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– Council conclusions

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Delegations will find attached Council conclusions on Enlargement and Stabilisation and Association Process as adopted by the Council on 5 December 2011.

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**GENERAL AFFAIRS COUNCIL****COUNCIL CONCLUSIONS****ON ENLARGEMENT AND STABILISATION AND ASSOCIATION PROCESS****ENLARGEMENT STRATEGY**

1. In line with the renewed consensus on enlargement approved by the European Council on 14 and 15 December 2006, and the Council conclusions of 14 December 2010, the Council welcomes the communication from the Commission of 12 October 2011 on the Enlargement Strategy and Main Challenges 2011-2012, as well as the Opinion on Croatia's accession to the European Union, the Opinion on Serbia's application for membership, and the progress reports "Turkey", "Croatia", "Iceland", "the former Yugoslav Republic of Macedonia", "Montenegro", "Albania", "Bosnia and Herzegovina" and "Kosovo"<sup>1</sup>, and takes good note of the conclusions and recommendations therein.
2. The enlargement process continues to reinforce peace, democracy and stability in Europe and allows the EU to be better positioned to address global challenges. The transformative power of the enlargement process generates far-reaching political and economic reform in the enlargement countries which also benefits the EU as a whole. The successful completion of accession negotiations with Croatia is a strong testimony to this and sends a positive signal to the wider region.

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<sup>1</sup> Under UNSCR 1244/99. The references to Kosovo in these conclusions are without prejudice to Member States' positions on status.

3. The Council reaffirms the importance of the coherent implementation of the renewed consensus on enlargement, which is based on consolidation of commitments, fair and rigorous conditionality, better communication, combined with the EU's capacity to integrate new members, with each country being assessed on its own merits. A credible enlargement policy is key to maintaining the momentum of reform in the countries concerned and public support for enlargement in the Member States. The Council remains firmly committed to taking the enlargement process forward on the basis of agreed principles and conclusions.
4. Key challenges remain in most enlargement countries. Strengthening the rule of law and public administration reform is essential to come closer to the EU and later to fully assume the obligations of EU membership. The experience acquired from the negotiations with Croatia should be used to the benefit of future negotiations, notably in relation to the negotiating chapters on judiciary and fundamental rights and to justice, freedom and security. The Council notes positively the Commission's proposal for a new approach towards these chapters, and looks forward to developing its position on the new approach in future negotiating frameworks, based on the proposal from the Commission and building on established practice of the current negotiating frameworks under the renewed consensus on enlargement. The above-mentioned issues should be tackled early in the enlargement process to allow the maximum time to establish the necessary legislation, institutions and solid track records of implementation before the negotiations are closed. The Council invites the Commission to report regularly on progress in the above-mentioned chapters and to make recommendations with a view to ensuring the overall balanced progress of negotiations. The Council notes positively that the Commission's proposal envisages incentives and support to the candidate countries, as well as corrective measures, as appropriate. The Council welcomes an increased interaction with Member States foreseen by the new approach.

5. The Council recalls that problems affecting freedom of expression and the media remain also a particular concern and invites the Commission to closely monitor developments in this area. Furthermore, the work on improving social and economic inclusion of vulnerable groups, including the Roma, should continue, in particular through the EU Framework for National Roma Integration Strategies. The Council underlines the importance of protecting the rights of persons belonging to sexual minorities and promoting a culture of tolerance.
6. Enlargement countries are also affected by the global economic and financial crisis and have embarked upon the path of economic recovery, albeit at a varying pace. Further efforts to deliver structural reform and fiscal consolidation and EU-related reforms, including embracing Europe 2020, should accelerate this recovery and growth and help these countries prepare for the new surveillance procedures in the Economic and Monetary Union. The Council underlines that developing transport and energy cooperation with the enlargement countries directly benefits European citizens and businesses.
7. Regional cooperation and good neighbourly relations remain essential parts of the enlargement process. They contribute to prosperity, stability, reconciliation and a climate conducive to addressing open bilateral issues and the legacy of the past. The Council encourages all parties concerned to address bilateral issues, falling outside areas of EU competence and/or contractual obligations towards the EU, in a constructive spirit, as early as possible, taking into account overall EU interests and values.

