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Delegations will find attached the conclusions on enlargement and stabilisation and association process as adopted by the Council (General Affairs) on 14 December 2010.

GENERAL AFFAIRS COUNCIL

**COUNCIL CONCLUSIONS
ON ENLARGEMENT/STABILISATION AND ASSOCIATION PROCESS**

ENLARGEMENT STRATEGY

In line with the renewed consensus on enlargement approved by the European Council on 14 and 15 December 2006, and the Council conclusions of 8 December 2009, the Council welcomes the communication from the Commission of 9 November 2010 on the Enlargement Strategy and Main Challenges 2010-2011, as well as the Opinions on Montenegro and Albania, and the progress reports “Turkey”, “Croatia”, “Iceland”, “the former Yugoslav Republic of Macedonia”, “Serbia”, “Bosnia and Herzegovina” and “Kosovo¹”. The Council broadly shares the Commission’s assessments and takes good note of the conclusions and recommendations therein.

The Council reaffirms the strong support of the EU for taking the enlargement process forward on the basis of the agreed principles and conclusions. Enlargement reinforces peace, democracy and stability in Europe, serves the EU’s strategic interests, and helps the EU to better achieve its policy objectives in important areas which are key to economic recovery and sustainable growth.

Enlargement serves as a key driver for political and economic reform, and moves forward at a pace which is largely determined by the (potential) candidate countries’ respect of the Copenhagen-criteria and their proven capacity to take on the obligations of membership.

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

The entry into force of the Lisbon Treaty ensures that the EU can pursue its enlargement agenda, while maintaining the momentum of EU integration. Coherent implementation of the renewed consensus on enlargement which is based on consolidation of commitments, fair and rigorous conditionality, better communication and the EU's capacity to integrate new members, continues to form the framework for EU action at all stages of the enlargement process, with each country being assessed on its own merits. The continued credibility of this process is an important element for ensuring support of Member States and advancing the reform agenda in (potential) candidate countries.

Key challenges remain in most enlargement countries. Sound macro-economic and fiscal policies and EU-related reforms can help to overcome the economic crisis and to achieve sustainable growth. Strengthening the rule of law, including through judiciary reform and stepping up the fight against corruption and organized crime, remains crucial and requires sustained efforts. Public administration reform is also important for EU policies to function properly. Social and economic inclusion of vulnerable groups, including the Roma, should be improved. Problems affecting freedom of expression and the media remain a particular concern.

Regional cooperation and good neighbourly relations are essential parts of the enlargement process. They contribute to 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 and taking into account overall EU interests.

As the countries concerned meet the standards which have been set, including notably those linked to democracy, the rule of law and fundamental rights and freedoms, the EU is committed to working with them to advance to the next steps in the process. Negotiating chapters for which technical preparations have been concluded, will be opened or provisionally closed, in line with the Negotiating Frameworks, the rules of the Intergovernmental Conference and subject to the measures agreed by the Council.

The Council welcomes the strengthened link between priorities identified for the (potential) candidate countries and the programming of financial assistance, in particular through the Instrument for Pre-Accession Assistance (IPA).

Turkey

The Council welcomes Turkey's continued commitment to the negotiation process and the political reform agenda. The constitutional reform package is an important step in the right direction as it addresses a number of priorities of the Accession Partnership in the area of judiciary, fundamental rights and public administration. Implementation in line with European standards will be key. The Council emphasises that any future constitutional changes should be prepared through the broadest possible consultation, involving all political parties and civil society in a timely manner and in a spirit of dialogue and compromise.

Building on progress made, the Council encourages Turkey to further improve the observance of fundamental rights and freedoms in law and in practice, in particular in the areas of freedom of expression and freedom of religion. A number of positive steps have been registered on civilian oversight of the security forces and implementation of the judicial reform strategy, but further progress is needed. Further efforts towards fully meeting the Copenhagen criteria are also required, *inter alia*, as regards 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 Council strongly condemns all acts of terrorism perpetrated on Turkish territory. It recalls that PKK is on the EU list of terrorist organisations. The Council hopes that implementation and follow-up of the democratic opening, notably to address the Kurdish issue, will start producing the expected results.

Turkey has become more active in its wider neighbourhood and is an important regional player, inter alia for security in the Middle East, Western Balkans, Afghanistan/Pakistan, and the Southern Caucasus. 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. By thus acting together, the EU and Turkey can strengthen energy security, address regional conflicts and prevent divisions developing along ethnic or religious lines. In this regard, the Council stands ready to intensify its existing dialogue with Turkey on foreign policy issues of mutual interest.

