

Croatia on the Road to the European Union



Second edition



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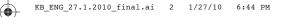


Republic of Croatia Ministry of Foreign Affairs and European Integration 2009





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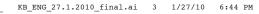
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Publisher: Republic of Croatia Ministry of Foreign Affairs and European Integration
Editor: Ksenija Brigljević
Design: Petrak-Žaja studio
ISBN: 978-953-7010-91-1
Manuscript completed in October 2009
Zagreb, 2009
A CIP catalogue record for this book is available from the National and University Library in Zagreb under 726910

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#### Dear Readers,

It is my pleasure to present the second edition of Croatia on the Road to the European Union, which seeks to inform and communicate with the public about various aspects of Croatia's progress towards EU membership. Since the moment of Croatia's independence, membership of the EU has been one of our key strategic goals, together with NATO membership which has recently been achieved. This is a natural aspiration for a country whose people, culture and values are inherently European.

During the accession process, which has been underway for several years now, Croatia, through its very commitment and resolute work, has adopted European standards in its legislation, economy, and in the functioning of the state and society in general. In line with this, fruitful relations with the European Union have progressively developed, from the signing of the Stabilisation and Association Agreement, the application for EU membership, to which the European Commission gave a positive Opinion, to the decision of the European Council to grant Croatia candidate country status, and finally the opening of accession negotiations, which is the last stage of EU accession process. In spite of Croatia's efforts to conduct the negotiations continuously, there was a temporary hiatus, which has recently ended, and at the intergovernmental conference at the beginning of October 2009, the negotiation process gained new momentum with the opening of six and the provisional closure of five chapters. This has raised the number of opened and provisionally closed chapters to 28 and 12 respectively.

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Croatia has also for a number of years been the beneficiary of EU pre-accession financial programmes for candidate countries. The EU uses these programmes to support reforms conducted to meet the criteria for membership. In connection with this, it needs to be highlighted that these reforms and adjustments also improve the quality and efficiency of the Croatian public system, its economy, and other sectors. Therefore, we are determined to implement the remaining reforms, primarily for the benefit of our citizens. Our dedication to the goal of becoming a member state of the European Union rests on the conviction that this will create a positive atmosphere for the stable development, progress, social security and wellbeing of all citizens of Croatia.

I hope that you will find in this booklet useful information on Croatia's path to the European Union.

Gordan Jandroković Minister of Foreign Affairs and European Integration of the Republic of Croatia Head of the State Delegation for Negotiations on the Accession of the Republic of Croatia to the European Union  $( \blacklozenge )$ 



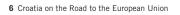


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Official name: Republic of Croatia Land area: 56 594 km<sup>2</sup> Surface area of territorial sea and interior sea waters: 31 067 km<sup>2</sup> Population: 4 440 000 Capital: Zagreb, population 784 000<sup>1</sup> Currency unit: 1 kuna (100 lipa)

<sup>1</sup> Source of statistical data: Statistical Information 2008, Republic of Croatia, Central Bureau of Statistics, Zagreb, 2008.



# Croatia and the European Union



#### 1) The chronology of relations between the Republic of Croatia and the European Union

The establishment of relations between the Republic of Croatia and the European Union started with the international recognition of the Republic of Croatia as an independent and sovereign state on 15 January 1992. From that moment, relations developed gradually through a series of steps leading to the most recent stage of the integration process - negotiations for the accession of the Republic of Croatia to the European Union, which were opened on 3 October 2005.

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Croatia and the European Union The chronology of relations between the Republic of Croatia and the European Union

Chronology of relations between Croatia and the European Union

#### 15 January 1992

The European Community and its Member States recognise the Republic of Croatia as an independent and sovereign state

#### 1992 - 2001

At the beginning of each year, Council of Ministers sets trade preferences for Croatia

#### 29 April 1997

The Council of the European Union, within its regional policy, defines the political and economic conditions for developing bilateral relations with Albania, Bosnia and Herzegovina, Croatia, Macedonia and Yugoslavia

#### 26 May 1999

Based on the proposals by the European Commission, the Stabilisation and Association Process is launched for Albania, Bosnia and Herzegovina, Croatia, Macedonia and Yugoslavia

#### **15 February 2000**

Establishment of the Joint Consultative Task Force of the Republic of Croatia and the European Union

9 March 2000

The Delegation of the European Commission opens its office in Croatia

#### 24 May 2000

The European Commission releases a favourable Report on the feasibility of negotiating the Stabilisation and Association Agreement with the Republic of Croatia



#### 13 June 2000

The Council of the European Union confirms the Report on the feasibility of negotiating the Stabilisation and Association Agreement with the Republic of Croatia

#### 18 September 2000

The Council of the European Union adopts a Regulation introducing trade preferences for the States involved in the Stabilisation and Association Process

#### **24 November 2000**

The Zagreb Summit - negotiations are opened on the Stabilisation and Association Agreement between the Republic of Croatia and the European Union