8. The Council looks forward to the presentation by the Commission of proposals for the new framework for providing pre-accession assistance under the 2014-2020 multi-annual financial framework. Based on the positive results of the financial and technical support provided to the enlargement countries by the current Instrument for Pre-Accession Assistance (IPA), the Council welcomes the intention, inter alia, to strengthen the link between financial assistance and policy priorities for each enlargement country, as well as to increase flexibility and simplify procedures, while ensuring visibility and full transparency of actions undertaken, strengthened ownership and improved results and impact. The role of civil society should be enhanced both in programmes implemented through government bodies and as direct beneficiaries of EU assistance.

## **Croatia**

9. The Council welcomes the successful completion of the accession negotiations with Croatia on 30 June 2011, which marks an historic step on Croatia's path towards the EU and brings a new momentum to the European perspective of the Western Balkans.
10. The Council notes with satisfaction the completion of the work on the Accession Treaty. The Council welcomes the positive Opinion of the Commission of 12 October 2011, the European Parliament's consent of 1 December 2011, and looks forward to the signature of the Accession Treaty on 9 December 2011 in Brussels. Pending the successful conclusion of ratification procedures, the Council looks forward to welcoming Croatia as a new member as of 1 July 2013.

11. The Council takes note of the findings and recommendations presented by the Commission in its 2011 Progress Report on Croatia and of the updated monitoring tables submitted to the Council on 27 October 2011. The Council notes with satisfaction that Croatia has reached a high level of preparedness for membership and encourages Croatia to continue in its efforts in addressing all the issues identified therein, notably in the field of judiciary and fundamental rights, justice, freedom and security and competition policy. Implementation of structural reforms to improve the growth potential and international competitiveness of the economy needs to be intensified. Croatia also needs to continue building on the reforms it has implemented and the track records it has developed during the course of the accession negotiations.
12. Croatia's accession confirms the EU's commitment to the European perspective of all the Western Balkan countries and will contribute to strengthening stability, freedom and prosperity in Europe. The Council welcomes Croatia's declaration on promoting European values in South-East Europe and in particular Croatia's commitment that bilateral issues should not obstruct the accession process of candidate countries. Croatia is expected to continue to play an active role in regional cooperation in the Western Balkans, including in areas such as refugee return, judicial cooperation as well as border management. Bearing in mind the importance of good neighbourly relations, the Council encourages Croatia to continue solving all outstanding bilateral and regional issues, including succession issues, building on the progress achieved so far. The Council regrets recent statements and measures that could call into question the importance of reconciliation and the need to serve justice through the prosecution of war crimes and calls on political leaders to avoid such statements and measures, in line with commitments taken by Croatia during the accession negotiations. Full cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) remains essential.

13. In line with European Council Conclusions of 23-24 June 2011, the Council stresses the importance it attaches to the monitoring of Croatia's fulfilment of all the commitments undertaken in the accession negotiations, including those which must be fulfilled before the date of accession, and Croatia's continued preparations to assume the responsibilities of membership upon accession. The Council looks forward to the next six-monthly assessment to be issued by the Commission in spring 2012 and a Comprehensive Monitoring Report in autumn 2012 in line with the provisions of the Accession Treaty.

## **Turkey**

14. The Council reaffirms the importance it attaches to EU relations with Turkey. Turkey is a candidate country and a key partner for the European Union. In this context, the Council welcomes the conduct of the recent parliamentary elections in June 2011, held in full respect of democratic standards and the rule of law. The high voter turnout and the broader representation in the new Parliament demonstrate the commitment of the Turkish people to democracy, stability and progress.
15. The Council also notes that Turkey's dynamic economy, which continues to grow at a sustained pace, provides a contribution to the prosperity of the whole European continent. With its close trade and investment links with the EU, Turkey is a valuable part of Europe's competitiveness. Furthermore, the Council acknowledges the influential regional role of Turkey in supporting reforms, including with regard to recent developments in Northern Africa.