Turkey is one of the key countries of origin and transit for illegal immigration to the EU. In this context, the Council welcomes that substantial progress has been made in the negotiations on an EU-Turkey readmission agreement. The Council looks forward to its conclusion, in view of its effective implementation. Pending this, adequate implementation of existing bilateral readmission agreements and readmission provisions contained in similar agreements remains a priority.

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 urges the avoidance of any kind of threat, 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, in accordance with the EU *acquis* and international law, including the UN Convention on the Law of the Sea.

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. 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 8 December 2009. Progress is now expected without further delay.

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.

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. In this context, the Council notes the good progress made by Turkey toward the fulfilment of the opening benchmarks in the field of Competition Policy. As soon as all the benchmarks are met, the Council will revert to this chapter, in accordance with established procedures, with a view to its opening.

Croatia

The Council welcomes Croatia's good overall progress towards meeting the membership criteria. Accession negotiations have reached their final stage and preparations for the drafting of the Accession Treaty have progressed steadily. Conclusion of the negotiations is within reach.

Encouraging progress has been made in many areas, including in the field of rule of law and the fight against high-level corruption. At the same time, further efforts are required, *inter alia* as regards judicial independence and efficiency, the fight against corruption at all levels, as well as in the fields of public administration reform, the rights of persons belonging to minorities, refugee return and war crimes trials. The Council encourages Croatia to step up its efforts to fulfil the remaining benchmarks, including the build-up of convincing track records, in particular as regards competition policy and judiciary and fundamental rights. In this regard, the Council looks forward to the Commission's assessment on progress in the field of Judiciary and Fundamental Rights in the first quarter of 2011.

The Council notes the generally good cooperation of Croatia with the International Criminal Tribunal for the Former Yugoslavia (ICTY) while reiterating that full cooperation remains essential, in line with the Negotiating Framework. Noting that the inter agency task force has started to explore important new avenues, the Council calls on Croatia to continue the administrative investigation in order to account for the missing military documents.

The Council welcomes Croatia's active role in regional cooperation, the improvement in its relations with neighbouring countries and its efforts aimed at reconciliation in the region. It welcomes the entry into force of the Arbitration Agreement on the border issue with Slovenia on 29 November 2010. Bearing in mind the importance of good neighbourly relations, it encourages Croatia to build on this progress in its efforts towards solving all outstanding bilateral and regional issues, in cooperation with the countries concerned.

Building on the results of the Accession Conferences of July and November, the Council looks forward to the meeting of the Accession Conference on 22 December and hopes that further progress can be registered on this occasion.

Iceland

The Council recalls that, following the Commission's recommendations in its Opinion of February 2010, accession negotiations with Iceland were opened on 27 July 2010.

Iceland is a long-standing functioning democracy with strong institutions and close ties with the EU. The overall level of preparedness to meet EU *acquis* requirements remains good, in particular due to Iceland's membership of the European Economic Area (EEA) and the Schengen agreement. Iceland can be considered a functioning market economy, and could regain the capacity to deal with competitive pressure and market forces within the single market over the medium term.

Negotiations will be aimed at Iceland integrally adopting the EU *acquis* and ensuring its full implementation and enforcement. In line with the Negotiating Framework, the fulfilment of Iceland's obligations under the EEA Agreement, taking full account, *inter alia*, of the European Council conclusions of 17 June 2010, as well as Iceland's progress in addressing other areas of weakness identified in the Commission's Opinion, will guide the advancement of negotiations.

In this context, the Council looks forward to the results of the screening process.

WESTERN BALKANS

The Council reaffirms its unequivocal commitment to the European perspective of the Western Balkans, as was reconfirmed at the High Level Meeting on the Western Balkans in Sarajevo on 2 June 2010, 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 Stabilisation and Association Process and in accordance with the renewed consensus on enlargement approved by the European Council on 14 and 15 December 2006.

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 candidate 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.

The Council welcomes the amendments to Council Regulation (EC) No 539/2001, as it applies to Member States, so as to establish a visa-free regime for the citizens of Albania and Bosnia and Herzegovina starting from 15 December 2010. This demonstrates that the implementation of concrete reforms brings tangible results to the citizens. The Council considers that further efforts are needed by the countries concerned to inform their citizens about the scope and limits of the visa-free regime, to monitor closely its implementation and, where required, take adequate corrective measures. In this respect, the Council welcomes the statement entered in the minutes of the Council meeting of 8 November 2010 and 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 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. The Council takes note of the recent progress Kosovo made in adopting the legislation on readmission, in devising an Action Plan on reintegration of returnees underpinned with earmarked resources. The Council takes note of the Commission's intention to launch a visa liberalisation dialogue once all conditions are met and the Commission's intention, before launching such a dialogue, to share its assessment with the Council on the fulfilment of these conditions.