#### **5** December 2000

The Council of the European Union adopts the Regulation on Community Assistance for Reconstruction, Development and Stabilisation (CARDS)

#### 29 October 2001

The Stabilisation and Association Agreement and the Interim Agreement are signed; the Joint Declaration of the Republic of Croatia and the European Union on the Political Dialogue is adopted

#### 1 March 2002

The Interim Agreement enters into force

#### **18 December 2002**

The Croatian Parliament adopts the Resolution on the Accession of the Republic of Croatia to the European Union

#### 21 February 2003

Croatia applies for membership of the European Union

#### 14 April 2003

The Council of the European Union decides to initiate the procedure envisaged under Article 49 of the Treaty on the European Union and calls upon the

Croatia and the European Union The chronology of relations between the Republic of Croatia and the European Union

European Commission to prepare an Opinion (*Avis*) on Croatia's application for EU membership

#### 19/20 June 2003

The European Council adopts the Thessaloniki Agenda for the Western Balkans

#### 21 June 2003

The Thessaloniki Summit takes place between the EU Member States and the States of the Stabilisation and Association Process

#### 10 July 2003

The European Commission hands its Questionnaire to the Republic of Croatia

#### 9 October 2003

Croatia's answers to the Questionnaire are submitted to the European Commission

#### 1 April 2004

The European Parliament recommends to the Council of the European Union to respond favourably to Croatia's application for membership of the European Union

#### 20 April 2004

The European Commission gives a positive Opinion (*Avis*) on Croatia's application for membership of the European Union

#### 17/18 June 2004

The European Council decides to convoke the bilateral Intergovernmental Conference in early 2005 to start accession negotiations with Croatia; Croatia is accorded the status of a candidate country

#### 13 September 2004

The Council of the European Union adopts the European Partnership for the Republic of Croatia



#### 6 October 2004

The European Commission adopts the Pre-accession Strategy for the Republic of Croatia

#### 16/17 December 2004

The European Council sets 16 March 2005 as the starting date for the accession negotiations with Croatia, subject to full co-operation with the ICTY, and requests the European Commission to prepare the negotiating framework

#### 19 January 2005

The Croatian Parliament adopts:

- Statement of the Croatian Parliament and the Government of the Republic of Croatia on Joint Actions in the Process of Negotiation on Membership of the European Union
- Declaration on the Fundamental Principles of Negotiations on Full Membership of the Republic of Croatia in the European Union
- Decision on the Establishment of a National Committee as a working body of the Croatian Parliament to monitor accession negotiations

#### 1 February 2005

The Stabilisation and Association Agreement enters into force

#### 3/4 March 2005

The first meeting of the Joint Parliamentary Committee is held between the delegations of the Croatian Parliament and the European Parliament

#### 16 March 2005

The Council of the European Union adopts the negotiating framework for talks with Croatia, but no agreement is reached on the opening of the accession negotiations

#### **7** April 2005

The Government of Croatia adopts the Decision on Establishing the Negotiating Structure on Joining the European Union



#### 26 April 2005

The first meeting of the Stabilisation and Association Council is held between Croatia and the European Union

#### 14 July 2005

The first meeting of the Stabilisation and Association Committee is held between Croatia and the European Union

#### **3** October 2005

A consensus is reached on Croatia's full co-operation with the ICTY; the Council of Ministers decides to go ahead with the accession talks

#### **3** October 2005

The bilateral Intergovernmental Conference is held, inaugurating the negotiations on the accession of the Republic of Croatia to the European Union

#### 2005

Since 2005, Croatia has been a beneficiary of the pre-accession programmes Phare, ISPA and SAPARD

#### 14 October 2005

The Croatian Parliament adopted a Resolution on the Strategic Framework for Negotiations of the Republic of Croatia with the European Union

#### 20 February 2006

The Council of the European Union adopted the Accession Partnership with Croatia

#### 18 October 2006

The first part of accession negotiations - the screening process was completed

2006

The second phase of accession negotiations began - negotiations on the individual chapters of the *acquis* 



#### 2007

Since 2007, Croatia has been a beneficiary of the instrument for pre-accession assistance IPA

#### by October 2009

Accession negotiations have been opened in 28 chapters, out of which 12 have been provisionally closed

Review of Intergovernmental Conferences where negotiating chapters have been opened and provisionally closed

#### 12 June 2006

Intergovernmental Conference in Luxembourg; chapter 25 Science and research opened and provisionally closed

#### 11 December 2006

Intergovernmental Conference in Bruxelles; chapter 26 Education and culture opened and provisionally closed

#### **21 December 2006**

Intergovernmental Conference in Bruxelles; chapters opened: 17 Economic and monetary policy, 20 Enterprise and industrial policy and 29 Customs union

