



**COUNCIL OF
THE EUROPEAN UNION**



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**Fifth meeting of the Stabilisation and Association Council
between the European Union and Croatia
(Luxembourg, 27 April 2009)**

JOINT PRESS RELEASE

1. The EU-Croatia Stabilisation and Association Council (SA Council) held its fifth meeting on Monday 27 April 2009. The meeting was chaired by Mr Karel SCHWARZENBERG, Minister for Foreign Affairs of the Czech Republic and Head of the European Union delegation (Troika format). Mr Gordan JANDROKOVIC, Minister of Foreign Affairs and European Integration of Croatia, led the delegation of the Republic of Croatia. Mr Olli REHN, Commissioner responsible for Enlargement, represented the European Commission.

The SA Council welcomed the advancement of the accession negotiations between the EU and Croatia and commended Croatia for the considerable efforts it has invested over the past year and the good overall progress made. It encouraged Croatia to build on this progress to further step up the pace of the reforms, in particular in some fundamental areas.

P R E S S

Negotiations have entered a decisive stage. The SA Council noted that Croatia has made substantial progress in meeting the requirements of the process and 22 chapters (out of 35) have been opened, of which 7 have been provisionally closed, since the beginning of the negotiations. In addition, discussions on draft EU Common Positions in a significant number of other chapters have been finalised at technical level, but are pending their formal opening or provisional closure.

The SA Council encouraged Croatia to increase attention to further transposition and effective implementation of the *acquis*, in order to be able to meet the obligations of membership in good time. In addition, the SA Council recalled that the pace of the negotiations continues to depend on progress made by Croatia in fulfilling the conditions laid down, including fulfilment of the opening and closing benchmarks and the requirements specified in the Negotiating Framework, which cover *inter alia* implementation of the Accession Partnership and compliance with the obligations arising from the Stabilisation and Association Agreement.

2. The SA Council reviewed the state of Croatia's preparations for accession, in particular in the light of the Commission's 2008 Progress Report. The SA Council recalled that Croatia's progress towards the final phase of the negotiations depends on its completion of the necessary political, economic, legislative and administrative reforms. Therefore, the SA Council considered that the indicative and conditional roadmap drawn by the Commission is a useful tool, which would help Croatia make the remaining major efforts required to reach the final stage of the negotiations.
3. The SA Council noted that Croatia continues to fulfil the Copenhagen political criteria but considered several areas where further significant efforts are needed. As regards the judicial system, while noting that the implementation of the reform strategy continues, the SA Council recalled that significant challenges remain, in particular with regard to the large case backlog and the length of judicial procedures. The SA Council underlined once more that the effective functioning of a reliable and independent judicial system is of the utmost importance and an essential condition for strengthening the rule of law and the proper implementation of the *acquis*. The SA Council also noted that Croatia continued its efforts to reform its public administration and improved the legislative framework, but recalled that the legal basis for building a modern and professional civil service is still incomplete. In addition, the SA Council encouraged Croatia to step up efforts to proactively prevent, detect and effectively prosecute corruption, especially high level corruption and in fields such as public procurement, as well as the establishment of specialist units for combating corruption.

The SA Council recalled that full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) remains essential in line with the Negotiating Framework, and that all steps necessary to settle the issue of access to documents must be taken without further delay. As regards war crimes trials in Croatia itself, while noting the systematic review of in absentia convictions, the revision of all pending cases and a new effort to investigate unprosecuted war crimes, the SA Council encouraged Croatia to expeditiously implement the new legislation and refine the strategy and plans for the future, so as to ensure the fully impartial conduct of war crimes trials, the removal of ethnic bias in war crimes investigations and trials, and significantly improved witness protection.

As regards refugee return, the SA Council welcomed the increased attention being paid to the provision of Housing Care for returning refugees as well as the reopening of the possibility to convalidate pension rights. The SA Council encouraged Croatia to further step up implementation of Housing Care for former tenancy rights holders and to ensure fair and consistent application of pension rights convalidation, so as to further facilitate the sustainable return of refugees.

The SA Council noted that the situation of minorities continues to improve. The SA Council welcomed the continued political integration of minorities in Croatia and the high-level commitment to this issue. In this context, the SA Council recalled the need to ensure that real improvements on the ground are achieved, by effectively implementing the relevant legal framework, in particular in relation to employment, and by encouraging a spirit of tolerance towards minorities.

The SA Council welcomed progress made in the area of regional cooperation and encouraged Croatia to continue its efforts towards good neighbourly relations, which remain key. The SA Council also encouraged Croatia to enhance work on finding mutually acceptable definitive solutions to all pending bilateral issues with neighbouring countries, especially as regards border issues, and to pursue efforts aimed at reconciliation among citizens in the region.

4. The SA Council recalled that Croatia is a functioning market economy that should be able to cope with competitive pressures and market forces within the Union in the medium term, provided that it implements its comprehensive reform programme with determination. The SA Council also noted that the global financial crisis has started to affect the Croatian economy. In this regard, the SA Council underlined that the large stock of external debt and important short-term debt repayment obligations of the government and corporate sector are key challenges against the background of much tighter financing conditions.

5. The SA Council noted that Croatia has further improved its ability to take on the obligations of membership and that preparations for meeting EU requirements continue moving forward at a steady pace. The SA Council devoted particular attention to issues linked to the functioning of the internal market, public procurement, competition, taxation, agriculture and rural development, food safety, veterinary and phytosanitary policy, fisheries, energy, transport policy, environment and justice and home affairs. The SA Council noted that in most areas there has been progress, both in terms of legislative alignment and of administrative capacity, and that Croatia should continue its efforts towards meeting EU accession requirements.
6. The SA Council reviewed the implementation of the Stabilisation and Association Agreement which has largely continued without major difficulty. The SA Council welcomed that Croatia has contributed to the smooth functioning of the various joint institutions. At the same time, the SA Council noted that further work is needed in particular in state aid and free provision of services. In addition, the SA Council noted that the Community and Croatia will, during this year, continue discussions on the need to examine the opportunities for granting each other further concessions with a view to implementing greater liberalisation of the trade in agricultural, processed agricultural products and fishery products. Further trade liberalisation will ease the integration of these sectors into the EU's internal market upon Croatia's accession.

The SA Council welcomed the entry into force of the Enlargement Protocol to the SAA in order to take account of the accession of Bulgaria and Romania.

The SA Council noted Croatia's participation in a number of Community programmes. As regards financial cooperation, the SA Council noted that Croatia is tackling weaknesses identified in previous years.
7. Finally the SA Council had an exchange of views concerning recent developments in the Western Balkans region.