



BACKGROUND NOTE FOR THE XLIX COSAC MEETING

23-25 June 2013, Dublin, Ireland

Prepared by the COSAC Secretariat

Enlargement

The European Commission's enlargement strategy and main challenges 2012-2013

On 10 October 2012 the European Commission published its enlargement strategy and main challenges for 2012-2013,¹ along with 2012 progress reports for countries preparing to join the EU.² The report outlines the Commission's strategic goals such as: making the strengthening of the rule of law and democratic governance central to the EU's enlargement process, using a new approach to learn lessons from the past and to promote stability at the outset of the enlargement process; prioritising the areas of justice, security and fundamental rights which are identified as issues of direct concern for citizens in EU and accession countries alike; and tackling difficulties in the eurozone and the global financial crisis through strengthening the economies of enlargement countries as it believes an enlarged EU will better address common challenges in this regard. The Commission also wishes to maintain the enlargement and reform momentum by seeking innovative, tailor-made approaches to deal with difficult situations, without relaxing conditions for membership.

The report sets out the key challenges in 2012-13 as: putting the rule of law at the centre of enlargement policy; continuing regional cooperation and reconciliation in the Western Balkans; and economic and social challenges such as rising unemployment and other effects of the financial crisis, people's dissatisfaction with the economy and lowered living conditions, and weak political commitment to reforms.

¹http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/strategy_paper_2012_en.pdf

² All the reports, mentioned throughout this paper, are available through the following link:
<http://ec.europa.eu/enlargement/countries/strategy-and-progress-report/>



Acceding country

Croatia

Croatia applied for EU membership in 2003 and on 9 December 2011 the Accession Treaty was signed. On 22 January 2012, 66.27% of voters supported accession in a national referendum. Subject to the ratification of the Treaty by all Member States, Croatia is due to become the 28th member of the EU on 1 July 2013.³ Between signing of the treaty and membership, Croatia has active observer status in the European Institutions with 12 observers MEPs. On 14 April 12 MEPs were elected to take their seats in the EP upon Croatia's entry to the EU.

In its conclusions on 11 December 2012 the **Council** noted with satisfaction that Croatia had continued to make progress in adopting and implementing EU legislation, was completing its alignment with the *acquis*, and had achieved substantial results in a number of areas.

On 26 March, the **Commission** produced the final monitoring report on Croatia's accession preparations in which it gives overall endorsement of Croatia's ability to join the EU. After completing the 10 priority actions that were highlighted in the latest monitoring report, the Commission said that it is confident that Croatia will be ready for membership on 1 July 2013.

According to the **European Parliament** resolution of 18 April 2013 on the 2012 Comprehensive Monitoring Report on Croatia,⁴ the country is on track to accede to the EU on 1 July. MEPs stressed their confidence in the strength and maturity of the country's democracy, social market economy, its adherence to European values, and capacity to fulfil the obligations of membership.

³ On 5 May the Treaty had been ratified by 21 EU Member States and Croatia.

⁴ P7_TA-PROV(2013)0183; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0183+0+DOC+XML+V0//EN>.



Candidate countries - negotiations underway

Iceland

Currently a candidate country, Iceland applied for EU membership in July 2009. After a favourable opinion issued by the Commission in February 2010, was followed by, in June 2010, a Council decision to open accession negotiations. While 11 chapters were already provisionally closed, 16 chapters were under negotiation until the then government decided in January 2013 to stop the negotiation process until after the general election on 27 April 2013. Following the victory of the Independence Party and the Progressive Party in the general election they are likely to form a new government coalition which according to their election manifestos would take a more critical stance towards the continuation of EU membership negotiations.

The **Commission** concluded, in its progress report, that Iceland continues to fully meet the political criteria for EU membership, that it can be considered a functioning market economy and, overall, that it is well advanced in its preparations for membership. In relation to the implementation of Iceland's EEA commitments, the Commission noted some shortfalls still existed in areas such as financial services, food safety and free movement of capital. In view of the Commission, accession negotiations are progressing well and EU accession remains an issue of lively public debate in Iceland.

In its conclusions on 11 December 2012 the **Council** welcomed the good progress made in the accession negotiations over the previous year and underlined its commitment to moving the negotiating process forward. The Council pointed out Iceland's advanced state of alignment resulting from the European Economic Area (EEA) and Schengen membership. The Council welcomed Iceland's economic recovery and improvements of its macro-economic conditions but maintains its view that Iceland needs to continue to address current challenges through appropriate macroeconomic policies and structural reforms.

