



EU ACCESSION NEGOTIATIONS:

Analysis of Benchmarks for Montenegro

through comparison with Croatia and Serbia



The project is
financially supported
by the European Union



"Strengthening the capacities of the
montenegrin authorities for the EU
Accession process and IPA II instrument"

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www.mep.gov.me

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Editorial team:

Ministry of European Affairs

Graphic Design and Pre-press:

Brain Media - Podgorica

Printing:

Brain Media - Podgorica

Circulation:

300 copies

Podgorica, January 2018

Dear readers,



We present to you the publication "Analysis of Benchmarks for Montenegro through comparison with Croatia and Serbia" the aim of which is to give an overview of the manner and approach of the EU negotiations in these latest enlargements through a comparative analysis of the benchmarks that the three countries have received so far. Furthermore, the analysis also shows which obligations and challenges the candidate countries are facing and everything that was done in that regard, specifically in the case of Montenegro and the Republic of Serbia, with reference to the experience of the Republic of Croatia.

Croatia was the first country for which the EU established the opening and closing benchmarks, and further developed this system in the accession process of Montenegro through a set of interim benchmarks for chapters 23 and 24 related to the rule of law. The very negotiating process of Montenegro is therefore specific in many aspects, since we are the first country to conduct the accession negotiations according to the new approach, which is focused on the results and reforms in the field of rule of law. Therefore, this publication provides an overview of the opening, interim and closing benchmarks and presents great efforts which have been invested in order to transpose the EU *acquis*, ensure a continuous institutional development, achieve concrete results in practice and fulfil the tasks contained in the benchmarks in the best possible manner. Also, due to a long timeframe of the accession process, through the benchmarks we can analyze the manner in which the EU *acquis*, currently consisting of around 160,000 pages of legislation, evolved and thus altered the requirements imposed on the candidate countries.

Montenegro is a country that in the past several years managed not only to rebuild its state but also to dynamically enter the integrative processes in order to take its position in the European architecture of cooperation. The overall progress of Montenegro and results we accomplished after the restoration of independence clearly demonstrate full commitment to the EU accession and that through the negotiating

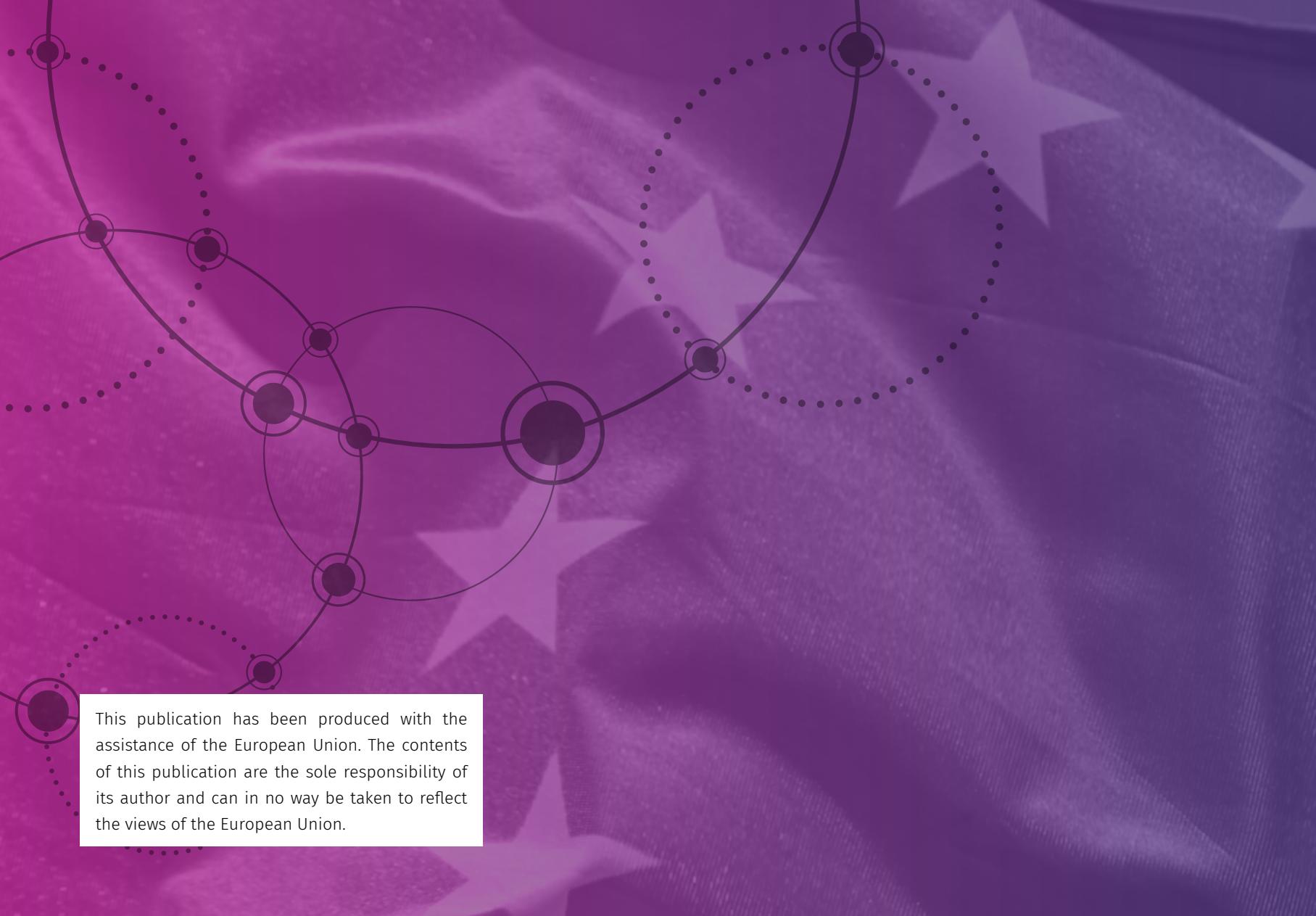
process and assuming responsibly the commitments and benefits arising from the membership and implementing reforms, Montenegro unequivocally reaffirms its essential European commitment. Practical achievements, partially presented in this publication, are the very proof of internal changes and the transformation happening within the Montenegrin society. The achieved results prove that we have become able to cope with this demanding task and that we are close to joining the great European family.

