



**COUNCIL OF
THE EUROPEAN UNION**



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**EU-CROATIA
STABILISATION AND ASSOCIATION COUNCIL**

(Luxembourg - 26 April 2005)

Joint press release

The Stabilisation and Association Council (SA Council) between the European Union (EU) and Croatia held its first meeting on Tuesday, 26 April 2005. The President of the Council, Mr. Jean Asselborn, Deputy Prime Minister, Minister for Foreign Affairs and Immigration of Luxembourg, led the EU delegation. Dr Javier Solana, High Representative/Secretary General, Mr Olli Rehn, Commissioner for Enlargement, and Ambassador John Grant, UK Permanent Representative to the EU, also participated in the meeting as members of the Troïka. Minister of Foreign Affairs and European Integration, Ms Kolinda Grabar-Kitarović led the delegation of the Republic of Croatia.

This first meeting of the SA Council, following the entry into force of the Stabilisation and Association Agreement on 1 February 2005, marked a new stage of enhanced relations and co-operation between the EU and Croatia.

P R E S S

The SA Council stressed that Croatia's future lay within the EU as a full Member State. It recalled that the European Council of June 2004 had decided that Croatia was a candidate country for membership and that a bilateral intergovernmental conference should be convened in order to begin negotiations. Croatia informed about the preparations for accession negotiations and the Croatian negotiating structure that has been established. The EU reiterated that the bilateral intergovernmental conference would be convened by common agreement as soon as the Council of the EU had established that Croatia was fully co-operating with ICTY.

The SA Council reviewed Croatia's progress within the Stabilisation and Association Process (SAP), in particular in light of the European Partnership of September 2004. The SA Council welcomed that Croatia had adopted its National Programme for EU integration as a response to the European Partnership.

The EU recalled that, in the framework of SAP conditionality, full co-operation with ICTY was an essential requirement for opening accession negotiations and urged Croatia to take the necessary steps to address this issue without delay. While refugee return remained an important challenge for Croatia, the SA Council welcomed the recent commitment taken at the regional ministerial conference in Sarajevo in January 2005 by Croatia, together with Bosnia and Herzegovina and Serbia and Montenegro, to deal with all outstanding issues related to refugee return so that by the end of 2006 this question could finally be resolved.

On minority rights, the SA Council noted the positive progress which needed to be continued, most notably on the increased role of minorities in public life. As for the reform of the judiciary, despite some positive steps taken recently, the state of the judiciary and the administration of justice continue to present a major challenge. The SA Council welcomed the good progress achieved by Croatia on regional co-operation and encouraged Croatia to continue its constructive efforts.

On economic criteria, the SA Council welcomed the achieved macroeconomic stability of Croatia while underlining that Croatia needed to continue fiscal consolidation more vigorously. The SA Council noted that the continued implementation of its reform programme, including the restructuring and privatisation of enterprises and the improvement of the business environment should enable Croatia to cope with competitive pressure and market forces within the Union in the medium term.

The EU noted the significant efforts made by Croatia to achieve further progress in the alignment of its legislation to the *acquis communautaire*, particularly in the areas related to internal market and trade. The SA Council reiterated that these efforts had to be continued and that Croatia needed to continue strengthening administrative and judicial structures necessary for the effective implementation and enforcement of the *acquis*.

The SA Council welcomed that Croatia as a candidate country would benefit from all of the EU's pre-accession instruments. These instruments would help Croatia to prepare for future accession in different areas and lead to an increase in financial assistance. It recalled that for the year 2005, the financial allocation amounted to € 105 million (PHARE: € 80 million; ISPA: €25 million).

The SA Council also reviewed the state of play regarding the implementation of the Stabilisation and Association Agreement and recalled that the full implementation of the SAA would help Croatia in its preparations for EU membership. The SA Council took note of Croatia's activities concerning the conclusion of bilateral conventions on regional co-operation.

The SA Council discussed developments in the Western Balkans. The EU welcomed the contribution of Croatia to regional stability and its increasing role in regional co-operation initiatives. The SA Council discussed the fight against terrorism and non-proliferation of weapons of mass destruction. In this regard, the parties agreed to adopt a joint statement on these two issues as a first step. The EU welcomed Croatia's regular alignment with Common positions adopted by the European Union on foreign and security policies. It welcomed also the continuing support for the International Criminal Court and Croatia's commitment to preserving the integrity of the Rome Statute.