On 19 February 2013, the **European Parliament's** Foreign Affairs Committee passed a motion for a resolution, acknowledging the fluctuations in public opinion in Iceland regarding the continuation of accession talks and the political divisions over EU



membership. They also noted that the Icelandic government has decided to slow down the accession talks in the run-up to parliamentary elections at the end of April. While Iceland has been cleared of all charges over a possible breach of the EEA Agreement in the Icesave dispute with the United Kingdom and the Netherlands, MEPs call for a multilateral and consensual resolution of the mackerel dispute urgently.

Montenegro

In 2008 Montenegro applied for EU membership and in 2010 the Commission issued a favourable opinion on Montenegro's application, before the Council launched the accession process in December 2011 and the accession negotiations started with Montenegro as a candidate country on 29 June 2012.

The Commission's progress report documents improvements in a number of areas including legislative and institutional framework and policies with a view to strengthening the functioning of the parliament, the judiciary, anti-corruption policy, human rights and protection of minorities, the on-going constitutional and public administration reform and law enforcement. The Commission highlights the need for greater efforts to be pursued in the area of rule of law, in particular to strengthen judicial independence and to further develop the track record of implementation, notably in the fight against corruption and organised crime. The report notes that Montenegro continued to play a constructive role in the region, to respect its international commitments and the conditions of the Stabilisation and Association Process. On 18 December 2012, the first chapter, Science and Research, was provisionally closed. Another chapter, Education and Culture, was provisionally closed on 15 April.⁵

In line with the new approach and following the invitation of the European Council of December 2011, the Commission already initiated the screening of the chapters on judiciary and fundamental rights and on justice, freedom and security in spring 2012. Screening of the other chapters began in September 2012 and is expected to finish in Summer 2013.

⁵ <http://www.delme.ec.europa.eu/code/navigate.php?id=56>



The **Council** conclusions of 11 December 2012 welcomed the launch of the accession negotiations with Montenegro and noted the progress Montenegro had made in the past year.

According to the **European Parliament** resolution of 18 April 2013 on the 2012 Progress Report on Montenegro,⁶ despite solid progress towards EU membership, Montenegro must do more to protect media pluralism and freedom, women's rights and gender equality. The European Parliament commends Montenegro on the peaceful, free and fair conduct of parliamentary elections in October 2012 and welcomes the strengthening of the Montenegrin Parliament's oversight role.

Turkey

In 1987, Turkey applied to join what was then the European Economic Community, though not until December 2004 did the European Council decide to open membership talks with Turkey. Accession negotiations started in October 2005 and, so far, negotiations have been opened on 13 chapters, one of which has been provisionally closed. According to the progress report, the December 2006 Council decision remains in force.⁷

The Commission progress report of 2012 documented that progress was made in areas such as work on the new constitution, legislative reforms in public administration, judiciary and access to justice, observance of human rights law, freedom of thought, conscience and religion, some progress was also made on tackling problems of the Roma. However, there was a downward trend in torture, ill treatment in places of detention and an increase in violations of freedom of expression. The report identified areas where further efforts are needed, including comprehensive civil service reform, fight against corruption, some areas of children's rights, and the protection of vulnerable groups. There was no progress towards a solution on Kurdish issues and Turkey had still not met its obligation to ensure full, non-discriminatory implementation

⁶ P7_TA-PROV(2013)0185; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0185+0+DOC+XML+V0//EN>

⁷The decision stipulates that negotiations will not be opened on eight chapters relevant to Turkey's restrictions regarding the Republic of Cyprus and no chapter will be provisionally closed until the Commission confirms that Turkey has fully implemented the Additional Protocol to the Association Agreement.



of the Additional Protocol to the Association Agreement and has not lifted the veto of Cyprus's membership of several international organisations.

Regarding economic criteria, the report is more positive noting continued growth in the Turkish economy and a drop in unemployment; monetary policy was proving increasingly successful and the financial sector showed dynamism and strength. However, fiscal transparency was reported not to have improved.

In December 2011, the **Council** endorsed the “Positive Agenda” that aims to support and complement the accession negotiations through enhanced cooperation in a number of areas of joint interest. This was launched in 2012. The Council, in its conclusions on 11 December 2012, reaffirmed the importance of Turkey and underlined that it was in the interest of both parties that accession negotiations regain momentum soon. While noting renewed intensification of various forms of dialogue and positive developments in the economy, the Council noted a number of concerns (as outlined above) in relation to the political criteria for accession and reminded Turkey that the pace of negotiations depended on the fulfilment of benchmarks and of meeting the requirements of the Negotiating Framework and by respecting its contractual obligations towards the EU.