The Western Balkan states have come a long way since the 1990s and have gone through a complex and demanding period of transformation, particularly in the part related to the alignment with the European standards and adopted values, while the EU membership perspective proved to be the key mechanism for encouraging the overall reforms, as well as for reviving good neighborly relations and strengthening regional cooperation. By comparison with the previous accessions, the enlargement policy has become more demanding, and procedures more complex.

Still, the Western Balkans is the missing piece of the EU and in our aspiration to accomplish the given goal, the task of our administrations is to reach the European horizons and to foster common values – liberty, democracy, rule of law, respect for human rights and equalities. Therefore, this publication should help in grasping the changes and evolution that the EU approach to the Enlargement Policy underwent through new instruments, requirements and standards. Opening, interim and closing benchmarks are probably the best indicator of these changes and of the new approach in comprehending commitments set before candidates for the membership. I hope that this publication will provide a better and clearer understanding of such a complex structure for conducting negotiations.

Maksandar Andrija Pejović

Minister of European Affairs



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Abbreviations

Acquis – *acquis communautaire*, the accumulated legislation, legal acts, and court decisions which constitute the body of European Union law.

CAP

Common Agricultural Policy

CFSP

Common Foreign and Security Policy

COELA

Working Party on Enlargement of the Council of the EU

EC

European Commission

ESI FUNDS

Structural and Investment Funds

EU

European Union

EURES

European Employment Services

IACS

integrated administration and control system

IGC

Intergovernmental conference

IPA

Instrument for Pre-accession Assistance

KAP

Aluminium Plant Podgorica (Kombinat aluminijuma Podgorica)

MFAEI

Ministry of Foreign Affairs and European Integration, Montenegro

MIS

Management and Information System

NSRF

National Strategic Reference Framework

PIFC

Public Internal Financial Control

SAA

Stabilization and Association Agreement

SAP

Stabilization and Association Process

TEU

Treaty on the European Union

TFEU

Treaty on the Functioning of the European Union

VAT

Value Added Tax

WB

Western Balkans

Foreword

This Analysis has been produced in the framework of the European Union (EU) funded project “*Strengthening the Capacities of the Montenegrin Authorities for the EU Accession Process and IPA II Instrument*”. The project is focused at strengthening the capacity and accountability of the Ministry of European Affairs (MEA) of Montenegro, line ministries and other stakeholders for overall coordination of the EU accession process, with the specific focus on accession negotiations, ensuring sector coordination and management of Instrument for Pre-Accession Assistance (IPA) funds. The Analysis is intended to provide a comparative overview of benchmarks which Montenegro, Croatia and Serbia have been required to meet in the process of accession negotiations.

The opening benchmarks are condition(s) which the candidate country must comply with to open a chapter for negotiations. The system of opening benchmarks was introduced for the first time in the process of accession negotiations with Croatia and Turkey, and it is part and parcel of the ongoing negotiation process with Montenegro and Serbia. Furthermore, for most chapters, the EU sets closing benchmarks which need to be met by the candidate country before negotiations in that policy field can be closed.

In addition to the opening and closing benchmarks, for the first time in the framework of ongoing negotiations with Montenegro and Serbia, the EU introduced interim benchmarks, specifically for Chapters 23 and 24. Chapters on Judiciary and Fundamental Rights (23), and Justice, Freedom and Security (24) are at the forefront of the negotiations for Montenegro and Serbia as the EU is placing particular emphasis on important reforms such as judiciary, public administration and the fight against corruption and insists on candidate countries tackling these issues early on in the process. Interim benchmarks

are thus formulated instead of immediately identifying the closing benchmarks. Only once the interim benchmarks have been met sufficiently, the closing benchmarks are set. Together with additional safeguards introduced for these two chapters, the introduction of interim benchmarks requires the candidate country to demonstrate a solid track record of reform implementation across the board before a negotiation chapter is to be closed.

This Analysis demonstrates the main characteristics of the new approach applied in the negotiations with Montenegro and Serbia and it compares the requirements the two countries face with those that were put before Croatia – the only Western Balkan (WB) country that became the EU Member State - during its accession negotiation process. After the general introduction, the Analysis gives a comparative overview of benchmarks for the three countries under all negotiation chapters. The Analysis is aimed at public servants and other members of the expert and general public interested in the negotiation process and challenges that candidate countries such as Montenegro are faced with on the road to EU membership.

