



**COUNCIL OF
THE EUROPEAN UNION**



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**Seventh meeting of the Stabilisation and Association Council
between the European Union and Croatia
(Brussels, 19 April 2011)
JOINT PRESS RELEASE**

1. The EU-Croatia Stabilisation and Association Council (SA Council) held its seventh meeting on Tuesday 19 April 2011. The meeting was chaired by Mr János MARTONYI, Hungary's Minister for Foreign Affairs, who led the European Union delegation (on behalf of the EU High Representative for Foreign Affairs Catherine Ashton). Mr Gordan JANDROKOVIĆ, Deputy Prime Minister and Minister of Foreign Affairs and European Integration, led the delegation of the Republic of Croatia. Mr Štefan FÜLE, Commissioner responsible for Enlargement, represented the European Commission.
2. The SA Council welcomed the significant progress made in this final stage of the accession negotiations with Croatia. In this light, the SA Council commended Croatia for the considerable efforts it has made over the past year, and the good progress made, in particular in meeting the benchmarks set in the negotiations. This allowed the provisional closure of 11 chapters in 2010. Overall, at this stage, out of 35 chapters, the Accession Conference was able to provisionally close 30, including the 2 chapters provisionally closed today at the EU-Croatia Accession Conference prior to this meeting.

Building on the progress already made, the SA Council recalled that Croatia must continue its reform efforts, in particular in key areas such as judiciary, the fight against corruption and organised crime, and prosecution of war crimes, to build up a convincing track record in these areas, and in pursuing further economic reforms.

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The SA Council noted that conclusion of the negotiations is within reach and that Croatia should intensify its efforts to fulfil the remaining benchmarks. The SA Council also encouraged Croatia to continue transposing the acquis and setting up the administrative structures to effectively implement it, in order to be able to meet the obligations of membership in good time. The SA Council reaffirmed that the pace of negotiations continues to depend in particular on progress made by Croatia in fulfilling the conditions laid down, including closing benchmarks and the requirements specified in the Negotiating Framework.

3. The SA Council reviewed the state of Croatia's preparations for accession, in particular in the light of the Commission's 2010 Progress Report. As regards the judicial system, the SA Council noted that Croatia has taken a number of measures, in particular as regards the reform and the strengthening of the State Judicial Council and State Prosecutorial Council to ensure their professionalism, impartiality and independence from political or other interference, in particular in the appointment, career management and disciplining of judges and prosecutors. The State School for Judges and Prosecutors has begun effective operation. The SA Council encouraged Croatia to establish a convincing track record of recruiting and appointing judges and state prosecutors based on the application of uniform, transparent, objective and nationally applicable criteria. As regards the efficiency of the judiciary, the SA Council noted a reduction in the overall case backlog before the courts as well as a 10.6% reduction in the backlog of old criminal cases over the past year. However, the backlog of old civil cases and enforcement cases will need to be further reduced, as well as the overall backlog of cases.

The SA Council also noted that Croatia continued its efforts to reform its public administration, including by adopting a new Law on Administrative Disputes. The SA Council recalled that a professional, accountable, transparent and independent public administration is an essential basis for the successful implementation of the acquis.

Furthermore, the SA Council noted that results are being achieved in investigating corruption and organised crime in Croatia and that the operational capacity of the Office for the Suppression of Corruption and Organised Crime (USKOK) has been reinforced, and the police have become more effective. In a number of high-level corruption cases investigations are underway, indictments have been issued or court proceedings are ongoing. At the same time, the SA Council noted that a number of high level corruption and public procurement cases have not yet reached the stage of court rulings and that better controls are needed on the dismissal of cases at the investigation stage so as to improve the consistency of judicial procedures.

The SA Council noted the generally good cooperation of Croatia with the International Criminal Tribunal for the former Yugoslavia (ICTY) and recalled that full cooperation remains essential in line with the Negotiating Framework.

As regards prosecution of war crimes trials in Croatia itself, the SA Council noted that Croatia has made progress towards establishing a track record of impartial handling of cases, and that Croatia has implemented its action plan for the review of in absentia cases. However, the SA Council noted that further attention needs to be paid to the issue of impunity, as a number of war crimes remain to be investigated and prosecuted in Croatia. The EU took good note of the Conclusions of the Croatian Government from 8 April 2011 regarding additional measures aimed at improving the processing of the war crimes. The EU called on Croatia, in consultation with stakeholders, to further improve the Strategy on impunity that the Ministry of Justice prepared in February 2011, to endorse it at government level and to proceed without delay with its implementation.

As regards refugee return, the SA Council noted that Croatia is implementing its Action Plan on the Housing Care Programme for returning refugees/former tenancy rights holders. It has met the targets for 2008, and has improved the handling of appeals for rejected housing reconstruction applications. The SA Council urged Croatia to step up its efforts towards fully implementing the 2009 target and making substantial progress in providing accommodation to applicants for housing care not included in the 2009 target.

The SA Council noted that general protection of minorities has improved and the steps taken to improve monitoring of implementation of the employment provisions of the Constitutional Act on the Rights of National Minorities (CARNM), as well as the finalisation of a study into the representation of minorities in the wider public sector. In this context, the SA Council recalled the need to ensure that real improvements on the ground are achieved, by setting out long term plans, backed by statistics, for fully meeting its obligations under the CARNM as regards minority employment, and by adopting a plan to tackle the issue of representation of minorities in the wider public sector.

The SA Council welcomed the 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 welcomed the ratification of the Arbitration Agreement with Slovenia. It also welcomed the signature of agreements with both Serbia and Montenegro to allow extradition of citizens who are indicted for certain serious crimes. The SA Council invited Croatia to continue working 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. The SA Council invited Croatia to pursue its reform programme with determination in order to reduce structural weaknesses. The SA Council noted that the global financial and economic crisis severely affected the Croatian economy in 2009. While the decline in economic activity eased in the course of 2010, the economic recovery had not yet taken fully hold by the end of the year. The SA Council noted that the macroeconomic policy response has by and large been appropriate and encouraged Croatia to actively implement the measures included in the Economic Recovery Programme, aimed at creating an environment supportive of sustainable economic growth, including by making the labour market more dynamic.
5. The SA Council noted that Croatia has significantly improved its ability to take on the obligations of membership and that preparations for meeting EU requirements are moving forward at a steady pace and alignment with EU rules is generally high. The SA Council devoted particular attention to issues linked to the functioning of the internal market, public procurement, competition, 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 good progress, both in terms of legislative alignment and of administrative capacity, but also that Croatia should sustain the progress with the view to fully meet EU accession requirements.
6. The SA Council reviewed the implementation of the Stabilisation and Association Agreement which has largely continued without major difficulty with some exceptions which require close attention, in particular as regards the elaboration of restructuring plans for the remaining shipyards in difficulty in the context of the privatisation process. The SA Council also welcomed that Croatia has continued its participation in the European Union programmes, and reviewed the state of play as regards the financial cooperation.
7. Finally the SA Council had an exchange of views concerning recent developments in the Western Balkans region and other international issues, in particular recent developments in the Southern neighbourhood.