WMD') and their means of delivery, both to state and non-state actors, represents one of the most serious threats to international stability and security. The Parties therefore agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with and national implementation of their existing obligations under international disarmament and non-proliferation Treaties and Agreements and other relevant international obligations. The parties agree that this provision constitutes an essential element of this Agreement and will be part of the political dialogue that will accompany and consolidate these elements.

The Parties furthermore agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery by:

- taking steps to sign, ratify, or accede to, as appropriate, and fully implement all other relevant international instruments;
- the establishment of an effective system of national export controls, controlling the export as well as the transit of WMD-related goods, including a WMD end-use control on dual use technologies and containing effective sanctions for breaches of export controls.

Political dialogue on this matter may take place on a regional basis.

Article 4

The contracting parties reaffirm the importance they attach to the implementation of international obligations, notably the full cooperation with ICTY.

Article 5

International and regional peace and stability, the development of good neighbourly relations, human rights and the respect and protection of minorities are central to the Stabilisation and Association process referred to in the conclusions of the Council of the European Union on 21 June 1999. The conclusion and the implementation of this Agreement come within the framework of the conclusions of the Council of the European Union of 29 April 1997 and are based on the individual merits of Serbia.

Article 6

Serbia commits itself to continue to foster cooperation and good neighbourly relations with the other countries of the region including an appropriate level of mutual concessions concerning the movement of persons, goods, capital and services as well as the development of projects of common interest, notably those related to border management and combating organised crime, corruption, money laundering, illegal migration and trafficking, including in particular in human beings, small arms and light weapons, as well as illicit drugs. This commitment constitutes a key factor in the development of the relations and cooperation between the Parties and thus contributes to regional stability.

Article 7

The Parties reaffirm the importance that they attach to the fight against terrorism and the implementation of international obligations in this area.

Article 8

The association shall be progressively and fully realised over a transitional period of a maximum of six years.

The Stabilisation and Association Council (hereinafter also referred to as 'SAC') established under Article 119 shall regularly review, as a rule on an annual basis, the implementation of this Agreement and the adoption and implementation by Serbia of legal, administrative, institutional and economic reforms. This review shall be carried out in the light of the preamble and in accordance with the general principles of this Agreement. It shall take duly into account priorities set in the European Partnership relevant to this Agreement and be in coherence with the mechanisms established under the Stabilisation and Association process, notably the progress report on the Stabilisation and Association process.

On the basis of this review, the SAC will issue recommendations and may take decisions. Where the review identifies particular difficulties, they may be referred to the mechanisms of dispute settlement established under this Agreement.

The full association shall be progressively realised. No later than the third year after the entry into force of this Agreement, the SAC shall make a thorough review of the application of this Agreement. On the basis of this review the SAC shall evaluate progress made by Serbia and may take decisions governing the following stages of association.

The aforementioned review will not apply to the free movement of goods, for which a specific schedule is foreseen in Title IV.

Article 9

This Agreement shall be fully compatible with and implemented in a manner consistent with the relevant WTO provisions, in particular Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article V of the General Agreement on Trade in Services (GATS).

TITLE II

POLITICAL DIALOGUE

Article 10

1. Political dialogue between the Parties shall be further developed within the context of this Agreement. It shall accompany and consolidate the rapprochement between the European Union and Serbia and contribute to the establishment of close links of solidarity and new forms of cooperation between the Parties.

2. The political dialogue is intended to promote in particular:

- (a) full integration of Serbia into the community of democratic nations and gradual rapprochement with the European Union;
- (b) an increasing convergence of positions of the Parties on international issues, including CFSP issues, also through the exchange of information as appropriate, and, in particular, on those issues likely to have substantial effects on the Parties;
- (c) regional cooperation and the development of good neighbourly relations;
- (d) common views on security and stability in Europe, including cooperation in the areas covered by the CFSP of the European Union.

Article 11

1. Political dialogue shall take place within the Stabilisation and Association Council, which shall have the general responsibility for any matter which the Parties might wish to put to it.

2. At the request of the Parties, political dialogue may also take place in the following forms:

- (a) meetings, where necessary, of senior officials representing Serbia, on the one hand, and the Presidency of the Council of the European Union, the Secretary-General/High Representative for the Common Foreign and Security Policy and the Commission of the European Communities (hereinafter referred to as 'European Commission'), on the other;
- (b) taking full advantage of all diplomatic channels between the Parties, including appropriate contacts in third countries and within the United Nations, the OSCE, the Council of Europe and other international fora;
- (c) any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue, including those identified in the Thessaloniki agenda, adopted in the Conclusions of the European Council in Thessaloniki on 19 and 20 June 2003.

Article 12

A political dialogue at parliamentary level shall take place within the framework of the Stabilisation and Association Parliamentary Committee established under Article 125.

Article 13

Political dialogue may take place within a multilateral framework, and as a regional dialogue including other countries of the region, including in the framework of the EU-Western Balkan forum.

TITLE III

REGIONAL COOPERATION

Article 14

In conformity with its commitment to international and regional peace and stability, and to the development of good

neighbourly relations, Serbia shall actively promote regional cooperation. The Community assistance programmes may support projects having a regional or cross-border dimension through its technical assistance programmes.