The Council welcomes that further progress was made by the Western Balkan countries regarding reconciliation and regional cooperation, while stressing that the inclusiveness of this process must be ensured by all parties concerned. The Council welcomes the adoption of a new comprehensive and operational strategy by the Regional Cooperation Council (RCC) and encourages the RCC to focus on its implementation in active cooperation with the SEECP. Regional cooperation remains an essential element of the Stabilisation and Association Process and in fostering good neighbourly relations.

The Council stresses the importance of protection of all minorities and encourages the governments of the region to take the necessary action to address these issues.

Former Yugoslav Republic of Macedonia

The Council welcomes that the Former Yugoslav Republic of Macedonia has achieved further progress in key reform areas such as police reform, albeit at an uneven pace. The country continues to fulfil its commitments under the Stabilisation and Association Agreement. The Council expects the country to keep the momentum of the reform agenda. The country needs to make further progress in relation to dialogue among political actors, judiciary and public administration reform, the fight against corruption, freedom of expression and improving the business environment. The implementation of the Ohrid Framework Agreement remains an essential element of democracy and the rule of law in the country.

The Council broadly shares the Commission's assessment of the country's sufficient fulfilment of the political criteria and notes that the Commission has 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.

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 welcomes the ongoing high-level dialogue and looks forward to it bringing results shortly.

Montenegro

The Council welcomes the Commission's Opinion on the Montenegro application for EU membership. Montenegro has made progress towards meeting the political criteria set by the Copenhagen European Council and the Stabilisation and Association Process requirements. As regards the economic criteria, Montenegro has achieved a certain degree of macroeconomic stability. Montenegro's track record in implementing its obligations under the Stabilisation and Association Agreement is positive overall. Montenegro would be in a position to take on the obligations of membership in the medium term in most of the *acquis* fields.

Nonetheless, further efforts are needed, in particular on the implementation of the seven key priorities set out in the Commission's Opinion on Montenegro which need to be addressed. These key priorities focus on the rule of law, judicial reform, electoral reform, the role of parliament, public administration reform, media freedom and cooperation with civil society, addressing discrimination and the situation of displaced persons, and especially the fight against organised crime and corruption.

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 Montenegro has achieved the necessary degree of compliance with the membership criteria and has met in particular the key priorities set out in the Commission's Opinion on the country. The Council invites the Commission to focus its 2011 progress report on Montenegro in particular on the implementation of these key priorities which need to be addressed and will return to this issue when the Commission has assessed that these conditions have been met.

In the light of the progress made by Montenegro, the Council welcomes the positive assessment of the Commission and notes that its recommendation of granting candidate status will be considered by the European Council.

Albania

The Council welcomes the Commission's Opinion on the Albania application for EU membership. Albania has made progress towards meeting the political criteria set by the Copenhagen European Council and the Stabilisation and Association Process requirements. As regards the economic criteria, Albania has achieved a certain degree of macroeconomic stability. Albania's track record in implementing its obligations under the Stabilisation and Association Agreement is positive overall. Albania would be in a position to take on the obligations of membership in the medium term in most of the *acquis* fields.

Further efforts are needed, in particular on the implementation of the twelve key priorities set out in the Commission's Opinion on Albania which need to be addressed. These key priorities focus on the stability of institutions guaranteeing democracy, the rule of law, judicial reform, the fight against corruption and organised crime, electoral reform, public administration reform and the protection of human rights including property rights. The Council strongly encourages the political parties to overcome the current political stalemate by establishing a constructive and sustained political dialogue to ensure the proper functioning of parliament.

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 Albania has achieved the necessary degree of compliance with the membership criteria and has met in particular the key priorities set out in the Commission's Opinion on the country. The Council invites the Commission to focus its 2011 progress report on Albania in particular on the implementation of these key priorities which need to be addressed and will return to this issue when the Commission has assessed that these conditions have been met.

Serbia

The Council welcomes the continued implementation of Serbia's reform agenda, further building up its track-record in implementing the provisions of the Interim Agreement with the EU. Serbia has made further good progress towards complying with the Stabilisation and Association Agreement obligations. Additional efforts are required in particular concerning public administration reform, the rule of law including judicial reform, the fight against corruption and organised crime and improving the business environment. The Council reiterates that Serbia can accelerate its progress towards the EU, including candidate status, as soon as all the necessary conditions are met.

The Council welcomes the several important steps Serbia has taken towards reconciliation and cooperation in the region. The Council also welcomes the cooperation with the EU that led to the adoption and co-sponsorship of the UN General Assembly Resolution 64/298. The Council encourages Serbia to further strengthen its cooperation with the EULEX rule of law mission especially with respect to the north of Kosovo. A constructive approach towards inclusive regional cooperation, including trade, remains essential.