Background

In June 2003, during the Thessaloniki summit, the European Council declared that ‘the future of the Balkans is within the European Union’. This gave the green light for the Western Balkan (WB) countries to get on board the European Union (EU) accession process. With experience from the previous enlargement – that culminated in the 2004 accession of ten countries, the largest single expansion of the EU in terms of territory, number of states, and population to date – the EU formulated its new enlargement policy around several key principles.

The 'regatta principle': Rather than support the group accession as before, the EU introduced to so-called 'regatta principle'. While WB countries might have started efforts to join the union at the same time, each would actually do so when it was ready, without waiting for anyone else to catch up. This supported an individualized approach, based on a country's own merits, as evident from the example of Croatia which is the only one WB country to have become an EU member to date.

The Copenhagen criteria: The Treaty on the European Union (TEU) states that any European country may apply for membership if it respects the democratic values of the EU. The first step in this is to meet the key criteria for accession (formulated at the European Council meeting in Copenhagen in 1993 and referred to as 'the Copenhagen criteria'). According to these, EU membership means that the country wishing to join needs to have:

- stable institutions guaranteeing democracy, rule of law, human rights and respect for and protection of minorities;
- a functioning market economy and the capacity to cope with competition and market forces in the EU;
- the ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union.

The Stabilization and Association Process (SAP): Beside these political, economic and legislative criteria, the Stabilisation and Association Process was also introduced for the WB countries with the following key objectives: a) stabilising the countries politically and encouraging their swift transition to a market economy; b) promoting regional cooperation; and c) eventual membership in the EU.

The SAP helps the countries concerned build their capacity to adopt and implement the EU law (*acquis communautaire, acquis* in further text). It combines trade concessions, economic and financial assistance, reconstruction and development support, and culmi-

nates in the Stabilisation and Association Agreements (SAA) - a far-reaching contractual relationship with the EU, entailing mutual rights and obligations. .

It is under the umbrella of these key principles that the stage has been set for the gradual integration of the WB countries with the Union. Since 2003, the political, economic and regional landscape has shifted significantly in the whole world, as well as in Europe and in the Balkans. This affected the enlargement process. The EU first reshaped its financial instruments for the provision of necessary assistance to ongoing reforms. The EU consolidated its support under a single Instrument for Pre-Accession Assistance (IPA). IPA I¹ covered the 2007-2013 period. Replacing several thematic and geographical instruments with differing legal bases, which were often the source of administrative headache, this was a single *acquis*-driven instrument aimed at preparing the future member states for efficient use of Structural Funds upon accession.

Following an *ex ante* evaluation of IPA I, the European Commission (EC) formulated a slightly different approach for the next iteration of pre-accession assistance – IPA II², covering the 2014-2020 period. Adjusted in order to ensure that "*pre-accession assistance will be more closely linked to the enlargement priorities, and be based on a more results-oriented and strategic approach*"³, IPA II focuses on policy areas (rather than components), allows undifferentiated access for all countries (regardless of candidate/potential candidate status), relaxes the requirements for the conferral of management to beneficiaries, and enables increased use of (sectoral) budget support.

In parallel with reshaping the financial assistance for the WB

¹ Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)

² Regulation (EU) No 231/2014 of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)

³ DG Enlargement: 2012 annual report on Financial assistance for enlargement http://ec.europa.eu/enlargement/pdf/key_documents/2013/2012_ipa_annual_report_with_annex_new_en.pdf

countries, the SAP started showing the implications of the 'regatta principle'. Although the former Yugoslav Republic of Macedonia was the first to sign and have its SAA enter into force (in 2001 and 2004 respectively), to this day this WB country remains a candidate for membership without opening the accession negotiations due to the name dispute with Greece. Croatia signed the SAA in 2001 and it entered into force in 2005. In 2013 this was the only country of the region to have succeeded in becoming an EU member state. Albania was next (SAA signed in 2006 and entered into force in 2009); the country is a candidate for membership since 2014 and hasn't opened the negotiations yet. Montenegro's SAA entered into force in 2010 and the country began the accession negotiations in 2012. It took five years for Serbia's SAA to enter into force (2008 vs. 2013) and the country opened its negotiations in 2014. The process lasted seven years for Bosnia and Herzegovina (2008-2015). Kosovo⁴ was the last to sign (2015) and have the agreement ratified (2016). Bosnia and Kosovo have the status of potential candidates for EU membership.

In the region recovering from the conflicts of the 90s, the EC has devised creative ways to keep the process of alignment with the EU *acquis* under the umbrella of SAP going in situations of domestic or bilateral deadlocks. These include the High Level Accession Dialogue with the former Yugoslav Republic of Macedonia, the Structured Dialogue on Justice with Bosnia and Herzegovina, the High Level Dialogue with Albania, the Structured Dialogue on the Rule of Law with Kosovo, and most notably the High Level Dialogue with Serbia and Kosovo.

Despite the EU facilitation, each state must resolve its own individual problems in the association process, whether in the areas of political criteria and economic consolidation, or with regard to bilateral issues. Croatia's accession in 2013 left other countries of the region behind, but also left them with a reinforced hope that the membership is within reach. However,

the circumstances in which Montenegro and Serbia are currently negotiating their accession are considerably different – and objectively more complex than those that accompanied Croatia's road to the EU.