The **European Parliament** resolution of 18 April 2013 on the 2012 Progress Report on Turkey⁸ stated, that renewed mutual engagement is needed to maintain constructive relations between the EU and Turkey. MEPs praised direct political dialogue which might help settle the Kurdish issue and called on the Council to open negotiations on the judiciary and fundamental rights (chapter 23) and justice, freedom and security (chapter 24). They commended the Commission and Turkey for their work on the “positive agenda” launched in May 2012 to support and complement the accession negotiations, noting that dialogue should be based on common values of democracy, rule of law and respect for human rights. The European Parliament expressed once again its strong support for the reunification of Cyprus, based on a fair and viable settlement for both communities.

⁸ P7_TA(2013)0184; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0184+0+DOC+XML+V0//EN>



Candidate countries

Former Yugoslav Republic of Macedonia

The former Yugoslav Republic of Macedonia (FYROM) applied for EU membership in March 2004. The **Commission** issued a favourable opinion in November 2005 and the European Council granted the status of candidate country to the country in December 2005. In the 2009 progress report, the Commission made recommendations to the Council to open negotiations with the country and to move to the second phase of the Stabilisation and Association Agreement implementation. These recommendations were reiterated in the 2010, 2011 and 2012 progress reports. The Council has not yet decided on the Commission's proposals.

According to the Commission, FYROM continues to sufficiently meet the political criteria though must sustain the reform momentum in all areas to ensure implementation, in particular by strengthening the rule of law, including freedom of expression. In relation to economic criteria, the country has made further progress towards becoming a functioning market economy and it should be able to cope with competitive pressures and market forces within the EU provided it vigorously implements its reform programme. The Commission noted the country's good level of alignment with the *acquis communautaire* at this stage of the accession process assessing in detail its ability to take on the obligation of membership in its progress report. On 16 April 2013 the Commission adopted its Spring report which stated that progress had been made on the implementation of reforms, despite the political crisis that followed events on 24 December 2012. The report recommended implementation of the 1 March political agreement without delay. The report noted continued good neighbourly relations and noted that formal talks on the "name issue" took on new momentum in the past 6 months.

The progress achieved in a number of key policy areas was largely appreciated by the **Council** in its 11 December 2012 conclusions. To a broad extent, the Council shared the Commission's assessment that the political criteria continue to be sufficiently met and took note of its recommendation that accession negotiations be opened. The Council noted, however, that there was a need to bring the longstanding discussions on the



name issue to a definitive conclusion without delay, welcoming the momentum created by recent contacts/exchanges between the two parties concerned, following the Greek proposal for a memorandum of understanding, and noting its encouragement by recent contacts with the UN mediator.

The **European Parliament** resolution of 23 May 2013 on the progress report 2012 for FYROM called on the Council once again to take the decision to open the negotiations before the end of June 2013. MEPs strongly believed that the start of negotiations can itself be a ‘game-changer’, providing a positive impulse and an effective instrument to further reforms. The EP reiterated its view that bilateral issues should not hinder the EU accession process; in particular the name issue needed to be brought to a definitive conclusion with no delay. The EP called on Commissioner Füle to assess the cost of non-enlargement. The European Parliament called for reinforcement of Parliament’s oversight role vis-à-vis the government and improving the Electoral Code. Additional efforts were needed to guarantee the transparency, impartiality and professionalism of public administration and greater attention should be given to strengthening and promoting freedom of information and pluralism of the media, the formation of independent civil society organisations and to invigorating anti-discrimination policies.

Serbia

In 2008, a European partnership for Serbia was adopted, setting out priorities for the country’s membership application that was officially submitted in 2009. In 2010, the process of ratifying the Stabilisation and Association Agreement began, and in March 2012 Serbia was granted EU candidate status. Serbia is currently waiting for the European Council to decide on the date for starting negotiations on its full membership.

In its Serbia progress report of 2012, the Commission recommended that the negotiations on Serbia accession should start as soon as Belgrade makes further good progress in the dialogue with Kosovo. The Commission concluded that Serbia has made some progress in meeting the political criteria for membership to the EU, has maintained its full cooperation with the International Criminal Tribunal for the former Yugoslavia and is implementing smoothly its obligations under the Interim



Agreement/Stabilisation and Association Agreement. Some further progress was made in aligning legislation, policies and administrative capacity with EU standards.