#### 29 March 2007

Intergovernmental Conference in Bruxelles; chapter 7 Intellectual property law opened

#### 26 June 2007

Intergovernmental Conference in Bruxelles; chapters opened: 3 Right of establishment and freedom to provide services, 6 Company law, 9 Financial services, 10 Information society and media, 18 Statistics and 32 Financial control

#### 12 October 2007

Intergovernmental Conference in Bruxelles; chapters opened: 28 Consumer and health protection and 30 External relations



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#### 19 December 2007

Intergovernmental Conference in Bruxelles; chapters opened: 21 Trans-European networks, and 33 Financial and budgetary provisions

#### 21 April 2008

Intergovernmental Conference in Bruxelles; chapters opened: 14 Transport policy and 15 Energy

#### 17 June 2008

Intergovernmental Conference in Luxembourg; chapters opened: 2 Freedom of movement for workers and 19 Social policy and employment

#### 25 July 2008

Intergovernmental Conference in Bruxelles; chapter 1 Free movement of goods opened; chapter 20 Enterprise and industrial policy provisionally closed

#### 30 October 2008

Intergovernmental Conference in Bruxelles; chapter 30 External relations provisionally closed

#### 19 December 2008

Intergovernmental Conference in Bruxelles; chapter 5 Public procurement opened; chapters provisionally closed: 7 Intellectual property law, 10 Information society and media and 17 Economic and monetary policy

#### 2 October 2009

Intergovernmental Conference in Bruxelles; chapters opened: 4 Free movement of capital, 11 Agriculture and rural development, 12 Food safety, veterinary and fitosanitary policy, 16 Taxation, 22 Regional policy and coordination of structural instruments and 24 Justice, freedom and security; chapters provisionally closed: 2 Freedom of movement for workers, 6 Company law, 18 Statistics, 21 Trans-European networks and 29 Customs union



#### 2) The first contractual relation: Stabilisation and Association Agreement

The Republic of Croatia signed the Stabilisation and Association Agreement on 29 October 2001. By signing the Stabilisation and Association Agreement (SAA) on 29 October 2001, the Republic of Croatia for the first time established contractual relations with the European Union. The SAA is a part of Stabilisation and Association Process, launched by the European Union in 1999 with the aim of achieving overall stabilisation of the transition countries of South-Eastern Europe, including Croatia. For Croatia, the signing of the SAA was the most important formal step in the process of accession to the European Union prior to the submission of the application for membership, the gaining of candidate status, and the opening of accession negotiations.



What is the Stabilisation and Association Agreement?

The SAA grants to a signatory country the status of an associated member and a potential candidate for EU membership. The goal of the Agreement is the establishment of political dialogue, the alignment of legislation, the promotion of economic relations, the

Croatia and the European Union The first contractual relation: Stabilisation and Association Agreement

development of a free trade area, the ensuring of regional cooperation, and the encouragement of cooperation in a number of other areas. In 2004 Protocols to the SAA with Croatia were initialled to take into account the enlargement of the European Union by ten new Member States with the main purpose to adjust the provisions of the SAA relating to trade in agricultural products, foodstuffs and fishery products. After the completion of the ratification process by all parties to the Agreement: the Croatian Parliament on the Croatian side, and the European Parliament and the parliaments of all Member States on the EU side, the SAA entered into force on 1 February 2005.<sup>2</sup>

Were the entry into force and implementation of the Stabilisation and Association Agreement preconditions for the submission of the application for membership of the EU and for being granted candidate country status?

The fact that the SAA had not by then entered into force did not prevent Croatia from applying for membership of the EU on 21 February 2003 and from gaining candidate status in June 2004. Four new EU Member States (Estonia, Latvia, Lithuania and Slovenia) had a similar experience since they had submitted their applications for membership before their association agreements with the EU entered into force. Estonia and Slovenia were also granted candidate status prior to the entry into force of those agreements. Although the process of accession to the European

The Interim Agreement which regulated trade and trade-related issues (harmonisation of legislation in individual areas, road transport, etc.) was applied from 1 January 2002 (although it formally entered into force on 1 March 2002) until the entry into force of the Stabilisation and Association Agreement on 1 February 2005. The Stabilisation and Association Agreement entered into force on 1 February 2005.





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Union in the first place depends on the EU and its decisions on the dynamics and scope of the enlargement process, the successful implementation of the SAA significantly contributed to the positive Opinion received from the European Commission in April 2004, and may also facilitate Croatia's accession negotiations that were opened in October 2005. The fact that the National Programme for the Integration of the

Republic of Croatia into the European Union<sup>3</sup> and the Implementation Plan for the SAA<sup>4</sup> provide for a quicker dynamics of implementation than the one envisaged in the Stabilisation and Association Agreement, and also considering that obligations from the SAA were supplemented in 2003 and 2004 by the implementation of new measures necessary for adjustment to EU standards, clearly showed that the Republic of Croatia was ready for further rapprochement to the European Union even before it was granted candidate status. After the gaining of candidate status, these efforts were intensified, resulting in the next important stage in Croatia's integration process - negotiations for the accession of the Republic of Croatia to the European Union. The commitment of Croatia has also been confirmed by the adoption of the National Programme for the Integration of the Republic of Croatia into the European Union for each year starting from 2003 (from 2007 - National Programme for the Accession of the Republic of Croatia into the European Union), since the preparation of the National Programme is one of the obligations assumed under the SAA.