Enlargement fatigue is evident in the member states. One of the first statements made by Jean Claude Juncker when he took office as President of the EC was that the EU has no plans to expand during his mandate. As one of his foreign policy objectives, the President announced *"A pause for enlargement: ... Europe now needs to digest the addition of 13 Member States in the past 10 years. Our citizens need a pause from enlargement so we can consolidate what has been achieved among the 28"*⁵. This has been confirmed recently in the White paper on the Future of Europe, published by the EC at the beginning of March 2017⁶. However, in the fall of 2017, more positive messages could be heard from Brussels, as well as mention of a tentative date for the new EU enlargement, 2025 for Montenegro and Serbia. The President of the European Commission, Jean-Claude Juncker, addressed a letter of intent to the President of the European Parliament and the presidency of the Council of the EU in which he announced that the Commission planned to develop a Strategy for the successful EU accession of Montenegro and Serbia by 2025.

The 28 is no more, however; the EU is now faced with the activation of Article 50 of the TEU by the Great Britain that has taken place on March 29, 2017 officially triggering the process of Britain leaving the Union. Brexit brings further dissonance among member states on the future of WB countries in the EU. Matters are also complicated by the persisting economic crisis in the eurozone, as well as the recent migrant crisis and the role the 'Balkan route' plays in handling the ever growing stream of refugees from the Middle East on their way to the EU.

Amid this quickly changing background, the accession negotia-

⁴ "This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence". This qualification is valid throughout the text of this publication.

⁵ The official website of the President of the European Commission Jean-Claude Juncker, priorities: www.juncker.epp.eu

⁶ https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf

ons process that Montenegro and Serbia are currently undergoing, and the rest of the WB countries eagerly await, has undergone some reshaping, building primarily on the experience with Croatia. We present the outline of the negotiation process in the next section, as well as some specifics concerning Montenegro and Serbia. The focus of this publication is on demonstrating the differences in the scope and impact of the opening/closing and the newly introduced interim benchmarks in comparison to those defined previously for Croatia, as well as added demands that Montenegro and Serbia are faced with.

The Accession Negotiations Process

The process of joining the EU broadly consists of 3 stages:

1. When a country is ready, it becomes an official candidate for membership – but this does not necessarily mean that formal negotiations have been opened.
2. The candidate moves on to formal membership negotiations – a process that involves the adoption of *acquis*, preparations for its proper application, and implementation of judicial, administrative, economic and other reforms necessary for the country to meet the conditions for joining, known as accession criteria.
3. When the negotiations and accompanying reforms have been completed to the satisfaction of both sides - the country joins the EU.

Each country moves step by step towards EU membership as it fulfils its commitments in the SAP. The EC assesses progress made in annual progress reports published each autumn (although after the 2016 reports the EC decided to publish the next round only in 2018). Negotiations take place between ministers and ambassadors of the EU governments and the candidate country in what is called an Intergovernmental Conference (IGC). EC representatives also take part in the IGC.

The first meeting of the IGC is an important political milestone,

as it constitutes the formal commencement of the negotiations with the EU. It is an opportunity to exchange general positions between the EU and the candidate country, to present the negotiating teams and propose the calendar of meetings within the screening process.

For the purpose of the negotiating process, the EU *acquis* is divided into 35 chapters (policy fields). The candidate country does not negotiate on the *acquis* itself, but rather on its transposition, implementation and enforcement.

The formal opening of the negotiating process is followed by the analytical overview and evaluation of harmonisation of national legislation with the *acquis*, known as screening. The screening process is organised in two phases: 1) multilateral (explanatory screening), where the EU *acquis* is presented by the EC, and 2) bilateral, where a candidate country is requested to present the degree of its alignment with the *acquis*.

During the bilateral screening, the candidate country is expected to express its readiness to fully harmonize the national legislation with the EU *acquis* or to mark areas where transitional periods might be requested. Overall, the screening process usually lasts for a year. The findings by chapter are presented by the EC to the Member States in the form of a screening report. The conclusion of this report is a recommendation to either open negotiations directly or to require that certain conditions – opening benchmarks - should first be met. The system of opening benchmarks was introduced for the first time in the process of accession negotiations with Croatia and Turkey. It is also part and parcel of the ongoing negotiation process with Montenegro and Serbia.

With the opening of negotiations for individual chapters, the substantive phase of the negotiations begins. Before negotiations can start, however, the candidate country must submit its negotiating position and the EU must adopt a common position. For most chapters, the EU will set closing benchmarks in this position which

need to be met by the candidate country before negotiations in that policy field can be closed.

For Chapters 23 and 24 (Judiciary and Human Rights, and Justice, Freedom and Security, respectively), considered the most important for ensuring sustainable and lasting reforms to support a country's road to the EU, the EC adopted a different approach during the negotiations with Croatia. These have become the first chapters to be opened and the last to be closed, enabling WB countries to get a head start on the rule of law reforms and allow enough time to build solid implementation track records before opening other negotiating chapters. The EC adopted such an approach with Croatia, and is subsequently implementing it with Montenegro and Serbia as well, building on tough lessons learned with Romania and Bulgaria which, despite becoming member states in 2007, continue to be deficient in areas of the rule of law and fight against corruption.