However, Serbia needs to pay particular attention to the rule of law and a stronger commitment to pursue the judicial reform is needed. Special attention must be paid to the rights of vulnerable groups and to the independence of key institutions such as the Central Bank. Serbia needs to build up its efforts in the areas of fight against corruption and freedom of expression in the media. There was no further progress towards establishing a functioning market economy. Serbia needs to make significant efforts in restructuring its economy so as to cope in the medium-term with the competitive pressures and market forces within the Union.

The **Council**, in its 11 December 2012 conclusions, shared the Commission's assessment that Serbia continues on its way to sufficiently fulfilling the political criteria and conditions of the Stabilisation and Association Process. The Council encouraged Serbia to reinvigorate, further develop and implement the reform agenda, particularly in the independence of key institutions, and to further improve the business environment. The June **European Council** could decide to open accession negotiations with Serbia on the basis of an assessment of the Council.

On 19 April 2013, Serbia and Kosovo signed a 15-point agreement, brokered by High Representative Catherine Ashton, which aims to normalise relations between the two countries and in which both parties agreed not to hinder each other's EU membership efforts.

The **European Parliament** resolution of 18 April 2013 on the 2012 Progress Report on Serbia stated that EU accession talks with Serbia could start in June 2013, provided the government keeps the reform process on course.⁹ The European Parliament praised the new government's commitment to prepare for EU membership and said it should pursue reform and concentrate on the judiciary, combating corruption, ensuring media freedom and protecting all minorities.

⁹ P7_TA(2013)0186; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0186+0+DOC+XML+V0//EN>



Potential candidate countries - promised prospect of joining when ready

Albania

Albania, currently a potential candidate country for EU accession, submitted its formal application for EU membership in 2009. In its progress report of 2012, the **Commission** recommended that Albania be granted EU candidate status, subject to the completion of key measures in certain areas. The Commission concluded that Albania has made good progress towards fulfilling the political criteria for membership. Implementation of the November 2011 political agreement between the ruling majority and the opposition on cooperation on EU issues made a number of important reforms possible. Albania still needs to build on progress achieved and take concrete steps to accelerate the fight against corruption, money laundering and organized crime. Reforms in the judiciary and public administration need to be completed and the parliamentary rules of procedure revised. A particular focus is required on conducting elections in line with European and international standards. Effective measures need to be implemented to reinforce the protection of human rights and anti-discrimination policies.

The successful conduct of Parliamentary elections in June 2013 is thought to be an essential element for Albania's European Union integration perspective. Albania has made further progress towards becoming a functioning market economy. It was judged by the Commission that it should be able to cope with competitive pressures and market forces within the Union in the medium term, provided structural reforms are stepped up and deepened. Albania has also made moderate progress in improving its ability to assume the obligations of membership by bringing its legislation towards standards with the EU, in particular in the areas of competition, taxation, statistics, justice, freedom and security, education, culture and customs union. However, a particular focus should be given to implementation of property rights.

The **Council** noted, in its December 2012 conclusions, the recommendation of the Commission to grant Albania candidate status subject to completion of key measures in the areas of judicial and public administration reform and revision of the parliamentary rules of procedure. It points out that the opening of accession negotiations will be considered by the European Council, in line with established practice, once the



Commission has assessed that Albania has achieved the necessary degree of compliance with the membership criteria.

Sharing the Commission's assessment the **European Parliament**, in its resolution of 13 December 2012 on the 2012 progress report,¹⁰ called on the Council to grant Albania EU candidate status without further delay, provided that key reforms in the judiciary and public administration are completed and adopted. The EP also welcomed the Commission's new approach and its commitment to putting the rule of law at the centre of the enlargement policy.

Bosnia and Herzegovina

The **Commission** progress report of 2012 on Bosnia and Herzegovina noted that the formation of the new government and the adoption of two key EU-related laws (on State Aid and on Population Census) initially stimulated a focus towards EU integration. Momentum had not been maintained, however, and the political consensus and shared vision on the EU agenda at political level was lost. The Commission reports that substantial efforts are needed to reinforce the justice sector, to fight against corruption and organised crime and for pursuing public administration reform. There is also a need for an effective coordination mechanism between various levels of government for the transposition, implementation and enforcement of EU laws as a matter of priority to make effective use of the EU's pre-accession assistance. To that effect, a High Level Dialogue on the Accession Process (HLDAP) was launched in Brussels on 27 June 2012.

An internal roadmap on EU integration, aimed at meeting the conditions for the entry into force of the Stabilisation and Association Agreement (SAA) and for a credible membership application, was agreed, however, the timeline for a political agreement to amend the Constitution to comply with the European Court of Human Rights (ECtHR) ruling on ethnic discrimination regarding representation in the institutions of the country (Sejdic-Finci case) by 31 August 2012 was not met. The European Union Special Representative (EUSR), through its enhanced presence, has taken the lead in a number of areas in assisting the authorities to implement the objectives of the EU agenda.