The Republic of Croatia was the first country that already at the stage of submission of the application for membership had a comprehensive programme of adjustment to EU standards. The National Programme for the Integration of the Republic of Croatia into the EU for 2003 was adopted by the Government of the Republic of Croatia on 12 December 2002, and since then the National Programme for each following year has been prepared and adopted.

<sup>&</sup>lt;sup>4</sup> The Implementation Plan for the SAA was a document adopted by the Government of the Republic of Croatia on 17 October 2001 which, prior to the adoption of the National Programme for the Integration of the Republic of Croatia into the EU, served as a basis for the implementation of obligations assumed under the Stabilisation and Association Agreement.

Croatia and the European Union The submission of the application of the Republic of Croatia for membership of the European Union



#### 3) The submission of the application of the Republic of Croatia for membership of the European Union

When and to whom did the Republic of Croatia submit the application for membership of the EU?

The Republic of Croatia submitted the application for membership of the European Union on 21 February 2003 in Athens. The application was, according to the usual procedure, submitted to the Council of the European Union, that is, to the EU Member State holding the presidency of the Council at that time - Greece. The Working Group for the preparation of the application for membership of the Republic of Croatia in the European Union was a body composed of 16 members appointed from the Office of the President of the Republic of Croatia, the Croatian Parliament, the Government of the Republic of Croatia, and the competent ministries. Its task was to coordinate the activities of the above-mentioned institutions related to the submission of the application for membership of the EU: from the preparation of the text of the application to all activities related to its submission. On 21 February 2003 the Republic of Croatia submitted its application for membership of the EU.

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Why was it important for the Republic of Croatia to submit the application for membership precisely at that time?

To make up for lost time!

Compared to most other transition countries, Croatia had been lagging behind for almost an entire decade in the realisation of the goal of integration into the EU. In order to make up for at least some of that lost time, Croatia had and has to make quicker progress than those countries of Central and Eastern Europe that became Member States of the European Union in 2004,<sup>5</sup> and also faster progress than the countries from the same geographical area which become Member States in 2007 <sup>6</sup>.

<sup>5</sup> The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

6 Bulgaria and Romania.

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# 4) The Republic of Croatia as a candidate for membership of the European Union

When was the Republic of Croatia granted candidate status for membership of the European Union?

The Republic of Croatia was granted official candidate status for membership of the European Union at the session of the European Council in Brussels on 18 June 2004.



What preceded the gaining of candidate status?

The gaining of candidate status was preceded by several major steps that Croatia had undertaken in the process of its accession to the European Union - from signing the Stabilisation and Association Agreement (October 2001), the submission of the application for membership (February 2003), the completion of the European Commission's questionnaire (July to October 2003), On 18 June 2004 Croatia was granted candidate status for membership of the EU. to the positive Opinion of the European Commission also recommending the opening of accession negotiations with Croatia (April 2004).



#### **European Commission's Questionnaire**

Less than two months after Croatia presented its application for membership, on 14 April 2003 Council of the EU asked the European Commission to prepare an opinion (*avis*) on the Croatian application. In accordance with the usual procedure for the adoption of the opinion, the Commission sent on 10 July 2003 a Questionnaire containing 4,560 questions on different areas related to the functioning of the state, institutions, the economy, etc. The answers to the questionnaire provide an overview of the situation in Croatia. Providing those answers was an extensive task that was completed within the set deadline of three months, so that the answers to the questionnaire were submitted to the European Commission on 9 October 2003. In December 2003 and January 2004 the European Commission sent additional 184 questions that were answered by the Croatian Government and submitted to the Commission.



#### The Opinion of the European Commission (Avis)

On the basis of the answers to the Questionnaire, and other sources (Member States, international organizations and non-governmental organizations), the European Commission adopted a positive opinion on Croatia's application for EU membership on 20 April 2004. This means that the Commission assessed positively Croatia's ability for further progress towards European Union membership in relation to its ability to meet the conditions for membership defined in Article 49 of the Treaty on European Union, and the political, economic, legal and administrative membership criteria. Among other things, the European Commission was of the opinion that Croatia has stable democratic institutions, that it may

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be regarded as a functioning market economy, that it has to continue implementing the reforms that are still necessary to reach the European standards and that it has to go ahead with aligning national legislation with EU regulations. In accordance with its opinion, the European Commission also recommended that the European Council adopt a decision to open membership negotiations with Croatia.