With Montenegro and Serbia, the EC went a step further and introduced an interim benchmarking system that would assess the country's preparedness to open and close a negotiating chapter, as well as further safeguard measures, most notably the 'overall balance clause'. These will be dealt with in more detail in the subsequent section describing the specific cases of the only two WB countries currently negotiating EU accession.

The pace of the negotiations depends on the speed of reform and alignment with EU laws (*acquis*) in each country. After an agreement has been reached between the EU and the candidate country, and once the closing benchmarks have been met, the respective chapter is considered temporarily closed. The formal decision is made by the IGC at ministerial level. No negotiations on any individual chapter are closed, however, until every EU government is satisfied with the candidate's progress in that policy field, as analysed by the Commission. The whole negotiation process is only concluded definitively once every chapter has been closed, as confirmed by the conclusions of the European Council.

The results of the negotiations are incorporated in the provisions of the draft of the Accession Treaty, which is drawn up jointly by representatives of the EU Member States, representatives of EU institutions and representatives of the candidate country. After an agreement has been reached on the text of the Accession Treaty, the draft is referred to the EU institutions, EU Member States and the candidate country where appropriate procedures regarding the ratification of the document take place.

The Treaty is signed by the highest officials of the EU Member States and the acceding country. The document is then referred to signatories for ratification in accordance with domestic constitutional provisions. Following the signing of the Accession Treaty, the acceding country has the right to participate in the work of the European Council and the European Parliament as an active observer.

In order for it to enter into force, the Accession Treaty needs to be ratified by the national parliaments of the EU Member States and the parliament of the respective acceding country. Prior to the ratification of the Accession Treaty by national parliaments, most of the acceding countries hold a referendum by which they allow its citizens to make a final decision on the accession of the country in question to the EU. The acceding country becomes a member of the EU with the entry into force of the Accession Treaty, under the condition that the ratification process has been finalised.

Montenegro and Serbia

The above narrative demonstrates the complexity of the negotiation process (even though it is presented as a simplified outline of sorts). Enlargement is considered one of the most successful policies of the EU and its corpus of rules and requirements grows with each new accession. Thus, the process for the WB countries builds on the legacy of the 'big bang' of the 2004-2007 enlargements, as well as on the lessons learned from the accession of Croatia. .

Croatia, the newest EU member, negotiated for six years. The Chapter 23 'Judiciary and Fundamental Rights' did not exist as a separate chapter in the accession negotiations preceding Croatia's accession process. The issues encompassed by new Chapter 23 used to be negotiated before within a single Chapter 24, together with all other issues related to home affairs, thus reflecting the fact the EU did not pay the same attention to those issues as it did later on in the case of Croatia's negotiations. There were many circumstances causing this change of the attitude, especially the accelerated development of the *acquis* in those areas that made it impossible to negotiate them within a single chapter. Therefore, the EU decided to single out the reform of judiciary, fight against corruption, fundamental rights and rights of EU citizens in a separate negotiating chapter.

The 'New Approach' to Accession Negotiations:

- Chapters 23 and 24 opened at the beginning of the process and remain open until the end - increased focus on good governance;
- Early screening held for the two Chapters to give candidate countries a head start with tackling the most important reforms early on;
- Progress of negotiations under 23 and 24 dictates the pace of the rest of the negotiations - overall balance clause: if progress under 23 and 24 is unsatisfactory, negotiations on other chapters may be slowed down or suspended until satisfying results are achieved;
- Interim benchmarks for Chapter 23 and 24 - another safeguard measure to ensure candidate countries are on track with the reforms concerning judiciary and fightagainst corruption;
- Implementation track record -mere adoption of *acquis* is not enough; countries have to prove a solid track record for reforms being implemented before closing benchmarks are identified. The very qualifiers of 'initial' and 'solid' track record used to rank the progress of a state in the negotiation process are vague and leave room for differing interpretationsof the actual situation without sufficiently clear guidance as to the requirements.

Montenegro

Montenegro applied for EU membership in December 2008, two years after declaring its independence. The country was given candidate status in December 2010, and accession negotiations were opened in June 2012. In line with the EU's 'new approach' to the accession process, the crucial rule of law chapters, 23 and 24, were opened early in the negotiations, in December 2013.

26 chapters have been opened with Montenegro by the end of December 2016, while four more have been opened in 2017 (chapter 1 on Free Movement of Goods, chapter 2 – Freedom of Movement for Workers, chapter 3 – Right of Establishment and Freedom to Provide Services, and chapter 22 on Regional Policy & Coordination of Structural Instruments), bringing the total to 30 out of 35 negotiating chapters opened. Three chapters have been provisionally closed (25 Science and Research, 26 Education and Culture and 30 External Affairs). To date, the EU established overall 22 opening benchmarks for 13 chapters under the accession negotiations with Montenegro. Montenegro has met all opening benchmarks and submitted the negotiating positions for 32 chapters. Furthermore, so far the closing benchmarks have been established for 26 chapters.

Montenegro marked five years of the negotiation process in June 2017.