16. The Council welcomes Turkey's continued commitment to the negotiation process and the political reform agenda, also reaffirmed by the establishment of the new EU Ministry. Important priorities have been addressed, including the civilian oversight of security forces, the reform of the judiciary, freedom of religion and the ratification of the Optional Protocol to the UN Convention against Torture (OPCAT). Reiterating that the constitutional reform package is an important step in the right direction, the Council continues to emphasise that implementation in line with European standards remains key. The Council welcomes Turkey's first steps towards constitutional reform and encourages Turkey to ensure the broadest possible consultation in this work, involving all political parties and civil society. The Council expects that implementation and follow-up of the democratic opening, notably to address the Kurdish issue, will start producing the expected results. The constitutional reform provides a useful framework in that respect.
17. Building on progress made, the Council invites Turkey to further improve the observance of fundamental rights and freedoms in law and in practice, in particular in the area of freedom of expression. The restrictions in practice on the freedom of the media, the large number of legal cases launched against writers, journalists, academics and human rights defenders, and frequent website bans all raise serious concerns that need to be addressed. Further efforts towards fully meeting the Copenhagen criteria are also required, *inter alia*, as regards freedom of religion, property rights, trade union rights, rights of persons belonging to minorities, women's and children's rights, anti-discrimination and gender equality, and the fight against torture and ill-treatment. The recent adoption of legislation amending the Law of foundations that aims at facilitation of recovery of confiscated property of non-Muslim communities is an important and welcome step, provided it is implemented effectively.



18. The Council condemns all acts of terrorism perpetrated on Turkish territory in the strongest terms and expresses its full solidarity with Turkey. It recalls that PKK is on the EU list of terrorist organisations. The Council reiterates its resolute support and readiness to intensify dialogue and cooperation with Turkey in its fight against terrorism, which must be conducted with due regard for human rights, fundamental freedoms and international law, while preserving regional peace and stability.
19. Turkey has continued to be active in its wider neighbourhood, and remains an important regional player in the Middle East, the Western Balkans, Afghanistan/Pakistan, the Southern Caucasus, and the Horn of Africa. In line with the principles set out in the Negotiating Framework, the Council encourages Turkey to develop its foreign policy as a complement to and in coordination with the EU, and to progressively align with EU policies and positions. In this regard, the Council remains committed to further reinforcing the EU's existing political dialogue with Turkey on foreign policy issues of mutual interest.
20. Turkey is one of the key countries of origin and transit for illegal immigration to the EU, and the Council encourages the Commission and Turkey to launch in line with the established practice a dialogue on visa, mobility and migration, and underlines the need for the conclusion of the negotiated EU-Turkey readmission agreement and its effective implementation. Pending this, adequate implementation of existing bilateral readmission agreements and readmission provisions contained in similar agreements remains a priority.

21. In line with the Negotiating Framework and previous European Council and Council conclusions, the Council underlines that Turkey needs to commit itself unequivocally to good neighbourly relations and to the peaceful settlement of disputes in accordance with the United Nations Charter, having recourse, if necessary, to the International Court of Justice. In this context, the Union expresses serious concern and urges the avoidance of any kind of threat or action directed against a Member State, or source of friction or actions, which could damage good neighbourly relations and the peaceful settlement of disputes. Furthermore, the EU stresses again all the sovereign rights of EU Member States which include, inter alia, entering into bilateral agreements, and to explore and exploit their natural resources in accordance with the EU *acquis* and international law, including the UN Convention on the Law of the Sea.
22. The Council regrets Turkey's statements to freeze its relations with the EU Presidency during the second half of 2012, and underlines that the Presidency of the Council of the EU is provided for in the Treaty on European Union.
23. Recalling its conclusions of 11 December 2006 and the declaration of 21 September 2005, the Council notes with deep regret that Turkey, despite repeated calls, continues refusing to fulfil its obligation of full, non-discriminatory implementation of the Additional Protocol to the Association Agreement towards all Member States. This could provide a significant boost to the negotiation process. In the absence of progress on this issue, the Council will maintain its measures from 2006, which will have a continuous effect on the overall progress of the negotiations. Furthermore, Turkey has still not made progress towards the necessary normalisation of its relations with the Republic of Cyprus. The Council invites the Commission to monitor closely and specifically report on all issues covered by the declaration of the European Community and its Member States of 21 September 2005 in its forthcoming annual report. On this basis, the Council will continue to closely follow and review progress made, in accordance with its conclusions of 11 December 2006 and 14 December 2010. Progress is now expected without further delay.