#### **European Partnership**

At the same time as it adopted the opinion and the recommendations, the European Commission proposed the European Partnership with Croatia, the document which contained detailed short-term and mid-term priorities for Croatia's preparations towards further integration into the European Union. The Council of the European Union adopted this document on 13 September 2004 and it served as a checklist to measure Croatia's progress until the adoption of the Accession Partnership<sup>7</sup> in 2006. The European Partnership with Croatia reflected the current status of its preparations and was made in accordance with the country's needs. The priorities from the European Partnership were later incorporated into the Accession Partnership. Croatia was expected to respond to the European Partnership by preparing a plan with a schedule and details on how it planned to deal with the priorities from the European Partnership. In 2004, this was accomplished through the revision of the National Programme for the Integration of the Republic of Croatia into the EU for 2004, and through the definition of measures that needed to be implemented in 2005 in the National Programme for that year.

7 For more details about the Accession Partnership, see below. On 20 April 2004 the European Commission issued a positive opinion on Croatia's application for membership of the EU.

What followed the gaining of candidate status?

#### Pre-accession Strategy

The European Commission published the Pre-accession Strategy for Croatia on 6 October 2004. The strategy extends to Croatia the reinforced pre-accession strategy that was adopted for former candidate countries by the European Council at its meeting in Luxembourg in 1997. The main elements of the Pre-accession strategy for Croatia are the following:

- Preparation of regular annual reports by the Commission on Croatia's progress in the process of accession to the EU (Progress Reports), starting with 2005.
- Opening for Croatia of the pre-accession financial instruments
   Phare (for institution building and economic and social cohesion),
   ISPA (for environment and transport), and SAPARD
   (for agriculture and rural development).
- Establishment of the Stabilisation and Association Council and the Stabilisation and Association Committee and its subcommittees as bodies for monitoring the application and implementation of the SAA, and as forums for issues related to the process of harmonising legislation.<sup>8</sup>
- Adoption of a Framework Agreement allowing Croatia to participate in Community programmes.

The implementation of the abovementioned elements of the Pre-accession Strategy started accordingly. Therefore, the European Commission published on 9 November 2005 the first Croatia Progress Report for the period between April 2004 and September

According to the SAA, the Stabilisation and Association Council consists of members of the Council of the EU and the European Commission on one side, and members of the Government of the Republic of Croatia on the other. The Stabilisation and Association Committee is composed of representatives of the Council of the EU, representatives of the European Commission, and representatives of Croatia.

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2005, evaluating progress in areas related to the fulfilment of political and economic criteria for EU membership and the capacity to take on the obligations of membership, in particular concerning the alignment of legislation. So far, further four Progress Reports have been published - for the years 2006, 2007, 2008 and 2009. Concerning the three pre-accession financial programmes, Phare, ISPA and SAPARD, Croatia has been a beneficiary since the 2005 budget year (since 2007 these programmes have been replaced by the programme IPA). Furthermore, the Stabilisation and Association Council convened for the first meeting on 26 April 2005, which has been followed by regular annual meetings. The signing of the Framework Agreement for the participation of Croatia in Community Programmes on 22 November 2004 was followed by Memoranda of Understanding specifying Croatia's participation in a number of individual Community Programmes.

#### **Accession Partnership**

On 9 November 2005 the European Commission published the Proposal for the Accession Partnership with Croatia, and the Partnership was adopted by the Council of the EU on 20 February 2006. The Accession Partnership identifies short-term and mid-term priorities in the process of fulfilling membership criteria, such as judicial reform, the fight against corruption, protection of minorities, dealing with border issues and the implementation of obligations from the Stabilisation and Association Agreement. The priorities from the Accession Partnership are based on the priorities included in the 2004 European Partnership, which have been revised in accordance with the European Commission's Croatia 2005 Progress Report. Since accession negotiations with Croatia started on 3 October 2005, the European Commission deemed it necessary to adopt the Accession Partnership which updated the On 6 October 2004 the European Commission published the Pre-accession Strategy for Croatia. previous European Partnership. Therefore, the Accession Partnership replaces the former European Partnership as a central document for measuring the further progress of Croatia's integration into the European Union. In addition, the Accession Partnership serves as a guide for programming pre-accession financial assistance from the EU to Croatia. Croatia started implementing the priorities contained in the Accession Partnership by defining the measures that need to be implemented in 2006, and which are contained in the National Programme for the Integration of the Republic of Croatia into the EU -2006. Each subsequent programme defines the measures to be implemented in the year to which it refers.



What did the status of a candidate for membership of the European Union bring to Croatia?

#### A clear membership perspective

As was the case with the countries of Central and Eastern Europe that gained candidate status in the late 1990s (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia), which today are all Member States, the gaining of candidate status also opened to Croatia a clear perspective for membership of the EU.