Serbia

Serbia submitted its application for EU membership in December 2009 and was granted candidate status in March 2012 after Belgrade and Pristina reached an agreement on Kosovo's regional representation. Acknowledging Serbia's progress towards normalising its relations with Kosovo, the June 2013 meeting of the European Council endorsed the Commission's recommendation to open accession negotiations with Serbia. They were formally opened on January 21, 2014. The first two chapters, including the one on normalisation of relations with Kosovo (chapter 35), were opened in December 2015. The key rule of law chapters 23 and 24 were opened in July 2016 and an additional two chapters were opened in December of the same year. Six more chapters have been opened in 2017 so far bringing the total to 12 out of 35 negotiating chapters opened. Two chapters have been provisionally closed so far - 25 Science and Research, 26 Education and Culture. To date, the EU set 21 opening benchmarks for 11 negotiating chapters in total for Serbia. Since the beginning of negotiations in 2014, Serbia submitted negotiating positions for 15 chapters in total. Closing benchmarks have been identified for 7 chapters so far.

Figure 1: State of play with accession negotiations for Montenegro and Serbia

As already noted above, the principle of opening the negotiations with Chapters 23 and 24 and keeping these two open until the end of negotiations was first applied in the case of Croatia. It proved necessary to increase the focus on 'good governance' criteria for the Balkan countries, particularly the maintenance of the rule of law, an independent judiciary and an efficient public administration. With this novel approach, proposed in 2011 by the EC and endorsed by the Council, emphasis is placed not only on the adoption of the EU *acquis* and legal acts, but on their actual implementation. The main cause of such a shift is the experience with Romania and Bulgaria which demonstrated an inadequate track record with the implementation of *acquis* adopted through an accession process that was often characterized as more of a 'box checking' exercise. The new EU approach to Chapters 23 and 24 is now fully integrated into the ongoing negotiations with Montenegro and Serbia, and will most likely apply to all future accession talks in the region.

In order to enable the WB countries to get a head start with tackling important reforms such as judiciary, public administration and the fight against corruption, the screening process for the two above mentioned chapters for Montenegro, and later also for Serbia, started even before holding the initial IGC to indicate the commencement of the negotiations. The early screening was followed by the two countries formulating Action Plans for Chapters 23 and 24. These are largely based on the recommendations outlined in EC screening reports, but also reflective of the particular circumstances in each country and clearly identifying the negotiation framework and relevant measures and milestones.

Furthermore, the new approach to negotiations envisages an interim benchmarking system: interim benchmarks are to be formulated instead of immediately identifying the closing benchmarks. This has been implemented for the first time for the negotiations with Montenegro and later applied also for Serbia. It is only once the interim benchmarks have been met sufficiently, that the closing

benchmarks are identified. These closing benchmarks would require the candidate to demonstrate a solid track record of reform implementation across the board.

Interim benchmarks, as formulated for Montenegro and Serbia, are very specific in stipulating the expected outcome of the reform process. One Chapter 23 closing sub-benchmark for Croatia, for example, states that the country is to *'ensure there are effective legislation and systems in place to protect against and sanction conflicts of interest at all levels of state/public administration, and to monitor and verify assets declarations of public officials and judges, including dissuasive sanctions for non-compliance. Croatia ensures that effective systems are in place to enable and support those reporting corruption and maladministration in public institutions.'*

One of the interim benchmark requirements for Montenegro under the same Chapter goes beyond the spirit of the above statement, that mainly stipulates what but not how, and contains the following demand: *'Montenegro establishes a new Anti-Corruption Agency with a clearly defined mandate and effective powers. This agency should demonstrate a pro-active attitude, enjoy the necessary independence, sufficient resources, including as regards merit-based recruitment and well trained staff and be well connected to other relevant authorities (and their databases). Montenegro ensures that the nomination of the head of the Anti-Corruption Agency is conducted in a transparent manner, on the basis of merit and objective criteria, including professional skills.'*

In its turn, the requirement for Serbia is even more strongly worded, requesting Serbia to *'adopt the new Law on the Anti-Corruption Agency (ACA) providing it with a clear and strong mandate. Serbia ensures that ACA continues to enjoy the necessary independence, receives sufficient financial and human resources as well as training and is well connected to other relevant authorities (including to their databases). Serbia ensures that bodies that fail to report and cooperate with ACA are held accountable.'*

The above outlined example clearly demonstrates the shift in the way accession process demands are formulated, specifically for Chapters 23 and 24. The EU wants to see concrete outcomes and a solid implementation track record in candidate countries partaking in the accession process before going for the identification of closing benchmarks and the finalization of negotiations.

In addition to the implementation track record, the so called 'overall balance clause' is another safeguard introduced with the new approach that reinforces the role of the Chapters 23 and 24. Namely, the EC sought to formulate corrective measures to further strengthen the accountability of candidates in case problems occurred during the negotiations. With the 'overall balance clause', if progress on Chapters 23 and 24 significantly lags behind the overall progress, negotiations on other chapters can be stopped or slowed down until balance is restored.

Another novelty introduced during the negotiations with Montenegro related to Chapters 23 and 24 is the obligation of semi-annual reporting to the Council of Ministers by the EC on the progress made with respect to these chapters and sporadic dispatching of experts on field missions. In the case of Serbia, this also applies to Chapter 35. The European External Affairs Service (EEAS) is tasked to monitor and report on the fulfilment of the conditions under Chapter 35.

Chapter 35 is specific for Serbia and figures prominently in the negotiations. Covering the issue of normalization of relations between Belgrade and Pristina, it is set to remain open from the beginning to the completion of the negotiations together with Chapters 23 and 24. This chapter previously posed no problem for candidate countries as it did not run counter to the interests embraced in their national and foreign policy priorities. In the previous enlargements, political criteria were essential for beginning the negotiating process, but once the process was opened, the focus was shifted to economic/legal issues. In the case of Serbia, the political criteria will continue to be an

important factor (the issue of normalizing the relations with Pristina and its repercussions on other areas) throughout the negotiating process.