24. As emphasised by the Negotiating Framework, the Council also expects Turkey to actively support the ongoing negotiations aimed at a fair, comprehensive and viable settlement of the Cyprus problem within the UN framework, in accordance with the relevant UN Security Council resolutions and in line with the principles on which the Union is founded. Turkey's commitment and contribution in concrete terms to such a comprehensive settlement is crucial.
25. Recalling that negotiations have reached a more demanding stage, the Council notes that Turkey will be able to accelerate the pace of negotiations by advancing in the fulfilment of benchmarks, meeting the requirements of the Negotiating Framework and by respecting its contractual obligations towards the EU.
26. In this context, the Council takes positively note of the Commission's proposal for a positive agenda with Turkey. The Council underlines that a positive agenda should support the negotiation process, in line with the Negotiating Framework and the relevant Council conclusions. The agenda could cover a broad range of areas of common interest including political reforms, foreign policy dialogue, alignment with the EU *acquis*, visas, mobility and migration, trade, energy, the fight against terrorism and participation in EU programmes. Turkey's contribution to the EU will only be fully effective in the context of a credible approach to the negotiation process.

## Iceland

27. The Council welcomes the Commission's progress report on Iceland of 12 October 2011 and takes good note of the findings and recommendations contained therein. The Council commends Iceland for the progress it has made this year. The process of screening the *acquis* has almost been completed and solid results have been obtained in the accession negotiations, thus creating a good momentum.
28. The Council notes that the overall level of preparedness and integration to meet EU *acquis* requirements remains high due to Iceland's membership of the European Economic Area (EEA) and the Schengen agreement as well as the quality of its public administration. The Council is committed to moving the negotiating process forward in line with the requirements of the Negotiating Framework including the fulfilment of Iceland's obligations under the EEA Agreement, taking full account, inter alia, of the European Council Conclusions of 17 June 2010. The accession negotiations will be aimed at Iceland integrally adopting the EU *acquis* and ensuring its full implementation and enforcement by accession, duly reflecting Iceland's own merits and the provisions of the Negotiating Framework.
29. The Council notes with satisfaction Iceland's progress to stabilise the economy and recover from the 2008/2009 financial and economic crisis and the successful completion of the IMF programme in August 2011. Iceland should be able to cope with competitive pressures and market forces within the Union over the medium term, provided that it continues to address current weaknesses through appropriate macroeconomic policies and structural reforms.
30. In line with the renewed consensus on enlargement, the Council welcomes the communication activities promoting an informed public debate about Iceland's accession process and underlines the importance of continuing to provide information about EU membership.

## WESTERN BALKANS

31. The Council reaffirms its unequivocal commitment to the European perspective of the Western Balkans, which remains essential for the stability, reconciliation and future of the region. It also reaffirms the need for fair and rigorous conditionality, in the framework of the Copenhagen political criteria and Stabilisation and Association process and in accordance with the renewed consensus on enlargement approved by the European Council on 14 and 15 December 2006.
32. The Council recalls that by making solid progress in economic and political reform and by fulfilling the necessary conditions and requirements, the remaining potential candidates in the Western Balkans should achieve candidates status, according to their own merits, with European Union membership as ultimate goal. Further, a country's satisfactory track record in implementing its obligations under the Stabilisation and Association Agreements, including trade-related provisions, is an essential element for the EU to consider any membership application.
33. The Council welcomes that further progress was made by the Western Balkans regarding regional cooperation and reconciliation, while stressing that the inclusiveness of this process must be ensured by all parties concerned. Regional cooperation and good neighbourly relations remain essential elements of the Stabilisation and Association Process. Parties concerned in the Western Balkans must ensure that any disputes between them do not have a detrimental effect on their shared goal of progress towards EU membership. Outstanding disputes and issues should be solved in line with international law and established principles, including through implementation of legally binding agreements, inter alia Agreement on Succession Issues. The Council welcomes the completion of the Sarajevo Process on durable solutions for refugees and displaced persons.