Assuming the obligation to implement all reforms necessary for the fulfilment of the membership criteria and successful integration into the EU

Already by signing the Stabilisation and Association Agreement, Croatia had committed itself to implement reforms for the purpose of accession to the European Union. This commitment is confirmed by further reforms, which have been carried out throughout the accession process.

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#### Participation in EU programmes

The granting of candidate status meant the opening of pre-accession programmes to Croatia and thus putting at its disposal the financial and technical means for the implementation of the necessary legal, economic and institutional reforms on its path towards the Union. Since 2005. Croatia has been a beneficiary of the pre-accession assistance programmes Phare, ISPA and SAPARD, from which it was allocated a total of EUR 252 million in the budget period 2005-2006. Out of that amount, EUR 87 million was awarded from the Phare programme for 2005, and EUR 80 million for 2006. From the ISPA programme, EUR 25 million was awarded for 2005, and EUR 35 million for 2006. The funds allocated from the SAPARD programme amount to EUR 25 million for 2006. It should be mentioned, however, that from 2001 Croatia was a beneficiary of the CARDS programme (Community Assistance for Reconstruction, Development and Stabilisation) intended for countries included in the Stabilisation and Association Process. The CARDS programme consisted of a national component, i.e. funds allocated to individual countries, and a regional component, i.e. funds used by several countries for the implementation of projects of regional importance. In the period between 2001 and 2004, Croatia was awarded EUR 262 million from the CARDS national component. After the gaining of candidate status, Croatia ceased to be a beneficiary of the national component of CARDS, and, as already pointed out, it became a beneficiary of the pre-accession programmes Phare, ISPA and SAPARD from the budget year 2005. However, Croatia was entitled to use regional funds from CARDS until the programme expiry in December 2006. From 2007 a new integrated Instrument for Pre-accession Assistance (IPA) opened up for Croatia, replacing the

Croatia has been a beneficiary of the pre-accession programmes Phare, ISPA and SAPARD since 2005.



Croatia has been a beneficiary of the new pre-accession assistance instrument -IPA since 2007. Phare, ISPA and SAPARD pre-accession programmes. Croatia is a beneficiary of all 5 components of the IPA programme: assistance in the transition and institution building; cross-border cooperation; regional development; human resources development; rural development. From the IPA programme Croatia has been allocated EUR 141,2 million for 2007; EUR 146 million for 2008; EUR 151,2 million for 2009; EUR 154,2 million for 2010. In addition, since May 2004 Croatia has been a beneficiary of the Technical Assistance Information Exchange Instrument (TAIEX) thus promoting the institution building and facilitating approximation and implementation of EU legislation. Also, Croatia is involved in Community programmes, which is very important for developing cooperation and in order to learn about the methods of work of the European Union in different areas, such as environmental protection, transport, energy, education, the justice system, public health, etc. The Framework Agreement for the participation of Croatia in Community Programmes, signed on 22 November 2004, created the opportunity for participation in a number of such programmes. For each individual programme, a Memorandum of Understanding has to be signed regulating the administrative and financial conditions for participation in the programme in question. So far, a number of such memoranda have been signed, regulating Croatia's participation in various Community Programmes: programme IDAbc (information and communication technologies); programme Culture 2007; Seventh Framework Programme for Research and Technological Development; Programme for Employment and Social Solidarity - PROGRESS; programme Europe for Citizens; The Competitiveness and Innovation Framework Programme (CIP), which consists of the 3 programmes - Entrepreneurship and Innovation Programme, Information and Communication Technologies Policy Support Programme, and Intelligent Energy Europe; Civil Protection Financial Instrument; programme MEDIA; programme Customs 2013; programme Fiscalis 2013 (taxes); Community Action Programme in the Field of Health; programme Marco Polo II (transport).

Croatia and the European Union Negotiations for the accession of the Republic of Croatia to the European Union



# 5) Negotiations for the accession of the Republic of Croatia to the European Union

After it was officially granted candidate status, the next important step in the process of Croatia's accession to the European Union was the opening of accession negotiations that officially started on 3 October 2005 when the first session of the intergovernmental conference between EU Member States and the Republic of Croatia was held. The accession negotiations are a central part of the overall process of accession to EU membership which starts with the submission of the application for membership and, upon the completion of negotiations, ends with the signing, ratification and entry into force of a Treaty of Accession to the European Union.<sup>9</sup> As part of the preparations for negotiations, the Croatian Parliament adopted on 19 January 2005 the Declaration on the Fundamental Principles of Negotiations on Full Membership of the Republic of Croatia in the European Union and the Decision on the Establishment of the National Committee as a working body of On 3 October 2005 accession negotiations were opened between the Republic of Croatia and the European Union.

