Joint press statement following the fourteenth meeting of the Stabilisation and Association Council between the former Yugoslav Republic of Macedonia and the European Union

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The 14thmeeting of the Stabilisation and Association Council between the former Yugoslav Republic of Macedonia and the European Union (SA Council) took place on 13 July 2018. The meeting was **chaired** by High Representative of the Union for Foreign Affairs and Security Policy/Vice President of the Commission, Federica Mogherini, while Commissioner Johannes Hahn represented the European Commission. The delegation of the former Yugoslav Republic of Macedonia was led by Mr. Nikola Dimitrov, Minister of Foreign Affairs. Deputy Prime Minister for European Affairs Mr.Bujar Osmani also participated.

The SA Council recalled that the **Stabilisation and Association Agreement** (SAA) remains at the core of the relationship between the EU and the former Yugoslav Republic of Macedonia until the country's accession to the EU. The SA Council took note of the country's primary objective to open accession negotiations and acknowledged the government's strong commitment to this purpose. The SA Council welcomed the EU's recent setting out of the path towards opening accession negotiations in June 2019 based on continued progress and tangible results, maintaining and deepening the current reform momentum. The SA Council took note of the intention of the Commission and government to begin the necessary preparatory work.

On **good neighbourly relations**, the SA Council strongly welcomed the signature of the agreement on the name issue and establishment of strategic partnership with Greece, as well as the entry into force of the Treaty on Friendship, Good-neighbourliness and Cooperation with Bulgaria, which set a strong example for others in the region to strengthen good neighbourly relations. The SA Council urges all leaders, political parties and citizens to recognise the benefits that the resolution of the long standing name dispute will bring and to engage constructively in the ratification and implementation of this agreement.

The SA Council reviewed the key developments over the previous period

relating to the fulfilment of the political criteria, as well as the state of play concerning the economic criteria, financial cooperation and the implementation of the Stabilisation and Association Agreement, including institutional reforms. It noted the results of the **Stabilisation and Association Committee** held on 19-20 June 2018.

Concerning the **political criteria**, the SA Council discussed key political developments. It welcomed that the country has overcome its deep political crisis and the significant steps the government has taken to gradually restore a culture of compromise by reaching out to all stakeholders, including the opposition, to strengthen democracy and rule of law and the genuine desire to reform in an inclusive and transparent manner. The SA Council welcomed the first concrete progress towards restoring the independence of the judiciary, by implementing the Urgent Reform Priorities, and thereby starting to reverse the backsliding of previous years. The SA Council noted positively the improvement of the work of the courts and the follow-up to the work of the Special Prosecutor's Office. The SA Council acknowledged that concrete efforts have been made towards increasing transparency and accountability and involving external stakeholders in policy making, welcomed the improved climate for media freedom and noted that the environment in which civil society operates has substantially improved.

The SA Council welcomed the continuous implementation of the **Pržino agreement** and the substantial progress in the implementation of the **Urgent Reform Priorities**. The SA Council agreed on the importance of continuing and deepening current reform momentum, including through the "Plan 18", and effective implementation of on-going and planned reforms, in particular as regards judicial reforms and the fight against corruption and organised crime, including at high level, as well as intelligence and security services reform. It also recalled the importance of a depoliticised and merit-based **public administration**. The SA Council welcomed the country's participation as an observer in the Fundamental Rights Agency. The SA Council recalled the importance of long-term confidence-building measures and more pro-active policies to further increase trust and build bridges **among communities** and welcomed the steps taken in this regard by the government.

The SA Council welcomed the country's continued active participation and constructive approach in **regional cooperation** initiatives, as well as the county's inclusion in the Adriatic-Ionian Initiative and their organisation of the first Regional Digital Summit which contributed to strengthening the digital economy in the region.

The SA Council also acknowledged the country's efforts to address the challenge of the European **migration** and refugee crisis and expects that mutually beneficial cooperation continues in the future.