¹⁰ P7_TA-PROV(2012)0508; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0508+0+DOC+XML+V0//EN>



On 11 December 2012, the **Council** reiterated its unequivocal support for Bosnia and Herzegovina's EU perspective as a sovereign and united country enjoying full territorial integrity, while urging it to engage constructively in the Association process.

In its vote on the EU's 2012 progress report on Bosnia and Herzegovina (BiH) on 23 May the **European Parliament** warned that the country is at risk of continuing to fall further behind other countries in the region and underlined the importance for BiH of speaking with one voice in the EU integration process. BiH authorities should focus on the implementation of the Roadmap as an efficient coordination mechanism with the EU, thus paving the way for meeting the requirements for putting the SAA into force. The EP reminded that EU must be based on a true and comprehensive commitment to European values. It stressed that substantial constitutional reform is urgently needed to turn BiH into a fully-functioning democracy. The structure of the federation must be simplified and less fragmented. Parliament voiced concerns about the link between political parties and corruption and expressed concern about shortcomings in implementing anti-discrimination policies and laws. The sustainable return of some 113.000 internally displaced persons in BiH ought to be supported by ensuring their access to housing, education, social protection and employment. The European Parliament called to permit the entry of Kosovar citizens.

Kosovo

The **Commission** presented its progress report and its feasibility study for a Stabilisation and Association Agreement between the European Union and Kosovo on 10 October 2012. It reported that Kosovo had made considerable progress on its path towards the EU since the conflict of the late 1990s. The situation in the north of Kosovo remained an important challenge the country itself, as well as the Western Balkans region at large and the EU. All actors involved needed to take positive and proactive steps to help resolve this situation. The Commission's analysis suggested that Kosovo is largely ready to open negotiations for a Stabilisation and Association Agreement (SAA). The Commission will propose negotiating directives for such an agreement, once Kosovo fulfils conditions in the following areas: the rule of law (including demonstrating a clear commitment to deliver results in the fight against organised crime and corruption,



launching investigations and ensuring continuous good cooperation with EULEX); public administration (*inter alia* adopting the necessary secondary legislation of laws on civil service); protection of minorities (*inter alia* ensuring the existence of a body enabling direct consultation on the promotion and protection of religious and cultural heritage with religious communities); and trade (including putting in place a mechanism to lead and coordinate negotiations within Kosovo and prepare an impact analysis of trade aspects of a SAA). Kosovo needs to make progress in additional areas to meet its obligations under a SAA, in particular: the judiciary; electoral reform and the Assembly; human and fundamental rights; internal market issues; and phytosanitary and veterinary issues.

The **Council** noted that the pace of reforms needed to be accelerated with credible evidence provided of the fight against organised crime and corruption, judicial reform and freedom of expression. It noted the EU's willingness to assist the economic and political development of Kosovo and welcomed the Commission's ongoing efforts to negotiate a framework agreement with Kosovo concerning its participation in Union programmes and its intention to come back to the Council in 2013. The Council welcomed the engagement in the EU facilitated dialogue between Belgrade and Pristina and its first results.

On 19 April 2013, Kosovo and Serbia signed a 15-point agreement, brokered by High Representative Catherine Ashton, which aims to normalise relations between the two countries and in which both parties agreed not to hinder each other's EU membership efforts.

The **European Parliament** resolution of 18 April 2013 on the European integration process of Kosovo¹¹ welcomed the outcome of the Commission's feasibility study, which found that a stabilisation and association agreement can be concluded in a situation where Member States maintain different views on Kosovo's status, provided that accelerates reforms in the rule of law, protection of minorities, administrative capacities and trade to allow for launch of EU-Kosovo Stabilisation and Association

¹¹ P7_TA-PROV(2013)0187 <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0187+0+DOC+XML+V0//EN>



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Uachtaránacht na hÉireann ar
Chomhairle an Aontais Eorpaigh
An Ghné Pharlaiminteach

Irish Presidency of the
Council of the European Union
Parliamentary Dimension

Agreement (SAA) talks. The European Parliament encouraged the five Member States which have not yet done so to recognise Kosovo's independence and ease economic, social and political relations with its citizens. It also urged Kosovo and its neighbours to fully cooperate with EULEX Special Investigative Task Force, set up to look into allegations in a December 2010 Council of Europe Parliamentary Assembly report.