



**COUNCIL OF
THE EUROPEAN UNION**



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**Eighth meeting of the Accession Conference at ministerial level
with Croatia**

Brussels, 2 October 2009

The eighth meeting of the Intergovernmental Conference with Croatia at Ministerial level was held today in Brussels, following the start of the negotiations on 3 October 2005. The European Union delegation was headed by Carl Bildt, Sweden's Minister of Foreign Affairs. The Croatian delegation was led by Gordan Jandroković, Minister of Foreign Affairs and European Integration. The Conference, which is the fruit of extensive work over several months, dealt in total with eleven chapters and represented a crucial step in Croatia's accession process. The EU underlined that on all these chapters, monitoring of progress in the alignment with and implementation of the *acquis* would continue throughout the negotiations.

P R E S S

Chapters Opened

The Conference opened negotiations on six chapters: Chapter 4 - Free Movement of Capital; Chapter 11 - Agriculture and Rural Development; Chapter 12 - Food Safety, Veterinary and Phytosanitary policy; Chapter 16 - Taxation; Chapter 22 - Regional Policy and Coordination of Structural Instruments; and Chapter 24 - Justice, Freedom and Security.

On the basis of the negotiating positions of Croatia, the Union closely examined Croatia's general state of preparations for the six chapters concerned. On the understanding that Croatia will continue to make progress in the alignment with and implementation of the *acquis*, the EU underlined the main issues regarding the closing benchmarks to be met by Croatia, namely:

Chapter 4 - Free Movement of Capital

- Croatia should complete the alignment with the *acquis* in the field of capital movements and payments, as well as to demonstrate ability to implement it by accession, with the complete removing of remaining restrictions;
- Croatia should complete the fulfilment of the SAA obligations as regards the acquisition of real estate in Croatia by nationals of the EU Member States; and
- Croatia should complete its legislative alignment on anti-money laundering, including confiscation, and to demonstrate through a track record an adequate administrative capacity to properly implement and enforce the relevant legislation.

Recalling its general negotiating position on transitional measures, the EU also considered Croatia's requests in these regards. As a result, and in line with the EU common position, Croatia was invited to provide further information with regard to these requests.

The Union will closely monitor Croatia's progress in this chapter, especially its capacity to investigate, prosecute and proceed to judicial convictions and confiscations in money laundering cases. Particular consideration will be given to the links between this chapter and other negotiation chapters.

Chapter 11 - Agriculture and rural development

- Croatia should present its implementation plan for the establishment of an Integrated Administration and Control System (IACS), Land Parcel identification system (LPIS), and the setting up of a Paying Agency which needs to be fully independent, reliable, accountable and endowed with financial rectitude. These measures should go with an enforcement of the administrative capacities and precise budgetary requirements; and
- Croatia should present an implementation plan in order to be fully prepared for the application of the single Common Market Regulation in the areas of Sugar, Fruits & Vegetables and Milk, and demonstrate sufficient progress towards the setting up of the Single Common Market Organisation.

Recalling its general negotiating position on transitional measures, the EU also considered Croatia's various requests in these regards. As a result, and in line with the EU common position, Croatia was invited to reconsider some requests and to provide further information with regard to others. The request regarding a transitional support rate for modernisation of agricultural holdings with regard to the Nitrates Directive was considered acceptable. Furthermore, the requests relating to complementary national direct payments, and to certain rural development support, were considered acceptable on certain conditions.

Chapter 12 - Food safety, Veterinary and Phytosanitary Policy

- Croatia should submit a national program for the upgrading of establishments for products of animals origin, including animal by-products, and a strategy for the use of non-compliant raw milk, and demonstrate sufficient progress in its implementation; and
- Croatia should fully comply with EU system for official controls of live animals and animal products; and
- Croatia should continue to develop and reinforce its administrative structures and capacities in accordance with the Community acquis.

Recalling its general negotiating position on transitional measures, the EU also considered Croatia's various requests in these regards. As a result, and in line with the EU common position, Croatia was invited to reconsider some of these requests and to provide further information with regard to others. The request for a transitional period regarding the Distinctness, Uniformity and Stability (DUS) examinations of seeds and propagating material was accepted.

Chapter 16 - Taxation

- Croatia should make significant progress towards alignment in the fields of VAT and excise duties, and present a detailed timetable to reach full compliance with the EU *acquis*;
- Croatia should demonstrate adequate administrative capacity to implement and enforce its tax legislation, to effectively collect tax dues, and control existing tax payers with the required infrastructure in its central and local tax offices; and
- Croatia should also present a comprehensive and coherent strategy towards IT Interconnectivity, and reach sufficient progress in developing all related systems.

Recalling its general negotiating position on transitional measures, the EU also considered Croatia's various requests in these regards. As a result, and in line with the EU common position, Croatia was invited to clarify and provide further information with regard to some of these requests whereas others were rejected, as they would have caused disturbances in the normal functioning of the internal market. A request to continue exempting international transport of passengers from VAT with right of deduction could be accepted on certain conditions.