Regarding **economic developments**, the SA Council recalled the targeted policy guidance agreed in May 2018 between the EU and Western Balkans and Turkey, on the Economic Reform Programmes, and encouraged the government to focus on their implementation and follow-up. It noted the good level of preparation in developing a functioning market economy and called on the country to address remaining key challenges.

The SA Council welcomed the commitment of the government to invest greater efforts into increasing the **absorption of EU funds**. It welcomed the adoption of long awaited Strategies on Public Finance Management and Public Administration Reform, which will permit EU budget support. It noted the importance of sound financial management and the need for full compliance with the sector approach criteria, as well as implementation of the European Court of Auditors' recommendations.

The SA Council noted progress in various areas covered by the Stabilisation and Association Agreement and welcomed the high level of trade integration with the EU. It outlined the importance of continuing to align with the EU acquis, especially in relation to the internal market, and welcomed progress on other international commitments, including on energy and transport connectivity. In this regard, it welcomed the adoption of the new energy law.

The SA Council also welcomed the upcoming passage to the **second stage** of the Stabilisation and Association Agreement.

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<u>Main topics and media events 16 - 29</u> <u>July 2018</u>

Overview of the main subjects to be discussed at meetings of the Council of the EU over the next two weeks.

Foreign Affairs Council, Monday 16 July 2018

Foreign ministers will discuss the Eastern Partnership, Libya and North Korea.

Agriculture and Fisheries Council, Monday 16 July 2018

The Council will be informed about the Austrian presidency work programme and will have an exchange of views on the post 2020 CAP reform.

EU-CELAC ministerial meeting, Monday 16 and Tuesday 17 July 2018

Ministers of foreign affairs from the EU and from the Community of Latin American and Caribbean States (CELAC) will meet on 16-17 July in Brussels. "Building bridges and strengthening our partnership to face global challenges" is the theme of the meeting. At the end of the meeting, EU and CELAC ministers are expected to adopt a declaration.

General Affairs Council (Art. 50), Friday 20 July 2018

EU27 ministers will take stock of the state of play of Brexit negotiations.

Weekly schedule of President Donald Tusk

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Joint press statement following the third meeting of the Stabilisation and Association Council between Bosnia and Herzegovina and the European Union

The Stabilisation and Association Council (SA Council) between Bosnia and Herzegovina and the European Union (EU) held its third meeting on 13 July 2018. The SA Council welcomed Bosnia and Herzegovina's EU perspective as a single, united and sovereign country. It welcomed the finalisation of the country's first set of answers to the Commission's Opinion Questionnaire on Bosnia and Herzegovina's EU membership application through the use of the coordination mechanism on EU matters.

Bosnia and Herzegovina's EU membership application of February 2016 represented a strategic commitment to advance towards the EU. The SA Council

welcomed the adoption of EU-oriented reforms in Bosnia and Herzegovina such as country-wide strategies for environment and rural development or excise duties, which guarantee the fiscal manoeuvre for other investment decisions. The SA Council encouraged Bosnia and Herzegovina to urgently translate its commitment into comprehensive reform results on the ground.

The SA Council took note of the announcement by the Central Election Commission of the general elections scheduled for 7 October 2018 and called on focusing on concrete needs of the citizens of Bosnia and Herzegovina and the future of the country, during the election campaign. In this context, the SA Council encouraged all political leaders and parties in Bosnia and Herzegovina to reach a compromise and find a domestic solution to address the Decision of the Constitutional Court of Bosnia and Herzegovina regarding elections to the Federation House of Peoples with a view to ensuring the smooth implementation of the October 2018 elections results.

The SA Council reiterated the need for Bosnia and Herzegovina to adopt a new countrywide strategic framework for public administration reform, as well as a countrywide strategy on public financial management, among others as a precondition for accessing EU budget support in any sector.