The overall strong emphasis on Chapters 23 and 24 is not without some limitations. There is a limited availability of clear and unambiguous rules, i.e. hard *acquis*, especially under Chapter 23, that makes it difficult for the candidate countries to identify exactly which reforms they need to adopt. An independent judiciary may be structured in different ways; rules that produce results in certain Member States with a long democratic tradition and independent institutions, might not always work in a transition country.

Another question that arises concerns the measurability of progress and benchmarks for accession. Perception indicators of various kinds sometimes give the impression that a precise number can be applied to the level of corruption or organised crime in a country. However, it is extremely difficult to assess accurately the real levels of such crimes. Also, it is hard to arrive at quantitative, numerical results that will lend themselves to formulating unambiguous final targets for Chapters 23 and 24, sometimes leaving the impression that the process is more subjective in nature. Prioritisation of chapters 23 and 24 has even triggered some criticism that the EU is requiring higher standards from the current enlargement countries than in previous accessions or than the EU Member States meet themselves.

In these circumstances, it is crucial that the EC, with the help of Member States, supports the enlargement countries with concrete guidance and suitable models for their specific circumstances regarding all aspects of accession: political, economic, and legal. In order to help candidate countries, fulfil their commitments made in the Action Plans, specific incentives and support measures need to be put in place. Financial assistance under IPA II is now better targeted at earlier stages of the process, and is founded on a sectoral approach, including sectoral budget support based on clear comprehensive plans.

MONTENEGRO



SERBIA



Figure 2: Chapter opening and closing dates – Montenegro and Serbia

One of the bigger challenges in the years to come is to keep elites and citizens in candidate countries motivated to continue the reform process, as well as send clear signals to EU Member States that the Western Balkans is ready to claim its place in the EU family. Clearly, membership remains the biggest, albeit the most distant, reward for countries that adhere to EU conditions on the road toward accession.

Nota bene: Data presented in this publication concerning the state-of-play of negotiations for Montenegro and Serbia, and the existence, or lack thereof, of opening and/or closing benchmarks under relevant

chapters, is presented according to information available in December 2017. This does not mean that in due course of negotiations, and respective of the situation particular for each candidate country, opening and/or closing benchmarks may not be identified at a later date. It is also worth emphasizing that Montenegro and Serbia may not have opening/closing benchmarks for the same chapters where these have been identified for Croatia – the EU follows an individualized approach with benchmarks, considering the particularities of each candidate country when identifying them.





Analysis of Benchmarks for Montenegro through comparison with Croatia and Serbia



Chapter 1

FREE MOVEMENT OF GOODS

The first chapter is dedicated to the principle of the free movement of goods which implies that all products must be traded freely from one part of the Union to another. As the European Union has been founded on this principle, this chapter is of vital importance to the process of European integration.

The freedom implies that barriers to trade of goods among the Member States are removed and free flow of goods in the Internal Market is achieved thus enabling to the customers a security of high standards for the products on the market. Security is based on accepted and mutually recognised standards, controls and effective market surveillance procedures accepted and implemented in all Members States.

The principle of the free movement of goods implies that products must be traded freely from one part of the Union to another. In a number of sectors this general principle is complemented by a harmonised regulatory framework, following the "old approach" (imposing precise product specifications) or the "new approach" (imposing general product requirements).

The single market helps to bring down barriers, create more jobs and increase overall prosperity in the EU. The European Commission presents and regularly updates the Internal Market strategy, which sets out a long-term strategic vision and framework for improving the functioning of the Single Market.

When negotiating this chapter, a candidate country needs to harmonise its regulatory framework with the EU. In addition, the country will

CHAPTER 1 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	14-17 January 2013	16-20. januar 2006. godine	17-20. jun 2014. godine
Bilateral Screening:	4-6 March 2013	16-20 January 2006	17-20 June 2014
Council approves the Screening Report and opening benchmarks are set up:	29 August 2013	13-17 February 2006	29. jun 2015. godine
Opening benchmarks fulfilled:	12 October 2016		
Negotiating Position submitted:	4 November 2016	24 April 2008	
Council approves the Common Position:	15 June 2017	23 July 2008	
Opening of the Chapter:	20 June 2017	25 July 2008	
Provisional closure of the Chapter:		19 April 2010	

need sufficient administrative capacity to notify restrictions on trade and to apply measures on standardisation, conformity assessment, accreditation, metrology and market surveillance. The harmonised European product legislation, which needs to be transposed, represents the largest part of the *acquis* under this chapter.

Opening benchmarks for all three countries are mostly focused on the harmonisation of legislation, as well as on the development of Strategy and Action plans to achieve this goal. Croatia had requirements in relation to adoption and implementation of a revised horizontal legislative framework, while with Montenegro and Serbia the EU introduced a new approach and required the harmonization of vertical legislation as well, thus making the process more complex. Both Montenegro and Serbia have to provide the Commission with an action plan for compliance with articles 34-36 TFEU, as well as milestones for the internal screening of domestic legislation and administrative practices, the introduction of mutual recognition clauses, and the necessary subsequent amendments. In closing benchmarks for Montenegro and Croatia (Serbia still does not have closing benchmarks for this chapter), both countries were required to adopt legislation; with Montenegro, however, additional focus has been placed on implementation, in accordance with the new approach in conducting accession negotiations. Both Montenegro and Croatia have been required to demonstrate adequate administrative capacities.