34. The Council recognises the importance of visa liberalisation for all the citizens of the Western Balkans. It encourages the Commission to continue to closely monitor the implementation of all conditions set for the visa liberalisation, through its follow-up mechanism, including reporting regularly to the Council and the European Parliament. The Council urges the authorities of the Western Balkans countries to take all the necessary measures against the abuse of the visa free travel regime in order to ensure its unrestricted continuation.
35. The Council reiterates the importance of protection of all minorities and calls on the governments of the region to take the necessary actions to address outstanding concerns.

### **Former Yugoslav Republic of Macedonia**

36. The Council welcomes the further progress made by the former Yugoslav Republic of Macedonia in key reforms area and that the country fulfils its commitments under the Stabilisation and Association Agreement. It also welcomes the improvement of the conduct of the June parliamentary elections which were competitive, transparent and well-administered throughout the country. However, further efforts are needed in order to promote and safeguard fundamental rights, in particular as regards freedom of expression in the media, independence of the judiciary, reform of public administration and fight against corruption and improving the business environment- which continue to represent significant challenges. The Council welcomes any fresh impetus given to the reform process by the new government and encourages it to intensify efforts. The implementation of the Ohrid Framework Agreement remains an essential element of democracy and the rule of law in the country.
37. The Council broadly shares the Commission's assessment of the country's sufficient fulfilment of the political criteria and notes that the Commission has further reiterated its recommendation that accession negotiations should be opened with the former Yugoslav Republic of Macedonia. The Council is ready to return to the matter during the next Presidency.

38. Maintaining good neighbourly relations, including a negotiated and mutually accepted solution to the name issue, under the auspices of the UN, is essential. The Council looks forward to the ongoing high-level dialogue bringing results shortly.

## Montenegro

39. The Council welcomes the Commission's assessment on the good progress made by Montenegro, achieving overall satisfactory results, notably in the key priorities set out by the EU in 2010 in view of opening accession negotiations. Montenegro has achieved a high degree of compliance with the membership criteria, notably the political criteria and has further progressed towards establishing a market economy. The country has also continued to implement smoothly the obligations under the Stabilisation and Association Agreement. Montenegro is in a position to take on the obligations of membership in the medium term in most of the *acquis* fields.
40. In light of the progress made by Montenegro the Council takes note of the Commission's recommendation which will be considered by the European Council in line with established practice.
41. The Council recalls that full implementation of the reforms, especially in the key area of rule of law, is essential. In this respect, the Council underlines that continuing efforts in implementing reforms, with particular focus on the area of rule of law and fundamental rights, especially the fight against corruption and organised crime, so as to ensure a solid track record, will remain essential throughout Montenegro's accession negotiations' process. In this respect, it notes positively the Commission's proposal for a new approach as regards chapters on judiciary and fundamental rights and justice, freedom and security.

## Albania

42. The Council welcomes the recent positive steps concerning the cooperation between the government and the opposition, in establishing a Parliamentary committee on Electoral reform and a working group on reform of the Parliament's rules of procedure as well as a calendar for adoption of laws requiring 3/5 majority, which has led to the adoption of the first three such laws. These positive developments should help to overcome the stalemate that has dominated domestic political scene. The local elections in May were assessed in general as competitive and transparent. Yet, the electoral process was decidedly marked by shortcomings, which need to be addressed within the framework of a comprehensive electoral reform. Overall, Albania has made limited progress in meeting the political criteria for membership and the twelve key priorities for the opening of accession negotiations.
43. The Council encourages the government and the opposition to build on these recent positive developments, fully restoring and sustaining a constructive political dialogue, to support the proper functioning and the independence of key democratic institutions, notably the parliament and the judiciary. The EU remains committed to the European perspective of Albania and will continue to support the country's effort in this process.
44. In line with its 20 June 2011 conclusions, the Council also encourages the Albanian authorities to intensify efforts on the reform agenda, in particular implementation of the twelve key priorities. Further efforts are particularly required in key areas including the judiciary, the fight against organised crime and corruption and protection of all minorities as well as property rights. Agreeing between the government and the opposition, in collaboration with civil society, on a comprehensive electoral reform, addressing all recommendations by the OSCE/ODIHR since 2007 before the next elections remains crucial. Only upon fulfilling the above, will Albania be able to move forward towards the EU, in line with Council Conclusions of December 2010.



