

Conclusions and Recommendations of the Commission's Opinions on the membership applications by Serbia

(extract from the Communication from the Commission to the Council and the European Parliament "Enlargement Strategy and Main Challenges 2011-2012", COM(2011)666)

In the light of substantial reforms over the last years, Serbia has considerably progressed towards fulfilling the political criteria related to the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, set by the Copenhagen European Council in 1993, as well as the conditions of the Stabilisation and Association Process. Serbia has a comprehensive constitutional, legislative and institutional framework which overall corresponds to European and international standards. Parliament has become far more effective in its legislative activity under the current legislature. The legal and institutional framework for the rule of law is comprehensive, including in the areas of the fight against corruption and organised crime where initial results were achieved. The legal framework for the protection of human rights and minorities is well developed and has started being implemented. Serbia has reached a fully satisfactory level in its cooperation with ICTY and has taken an increasingly active role in fostering reconciliation in the region. Serbia has agreed to and participated in a process of dialogue with Kosovo to facilitate the lives of the people which has led to several agreements (free movement of persons and goods, civil registry and cadastre) and Serbia has taken initial steps for implementation.

As regards the economic criteria, Serbia has taken important steps towards establishing a functioning market economy and achieved a certain degree of macroeconomic stability in spite of the global economic and financial crisis. However, further efforts will be necessary for restructuring the economy and improving the business environment, in particular by strengthening the rule of law and removing red tape, enhancing competition and the role of the private sector as well as tackling rigidities on the labour market. In order to enable it to cope in the medium term with competitive pressure and market forces within the Union, Serbia needs to pursue structural reforms to upgrade the productive capacity of the economy and create a climate conducive to increased foreign investment.

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, provided that the alignment process continues and that further efforts are made to ensure the implementation and enforcement of legislation. Particular attention needs to be paid to the areas of agriculture and rural development, judiciary and fundamental rights, justice, freedom and security and financial control. Full compliance with the *acquis* in the field of the environment and climate change could be achieved only in the long term and would necessitate increased levels of investment.

Based on preliminary estimates, Serbia's accession would have a limited overall impact on European Union policies and would not affect the Union's capacity to maintain and deepen its own development.

The Commission recommends that the Council should grant Serbia the status of candidate country, taking into account progress achieved so far and on the understanding that Serbia re-

engages in the dialogue with Kosovo and is moving swiftly to the implementation in good faith of agreements reached to date.

Serbia is well on its way towards sufficiently fulfilling the political criteria set by the Copenhagen European Council in 1993 and the conditions of the Stabilisation and Association process, provided that progress continues and that practical solutions are found to the problems with Kosovo.

The Commission therefore recommends that negotiations for accession to the European Union should be opened with Serbia as soon as it achieves further significant progress in meeting the following key priority:

- Further steps to normalise relations with Kosovo in line with the conditions of the Stabilisation and Association Process by: fully respecting the principles of inclusive regional cooperation; fully respecting the provisions of the Energy Community Treaty; finding solutions for telecommunications and mutual acceptance of diplomas; by continuing to implement in good faith all agreements reached; and by cooperating actively with EULEX in order for it to exercise its functions in all parts of Kosovo.

The Commission will present a report on Serbia's implementation of the above key priority as soon as sufficient progress has been achieved.

Serbia is encouraged to maintain the momentum of reforms in pursuing the necessary degree of compliance with the membership criteria, with particular attention to the rule of law, and to continue its constructive engagement in regional cooperation and in strengthening bilateral relations with neighbouring countries. Implementation of the Interim Agreement, and from its entry into force, the Stabilisation and Association Agreement, are expected to continue. The Commission will continue to support these efforts through the IPA financial instrument.