9 The website Negotiations for the Accession of the Republic of Croatia to the EU contains information about the negotiations: http://www.eu-pregovori.hr/

Parliament tasked to monitor negotiations. Through this Committee, and through its earlier-established two working bodies - the European Integrations Committee and the Croatia - EU Joint Parliamentary Committee, the Croatian Parliament participates in Croatia's preparations for membership of the European Union. On the same day, the Parliament and the Government of the Republic of Croatia adopted a Statement on Joint Actions in the Process of Negotiations on Membership of the European Union. Shortly after the opening of accession negotiations, the Croatian Parliament adopted on 14 October 2005 a Resolution on the Strategic Framework for Negotiations of the Republic of Croatia with the European Union.



#### Who negotiates?

Negotiations take place between the EU Member States and a candidate country. Negotiating positions of the EU on behalf of the Member States are represented by the President of the Council of the European Union, while the European Commission is in charge of the technical aspect of negotiations.

On the Croatian side, the Government of Croatia established the structure for conducting negotiations and concluding the Treaty of Accession of the Republic of Croatia to the European Union and has defined the composition and the scope of responsibility of the bodies constituting the structure. These are:

The State Delegation of the Republic of Croatia for Negotiations on the Accession of the Republic of Croatia to the European Union and the Negotiating Team for the Accession of the Republic of Croatia to the European Union, made up of: Head of the State Delegation - Minister of Foreign Affairs and European

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Integration, Deputy Head of the State Delegation and Chief Negotiator, Deputy Chief Negotiators, Head of Mission of the Republic of Croatia to the European Communities, Secretary of the Negotiating Team, and Members of the Negotiating Team in charge of individual chapters. The State Delegation conducts direct political talks and negotiations with the Member States and the EU institutions; the Negotiating Team is responsible for negotiations at an expert and technical level with EU institutions and Member States on all negotiating chapters;

- The Coordinating Committee on the Accession of the Republic of Croatia to the European Union is an interdepartmental working body of the Government of Croatia that discusses all issues related to the accession negotiations;
- Working Groups for the Preparation of Negotiations on Individual Chapters participate in the analytical review and assessment of the harmonisation of the Croatian legislation with the *acquis communautaire* and in drawing up the draft proposals of negotiating positions as well as the other documents ensuing from the negotiating process;
- Office of the Chief Negotiator provides expert, technical and administrative assistance to the Chief Negotiator;
- Secretariat of the Negotiating Team provides expert, technical and administrative assistance to the State Delegation, the Negotiating Team and the Working Groups for the Preparation of Negotiations on Individual Chapters.

The Government of the Republic of Croatia appointed Gordan Jandroković, Minister of Foreign Affairs and European Integration, as Head of the State Delegation, and Vladimir Drobnjak as Deputy Head of the State Delegation and Chief Negotiator.

#### **National Committee**

The Croatian Parliament established the National Committee as a working body of Parliament to monitor the negotiations on the accession of the Republic of Croatia to the European Union. Apart from monitoring, its role is to give opinions and guidelines concerning Croatia's negotiating positions. In addition to Members of Parliament from opposition and ruling parties, representatives of the Office of the President of the Republic, the academic community, employers' associations and trade unions participate in the work of the National Committee. The president of the National Committee is elected from an opposition party, and the vice-president is elected from the ruling party or the ruling coalition.



Progress of the accession negotiations - what is being negotiated?

The formal opening of the negotiations is followed by the process known as screening - analytical overview and evaluation of the degree of harmonisation of national legislation with the *acquis communautaire*.<sup>10</sup> Screening is followed by the opening of negotiations on individual chapters of the *acquis*. This marks the beginning of substantive negotiations on the conditions under which a candidate country will accept, apply and implement the *acquis communautaire* of the European Union in the relevant chapter.

Accession to EU membership is conditional upon the acceptance of all the rights and obligations that form the basis of the European Union and its institutional framework, referred to as the acquis communautaire (acquis), signifying the total body of EU law accumulated so far. The essential elements of the continuously expanding acquis communautaire are: primary legislation - founding treaties; secondary legislation - regulations, directives, decisions, recommendations and opinions; other legal sources - decisions of the European Court of Justice, general principles of law, international agreements; other acts - resolutions, declarations, recommendations, guidelines, joint actions, joint positions, etc.

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The screening of Croatian legislation started after the opening of negotiations in autumn 2005 and was completed within the usual duration of one year on 18 October 2006. It was conducted by representatives of the European Commission on the EU side, and by members of the Working Groups for the Preparation of Negotiations on individual chapters of the *acquis* and representatives of state administration on the Croatian side. Substantive negotiations on individual chapters are in progress. Despite Croatia's efforts towards continuity in negotiations, the negotiations were held back from the end of 2008 until September 2009. Nevertheless, Croatia continued to reform and prepare for membership, so that 6 negotiating chapters were opened and 5 provisionally closed at the Intergovernmental conference on 2 October 2009.