## Bosnia and Herzegovina

45. The Council reiterates its call on the political leadership of Bosnia and Herzegovina to form, through an inclusive process, a state level government as a matter of urgency and to address the outstanding and necessary reforms to achieve qualitative steps forward on its path towards the EU. It notes with serious concern the continued political deadlock, hampering the proper functioning of the state and the implementation of EU-related reforms. The Council urges all BiH political leaders to live up to their responsibilities in this regard and to develop a shared vision of the future of the country.
46. The Council notes recent developments on key EU related reforms, notably on the state aid law, the census law and the setting up and initial work of the ad hoc joint Committee for the enforcement of the ECHR judgement. It urges their rapid translation into concrete results. The Council recalls the steps needed in order to progress towards the EU, as outlined in its conclusions of 21 March 2011, including as regards the entry into force of the SAA. The Council stresses the importance of improving and strengthening the efficient functioning of the state and institutions, including through necessary constitutional changes. In particular the country will need to be in a position to adopt, implement and enforce laws and rules of the EU.
47. Recalling its conclusions of 21 March and 10 October 2011, the Council reaffirms its commitment to strengthen its support to Bosnia and Herzegovina. In the framework of its refocused engagement, the Council reaffirms its full support to the EUSR/Head of EU Delegation taking the lead in supporting Bosnia and Herzegovina in EU related matters. The Council reaffirms its support to the establishment of the Structured Dialogue on Justice within the framework of the Stabilisation and Association Process and calls on the BiH authorities to continue to engage constructively in it. The Council underlines that establishing an effective coordination mechanism for dealing with EU matters, including IPA related issues, is key.

48. In the context of the EU overall strategy for Bosnia and Herzegovina, the Council looks forward to continuing discussion with the international community on the reconfiguration of the international presence, including its downsizing and possible relocation of the OHR, in the appropriate forum. In this regard, it notes the ongoing discussions on overlapping tasks between the OHR and the EU. It calls on Bosnia and Herzegovina to meet the outstanding objectives and conditions which remain necessary for the closure of the OHR.
49. The Council reiterates its unequivocal commitment to the European perspective of BiH. It also reaffirms its unequivocal commitment to the territorial integrity of BiH as a sovereign and united country.

## **Serbia**

50. The Council welcomes the Commission's Opinion on Serbia's application for EU membership. Serbia made considerable progress towards fulfilling the political criteria set by the Copenhagen European Council and the Stabilisation and Association Process requirements. The Council acknowledges that Serbia has reached a fully satisfactory level in its cooperation with ICTY with the arrest of Ratko Mladic and Goran Hadzic. Continued full cooperation with ICTY remains essential. It also welcomes the fact that Serbia has taken an increasingly active role in fostering reconciliation in the region, in particular with Bosnia and Herzegovina and Croatia. As regards the economic criteria, Serbia has taken important steps towards establishing a functioning market economy and achieved a certain degree of macroeconomic stability. Serbia has built up a positive track record in implementing its obligations under the Stabilisation and Association Agreement and the Interim Agreement. Serbia would be in a position to take on the obligations of membership in the medium term, in nearly all *acquis* fields.
51. The momentum of reforms in pursuing the necessary degree of compliance with the membership criteria, including consistent implementation of adopted legislation, needs to be maintained, with particular attention to the rule of law. Specific attention should be given to the non-discriminatory treatment of national minorities and to improving business environment.