The SA Council welcomed the adoption in November 2017 by the High Judicial and Prosecutorial Council (HJPC) of a detailed action plan to implement the European Commission's recommendations on issues within the HJPC remit. The SA Council noted that corruption in many areas continues to be a serious hindrance to socio-economic development of the country. The SA Council underlined the importance to address this issue with determination and to step up efforts to establish a track record of final convictions, including in organised crime cases, with particular focus on money-laundering.

The SA Council also positively noted the adoption of a new strategy on fighting organised crime and implementation of the action plan on anti-money laundering and financing of terrorism. In this context, the SA Council welcomed the decision by the Financial Action Task Force to remove Bosnia and Herzegovina from its monitoring under its on-going anti-money laundering and combating the financing of terrorism (AML/CFT) compliance process. The SA Council invited the competent authorities to amend without further delay the provisions of Bosnia and Herzegovina criminal procedure code on special investigative measures in line with international standards.

The SA Council welcomed the initiatives taken by Bosnia and Herzegovina to address counter-terrorism issues. The SA Council calls on the country's authorities to take further steps to prevent and fight radicalisation and financing of terrorism.

With respect to migration issues, the SA Council reiterated the importance of enhanced cooperation with the EU and neighbouring countries on border management issues and to improve cooperation between the relevant security agencies in Bosnia and Herzegovina. The SA Council welcomed the start of negotiations on a Status Agreement with the European Border and Coast Guard Agency (EBCGA). The SA Council also welcomed the provision of emergency funding by the European Union and the additional measures under preparation.

In terms of the Common Foreign and Security Policy (CFSP), the SA Council called for an increased alignment with EU declarations and decisions of the Council of the EU.

The SA Council welcomed the efforts of Bosnia and Herzegovina to become actively engaged with EU crisis management operations. While the recent purchases of weapons remains a concern, the SA Council welcomed the cooperation of the all law enforcement agencies in providing information on the holdings of weapons and ammunitions to EUFOR.

The meeting was chaired by Dr. Denis ZVIZDIĆ, Chairman of the Council of Ministers of Bosnia and Herzegovina, who was accompanied by Deputy Chairman of the Council of Ministers and Minister of Finance and Treasury Mr. Vjekoslav BEVANDA and Minister of Foreign Affairs Mr. Igor CRNADAK. The Delegation of the European Union was led by Ms Federica MOGHERINI, High Representative of the Union for Foreign Affairs & Security Policy, Vice-President of the European Commission who was accompanied by Mr. Johannes HAHN, Commissioner for European Neighbourhood Policy and Enlargement Negotiations.

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Press remarks by Vice-President Valdis Dombrovskis at the ECOFIN press conference

Thank you, Minister.

First of all, I would like to wish you a lot of success with the Austrian Presidency.

The Commission welcomes the focus of the Austrian Presidency on reaching deals in the areas of deepening our Economic and Monetary Union, setting up the Capital Markets Union, and also bringing forward the agenda for fair and efficient taxation.

We share these priorities.

On EMU deepening, we welcome the commitment to seal the Banking Package and to bring forward the work on the Non-Performing Loans proposals. These are important risk reduction measures.

We also feel there is enough of political will to fast track the work on the backstop to the Single Resolution Fund.

And we also have a mandate from leaders to work on the roadmap for starting political discussions on the European Deposit Insurance Scheme.

Today, the Commission presented its proposal for the Investment Stabilisation Function.

The idea is to help Member States that are hit by large asymmetric shocks to maintain their public investment, and in this way avoid deeper recessions.

We consider that our legislative proposal is a good basis for further work in the context of the EMU deepening discussions.

In addition, we presented other proposals tabled in the context of the new MFF, namely, the Reform Support Programme to provide greater financial and technical incentives for reforms at national level.

And we also presented the InvestEU programme, which builds on the success of the Juncker Plan to boost investment in Europe.

So we have a lot of work to do.

Finally, let me reiterate that the strengthening of our Economic and Monetary Union starts at home — it starts in Member States.

So today the Council formally adopted the Country-Specific Recommendations for reforms that, if implemented, could reinforce the resilience of our economies.

Thank you very much.