



**EUROPEAN COMMISSION**

**MEMO**

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## **Key findings of the 2012 Progress Report on the former Yugoslav Republic of Macedonia**

The Progress Report on the former Yugoslav Republic of Macedonia is part of the 2012 Enlargement Package adopted by the European Commission on 10 October. On the former Yugoslav Republic of Macedonia, the Commission concluded that the country continues to sufficiently fulfil the political criteria for EU membership and recommended to start accession negotiations. The government has been addressing ambitious reform targets established through a High Level Accession Dialogue with the Commission.

### **Political criteria**

The former Yugoslav Republic of Macedonia continues to sufficiently fulfil the political criteria for membership of the EU. The High Level Accession Dialogue with the Commission has served as a catalyst for accelerating reforms and has contributed to substantial progress in a number of key policy areas. The government has adopted proposals for the improvement of the legislative framework for elections and, in the area of freedom of expression, for the decriminalisation of defamation. Inter-community dialogue has been strengthened through a review of the implementation of the Ohrid Framework Agreement. The reform momentum needs to be sustained in all areas related to the political criteria, focusing in particular on the rule of law, including freedom of expression, to ensure implementation. Dialogue between the coalition partners and between government and the opposition needs to be further developed. An inclusive approach with civil society (including more regular consultation between government and civil society) needs to be taken forward.

The talks under UN auspices for a negotiated and mutually acceptable solution to the name issue should be pursued with increased vigour, as should direct bilateral meetings and contacts.

### **Economic criteria**

The economy of the former Yugoslav Republic of Macedonia continued growing at a decelerated pace in 2011, but declined in the first half of 2012. The country has made further progress towards becoming a functioning market economy. There have been further improvements in simplifying business registration, accelerating judiciary procedures, deepening financial intermediation and strengthening the rule of law. The country should be able to cope with competitive pressures and market forces within the Union in the medium term provided that it vigorously implements its reform programme in order to reduce significant structural weaknesses.

Little progress, however, has been achieved in addressing the very high structural unemployment, in particular among the young and poorly educated. As a result of continued fiscal deficits and increased external lending, public sector debt increased. The quality of fiscal governance has remained low, mainly due to an excessive focus on short-term measures and limited planning capacities. The functioning of the market economy remained impeded by difficulties in contract enforcement. Some regulatory and supervisory agencies still lack the necessary resources to fulfil their functions effectively. The competence and efficiency of public administration in providing services to businesses requires improvement.

## **EU legislation**

Further progress was made in aligning legislation, policies and administrative capacity with the EU, in particular in the areas of free movement of goods, competition, food safety and veterinary policy and Trans-European networks.

Further efforts are needed in other areas such as the environment, social policy and employment, as well as regional policy and coordination of structural instruments.

Overall, the former Yugoslav Republic of Macedonia has achieved a good level of alignment with the *acquis* at this stage of the accession process. It has also continued to implement smoothly its obligations under the Stabilisation and Association Agreement (SAA) and the Commission has proposed to move to the second stage of the Association Agreement.

## **EU - the former Yugoslav Republic of Macedonia: KEY DATES**

1999: The EU proposes the new Stabilisation and Association Process for five countries of South-Eastern Europe

June 2000: The European Council states that all the Stabilisation and Association countries are potential candidates for EU membership

April 2001: Signature of the Stabilisation and Association Agreement (SAA)

June 2003: Thessaloniki Summit: EU perspective for the Western Balkans is confirmed

March 2004: Application for EU membership

April 2004: Entry into force of the Stabilisation and Association Agreement (SAA)

December 2005: The status of candidate country is granted

October 2009: The Commission recommends the opening of accession negotiations

December 2009: Visa-free travel to Schengen area for citizens of the former Yugoslav Republic of Macedonia

March 2012: High Level Accession Dialogue with the Commission launched

## **More information at:**

[http://ec.europa.eu/enlargement/countries/strategy-and-progress-report/index\\_en.htm](http://ec.europa.eu/enlargement/countries/strategy-and-progress-report/index_en.htm)