By that date, 28 chapters were opened (in chronological order: 25 Science and research, 26 Education and culture, 17 Economic and monetary policy, 20 Enterprise and industrial policy, 29 Customs union, 7 Intellectual property law, 3 Right of establishment and freedom to provide services, 6 Company law, 9 Financial services, 10 Information society and media, 18 Statistics, 32 Financial control, 28 Consumer and health protection, 30 External relations, 21 Trans-European networks, 33 Financial and budgetary provisions, 14 Transport policy, 15 Energy, 2 Freedom of movement for workers, 19 Social policy and employment, 1 Free movement of goods, 5 Public procurement, 4 Free movement of capital, 11 Agriculture and rural development, 12 Food safety, veterinary and fitosanitary policy, 16 Taxation, 22 Regional policy and coordination of structural instruments, 24 Justice, freedom and security). Out of those, 12 chapters have been provisionally closed (in chronological order: 25 Science and research, 26 Education and culture, 20 Enterprise and industrial policy, 30 External relations, 7 Intellectual property law, 10 Information society and media, 17 Economic and monetary policy, 2 Freedom of movement of workers, 6 Company law, 18 Statistics, 21 Trans-European networks, 29 Customs union).

Negotiations for the accession of the Republic of Croatia into the European Union comprise the following 35 negotiating chapters:

1. Free movement of goods
2. Freedom of movement for workers
3. Right of establishment and freedom to provide services
4. Free movement of capital
5. Public procurement
6. Company law
7. Intellectual property law
8. Competition policy
9. Financial services
10. Information society and media
11. Agriculture and rural development
12. Food safety, veterinary and phytosanitary policy
13. Fisheries
14. Transport policy

Accession negotiations comprise 35 chapters.

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to the European Union

15. Energy
16. Taxation
17. Economic and monetary policy
18. Statistics
19. Social policy and employment
20. Enterprise and industrial policy
21. Trans-European networks
22. Regional policy and coordination of structural instruments
23. Judiciary and fundamental rights
24. Justice, freedom and security
25. Science and research
26. Education and culture
27. Environment
28. Consumer and health protection
29. Customs union
30. External relations
31. Foreign, security and defence policy
32. Financial control
33. Financial and budgetary provisions
34. Institutions

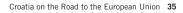




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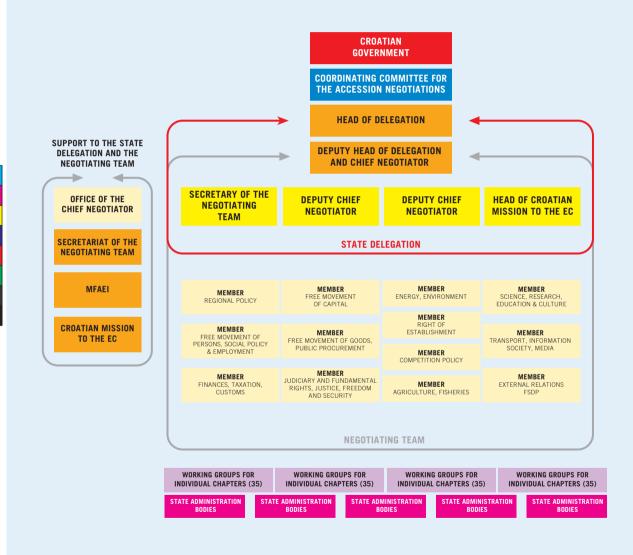
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## **Organizational chart: Negotiating structure**

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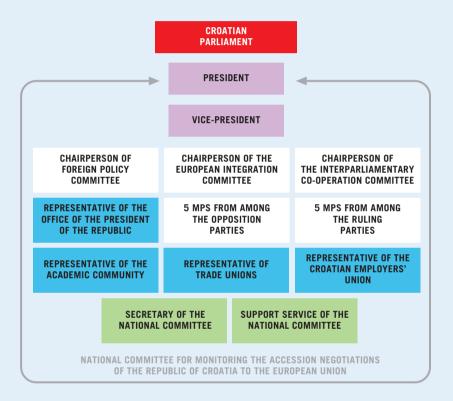
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Croatia and the European Union Organizational chart: Negotiating structure



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Members of the State Delegation, the Negotiating Team and Heads of Working Groups for the preparation of negotiations on the individual chapters of the *acquis communautaire*  ۲

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### **Members of the State Delegation**

Gordan Jandroković HEAD OF THE STATE DELEGATION

Vladimir Drobnjak Deputy head of the state Delegation and chief negotiator

Tamara Obradović Mazal DEPUTY CHIEF NEGOTIATOR

Boris Vujčić, PhD deputy chief negotiator

Branko Baričević, MA HEAD OF MISSION OF THE REPUBLIC OF CROATIA TO THE EUROPEAN COMMUNITIES

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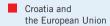
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**TRANS-EUROPEAN NETWORKS** 

Dražen Breglec

Romana Palčić



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