52. The Council reiterates its full support for the Belgrade-Pristina Dialogue and welcomes progress to date, particularly on customs, acceptance of university diplomas, civil registry, free movement of persons, cadastre and IBM. It calls on both parties to engage constructively on the full range of issues, tackling them at an early date and in a constructive spirit. The Council calls for continued implementation of agreements reached to date in order to arrive at concrete results swiftly, effectively, and in a sustained manner. The Council underlines the importance of the Dialogue for progress on inclusive regional cooperation, including trade. The Council recalls that the Dialogue, and agreements reached through the Dialogue, will continue to be of crucial importance for both parties as they take further steps towards fulfilling their EU perspective, and calls upon both parties to intensify their work in the coming period, with a view to achieving the objectives set out in the European Commission's Communication on Enlargement Strategy and Main Challenges 2011-2012.
53. In light of the progress achieved so far by Serbia and taking note that Serbia has already reengaged in the dialogue and is moving swiftly to the implementation in good faith of agreements reached, the Council takes note of the positive assessment of the Commission and the recommendation to grant candidate status which will be considered by the European Council, in line with established practice. The Council expects Serbia to address the question of regional cooperation.
54. The Council notes that the opening of accession negotiations will be considered by the European Council, in line with established practice, once the Commission has assessed that Serbia has achieved the necessary degree of compliance with the membership criteria, in particular the key priority of taking steps towards a visible and sustainable improvement of relations with Kosovo, in line with the conditions of the Stabilisation and Association Process, outlined in the Commission's Opinion, notably by fully respecting the principles of inclusive regional cooperation; fully respecting the provisions of the Energy Community Treaty; finding solutions for telecommunications; by continuing to implement in good faith all agreements reached; and by cooperating actively with EULEX. The Council invites the Commission to present a report on Serbia's implementation of the key priority as soon as sufficient progress has been achieved.

55. The Council attaches great importance to EULEX and KFOR being unhindered in the execution of their mandates.

## **Kosovo**

56. The Council welcomes Kosovo's commitment to its European agenda, including through sustained efforts in areas such as visa, trade and judicial system and the establishment of a council for EU Integration. It also welcomes the improved integration of Serbs south of the Iber/Ibar river. The Council notes that limited progress was achieved with the reform agenda in a year marked by elections. The Council urges Kosovo to take urgent steps to address the shortcomings identified in the electoral process and to substantially accelerate the pace of reform as well as to improve the budgetary situation in close cooperation with the IMF. Major efforts are needed in particular to strengthen public administration reform and consolidate rule of law, in particular by showing evidence of fight against organised crime and corruption, judicial reform and freedom of expression. It invites Kosovo to launch an inclusive and long-term agenda for northern Kosovo in close cooperation with the European Union and welcomes the Commission's intention to offer its full support.
57. The Council encourages Kosovo to enhance its cooperation with EULEX and to ensure support for EULEX's work in all areas of its mandate.
58. The Council reaffirms that Kosovo will also benefit from the perspective of eventual visa liberalisation once all conditions are met. The Council underlines that further progress in the area of justice, freedom and security is essential. Considering Kosovo's progress on readmission and reintegration and in line with Council conclusions of December 2010, the Council welcomes the intention of the Commission to launch a visa dialogue, without prejudice to the Member States' positions on status, towards the end of the year, if all conditions are effectively fulfilled, to fully associate the Council and EU Member States to each step of the dialogue and to present regular reports on Kosovo's progress in adopting and implementing the appropriate reforms, including on the basis of Member States experts' reports on the ground.

59. The Council reiterates its full support for the Belgrade-Pristine Dialogue and welcomes progress to date, particularly on customs, acceptance of university diplomas, civil registry, free movement of persons, cadastre, and IBM. It calls on both parties to engage constructively on the full range of issues, tackling them at an early date and in a constructive spirit. The Council calls for continued implementation of agreements reached to date in order to arrive at concrete results swiftly, effectively, and in a sustained manner. The Council underlines the importance of the Dialogue process for progress on inclusive regional cooperation, including trade. The Council recalls that the Dialogue, and agreements reached through the Dialogue, will continue to be of crucial importance for both parties as they take further steps towards fulfilling their EU perspective, and calls upon both parties to intensify their work in the coming period.
60. In line with the relevant Council conclusions, the Council recalls the European Union willingness to assist the economic and political development of Kosovo through a clear European perspective, in line with the European perspective of the region. It underlines the need to take concrete steps to that effect. Without prejudice to Member States' positions on status, the Council invites the Commission to assess Kosovo's progress with regard to trade-related issues and to propose the way forward for an agreement as soon as sufficient progress has been made. The Council recognises that Kosovo's socio-economic development would also be enhanced through membership of the European Bank for Reconstruction and Development, without prejudice to Member States' positions on status.
61. The Council is committed to find an agreement on Kosovo's participation in EU programmes, without prejudice to Member States' positions on status. The Council welcomes the Commission's intention to launch a structured dialogue on the rule of law. It looks forward to the Commission's review of its 2009 Communication.
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