The Council reiterates the readiness of the EU to facilitate a process of dialogue between Belgrade and Pristina, welcomed in the UN General Assembly Resolution 64/298, to promote cooperation, achieve progress on the path to the EU and improve the lives of people and welcomes Serbia's commitment to engage on this basis. The process of dialogue in itself would be a factor for peace, security and stability in the region. The Council calls on both parties to begin the dialogue quickly and in a constructive spirit.

The Council notes that Serbia has maintained its cooperation with the ICTY with a view to delivering further positive results. However, the two remaining ICTY fugitives are still at large. The Council will closely monitor the progress reports by the Office of the Prosecutor. Reiterating its conclusions of 25 October 2010, in line with the political criteria of Copenhagen, full cooperation with ICTY remains an essential condition for membership of the EU.

The Council recalls that it invited the Commission in October 2010 to submit its opinion on Serbia's application for European Union membership. It will return to the matter when the Commission has presented its opinion.

Bosnia and Herzegovina

The Council welcomes Bosnia and Herzegovina's recent steps towards improved regional co-operation and reconciliation. Bosnia and Herzegovina has made good progress related to visa-liberalisation, and the Council encourages the country to match this progress in other EU related reform areas. The council welcomes the increased turnout and the orderly conduct of the 3 October elections in BiH, which were generally in line with international standards..

The Council reiterates its call on the newly elected leaders of the country to engage constructively in political dialogue in order to develop a shared vision on the future of the country and to anchor the EU agenda at the heart of their governments' programme. The EU 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.

The country needs to urgently address the political criteria, align itself with its obligations under the SAA/IA and speed up the relevant reforms which are essential for further progress towards EU-membership. Such further steps, preceding a credible application for EU-membership, will be considered by the Council in line with the progress Bosnia and Herzegovina still needs to achieve. Bosnia and Herzegovina needs to align its constitutional framework with the European Convention on Human Rights. The Council stresses the importance of improving and strengthening the efficient functioning of the state and the institutions, including through necessary constitutional changes. In particular, the country will need to be in a position to adopt, implement and enforce the laws and rules of the EU.

The Council reaffirms its full support for the HR/EUSR Valentin Inzko. The Council calls on Bosnia and Herzegovina to meet the outstanding objectives and conditions which remain necessary for the closure of the OHR. The EU, including through a future reinforced EU Delegation, will assist Bosnia and Herzegovina in implementing the objectives of the EU agenda. The Council remains determined to support the Dayton/Paris Peace Agreement and looks forward to proposals from the High Representative of the Union for Foreign Affairs and Security Policy to strengthen the EU's ability to effectively engage with Bosnia and Herzegovina in this regard.

Kosovo

The Council welcomes Kosovo's strengthened commitment to its European agenda and the establishment of a ministry for European Integration and the progress in strengthening executive and parliamentary structures in this regard. The Council welcomes in particular the successful conduct of the Stabilisation and Association Process dialogue with the European Union. It notes that the decentralisation process in Kosovo has advanced significantly. The Council welcomes the calm and generally orderly manner in which the elections of 12 December were held and looks forward to a rapid formation of government, following the certification of the elections by the Central Electoral Commission which should deal with any complaints and appeals in line with the relevant laws and regulations. The Council stresses that major challenges remain. These include rule of law, public administration reform, the fight against organised crime, corruption, money laundering, migration, asylum, ensuring freedom of expression, the protection and integration of Serbs and other minorities as well as enhancing dialogue and reconciliation between the communities. The Council encourages Kosovo to continue to cooperate with EULEX and to ensure support for EULEX's work. A constructive approach towards inclusive regional cooperation, including trade, remains essential.

The Council reiterates the readiness of the EU to facilitate a process of dialogue between Pristina and Belgrade, welcomed in UN General Assembly Resolution 64/298, to promote cooperation, achieve progress on the path to the EU and improve the lives of people and welcomes Kosovo's commitment to engage on this basis. The process of dialogue in itself would be a factor for peace, security and stability in the region. The Council calls on both parties to begin the dialogue quickly and in a constructive spirit.

In line with the relevant Council Conclusions, the Council welcomes the Commission's ongoing efforts to support Kosovo's progress towards the EU in line with the European perspective of the region. In this regard, the Council takes good note of the Commission's work in implementing its October 2009 communication in line with the European Council conclusions of June 2008.

The Council looks forward to a Commission proposal that will allow Kosovo's participation in Union programmes and calls on the Commission to continue assisting Kosovo in its efforts to meet the relevant requirements for a strengthened trade relationship.