Chapter 22 - Regional policy and Coordination of Structural Instruments

- Croatia should prove a satisfactory functioning of the decentralized implementation system under IPA (Pre-Accession Instrument) and an adequate and mature project pipeline, and a satisfactory level of implementation of EU pre-accession funding;

- Croatia should submit an advanced and comprehensive draft of its National Strategic Framework (NSRF) document which outlines key priorities and expected results of Cohesion Policy assistance; and
- Croatia should adopt an institutional set up for the implementation of the EU Cohesion Policy and individual Organizational Development Strategies and submit to the Commission a detail plan and timetable with regard to the setting up of a monitoring and evaluation system.

The EU underlined that it would devote particular attention to monitoring all specific issues mentioned in the EU common position with a view to ensuring Croatia's administrative capacity for a timely and efficient programming, implementation and monitoring of Structural Funds/Cohesion Fund programmes.

Chapter 24 - Justice, Freedom and Security

- Croatia should ensure access to fully functioning asylum procedures for all third country applicants wishing to apply for international protection;
- Croatia should enhance its efforts and demonstrates, by means of a satisfactory track record and future plans, that it will be compliant at the date of accession with EU requirements for a uniform format for visas and on security features and biometric identifiers in passports and travel documents;
- Croatia should implement the Integrated Border Management Action Plan and demonstrate, through a satisfactory track record, that it will be fully prepared at the date of accession to ensure the implementation and enforcement of EU requirements with regard to the EU's external borders;
- Croatia should continue its alignment with the *acquis* and demonstrate through a satisfactory track record that it will be fully prepared at the date of accession to ensure the implementation and enforcement of EU and Schengen requirements in the areas of police cooperation, fight against organised crime as well as judicial cooperation in civil and criminal matters; and

- Croatia should ensure the implementation of the Council Framework Decision on the European Arrest Warrant and align with the EU definition of terrorism.

Chapters provisionally closed

The Conference provisionally closed five other chapters: Chapter 2 - Free Movement of Workers; Chapter 6 - Company Law; Chapter 18 - Statistics; Chapter 21 - Trans-European Networks and Chapter 29 - Customs Union.

On the basis of the information provided by Croatia and the considerable progress made with preparations in all areas under these chapters, the EU noted that, at this stage, these chapters do not require further negotiations.

The European Union also underlined that it would devote particular attention to monitoring all specific issues mentioned in these five chapters with a view to ensuring Croatia's administrative capacity to implement effectively the *acquis*. The Union will, if necessary, return to these chapters at an appropriate moment.

Details on the specific chapters are provided below:

Chapter 2 - Free movement of workers

The EU recalled that it would devote particular attention to monitoring all specific issues mentioned in its common position with a view to ensuring Croatia's administrative capacity, particularly in the field of co-ordination of social security systems, and its capacity to abolish any discriminatory measures towards EU migrant workers.

It can be noted that, in the framework of this chapter, it was agreed that the EU Member States will have the possibility to apply at national level transitional measures concerning the access of Croatian nationals to their labour markets, in line with similar measures applied at the time of the previous enlargement.

Chapter 6 - Company Law

The EU underlined that it would devote particular attention to monitoring all specific issues as outlined in the EU common position with a view to ensuring Croatia's administrative capacity to implement an effective company law system.

Chapter 18 - Statistics

The EU stressed that it would devote particular attention to monitoring all specific issues covered in the EU common position with a view to ensuring Croatia's capacity in statistics. The EU underlined the importance of a continuous and sustainable effort which has to be made in order to be fully compliant by accession. Particular consideration needs to be given to the links between the present chapter and other negotiation chapters, such as agriculture, as the consistent availability of reliable statistics is essential for the operation of EU policies.

Chapter 21 - Trans-European Networks

The EU underlined that it would devote particular attention to monitoring all specific issues mentioned in the EU common position with a view to ensuring Croatia's administrative capacity and its capacity to complete legal alignment in all the areas under this chapter as well as to ensure the appropriate level of safety required for all modes of transport.

Chapter 29 - Customs Union

The EU underlined that it would devote particular attention to monitoring all specific issues mentioned in the EU common position with a view to ensuring Croatia's administrative capacity to implement an effective customs policy.

Furthermore the EU recalled that it considers it necessary to include provisions on the following items in the Accession Treaty with Croatia:

- A provision ensuring continued validity after accession of proof of origin issued before accession in the framework of preferential agreements concluded by the applicant State with third countries;
- Provisions concerning customs warehousing, inward processing, outward processing, processing under customs control and temporary importation; and
- Provisions concerning remission, recovery and repayment of duties.

Since the start of the negotiations, twenty eight chapters have been opened, of which twelve have been provisionally closed. Further Accession Conferences will be planned, as appropriate, in order to take the process forward.