OPENING BENCHMARKS

MONTENEGRO

- 1) Montenegro presents to the Commission a strategy and an action plan with milestones for the implementation of EU legislation in this chapter covering implementation plans for both vertical ('New Approach' and 'Old Approach') and horizontal legislation and for the relevant horizontal organizations (standardization, accreditation, metrology, and market surveillance), as well as target dates and clear responsibilities for introducing and effectively implementing legislative measures and ensuring the necessary administrative capacity.
- 2) Montenegro amends its relevant legislation to ensure that it does not imply an obligation to apply the CE marking to goods that are put on the Montenegrin market.
- 3) Montenegro provides the Commission with an action plan for compliance with articles 34 -36 TFEU, with milestones for the internal screening of domestic legislation and administrative practices, the introduction of mutual recognition clauses, and the necessary subsequent amendments.

CROATIA

- 1) Croatia adopts and implements a revised horizontal framework for this chapter, to enable completing the infrastructure necessary for the proper operation of conformity assessment procedures as well as the segregation of tasks between the various functions (regulatory, standardisation, accreditation, metrology, conformity assessment and market surveillance).
- 2) Croatia presents to the Commission a comprehensive strategy with milestones for the implementation of the EC legislation in this chapter, covering implementation plans for the relevant horizontal organisati-

ons (standardisation, accreditation, metrology and market surveillance) as well as target dates and clear responsibilities for introducing and effectively implementing legislative measures and enhancing administrative capacity. This strategy addresses different sectors with particular attention to those where alignment is insufficient or limited, such as pharmaceuticals, where the issues covered would include transparency in pricing and reimbursement.

3) Croatia presents to the Commission an action plan for compliance with Articles 28-30, containing milestones for the internal screening of domestic legislation and administrative practices, the introduction of mutual recognition clauses, and the necessary subsequent amendments.

SERBIA

1) Serbia provides the Commission with an action plan for compliance with Articles 34-36 TFEU, including milestones for the internal screening of domestic legislation and administrative practices, the introduction of mutual recognition clauses, and the necessary subsequent amendments or changes.

2) Serbia presents to the Commission a strategy and an action plan with milestones for the implementation of the EU legislation in this chapter. These cover both the vertical ('New Approach and Old Approach') and horizontal legislation and the relevant horizontal organisations (standardisation, accreditation, metrology and market surveillance). They also set out how and by when Serbia will remove barriers to trade with regard to products covered by this chapter, notably additional border or other controls. Documents define clear responsibilities for introducing and effectively implementing legislative measures and ensuring the necessary administrative capacity.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro adopts and puts in force legislation transposing directive 2001/83/EC on the Community code related to medicinal products for human use as amended by directive 2004/27/EC and legislation transposing directive 2001/82/EC related to medicinal products for veterinary use - this includes establishing the authorisation process for medicinal products in both fields, as well as directive 89/105/EEC related to the pricing and reimbursement of medicinal products, in line with the principles of the jurisprudence of the European Court of Justice.

2) Montenegro continues to make progress towards alignment of horizontal legislation with the *acquis* and demonstrates good progress towards transposition of the new, global, and old approach product *acquis* particularly in those sectors where alignment is so far insufficient or limited. Montenegro continues to make progress towards completing the introduction of mutual recognition clauses, and the necessary amendments to domestic legislation and administrative practices in order to comply with articles 34-36 TFEU.

3) Montenegro demonstrates that it has the adequate administrative capacity to properly implement and enforce the legislation in all horizontal areas affecting the free movement of goods (regulatory, standardisation, accreditation, metrology, conformity assessment and market surveillance) as well as legislation transposing new, global, and old approach product *acquis*, by the time of accession.

CROATIA

1) Croatia adopts legislation transposing Directive 2001/83/EC on the community code relating to medicinal products for human use as amended by Directive 2004/27/EC as well as adopts and puts into force Directive 89/105/EC relating to the pricing and reimbursement

of pharmaceutical products, in line with the principles of the jurisprudence of the European Court of Justice.

2) Croatia continues to make progress towards alignment of horizontal legislation with the *acquis* and demonstrates good progress towards transposition of the New and Old Approach Product *acquis* particularly in those sectors where alignment is so far insufficient or limited.

3) Croatia makes significant progress towards completing the internal screening of domestic legislation and administrative practices with Articles 28–30 EC, the introduction of mutual recognition clauses, and the necessary subsequent amendments.

4) Croatia demonstrates that it has the adequate administrative capacity to properly implement and enforce the legislation in all horizontal areas affecting the free movement of goods (regulatory, standardization, accreditation, metrology, conformity assessment and market surveillance), including horizontal procedural measures, such as Directive 98/34/EC, by the time of accession.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

Market authorisations for medicinal products granted before accession have to be upgraded to comply with the level of quality, efficacy and safety in accordance with the Directive. Croatia will have to complete this upgrading of marketing authorisations and documentation for medicinal products at the latest 4 years after the date of accession.

Chapter 2

FREE MOVEMENT OF WORKERS

The EU means not only free movement of goods, but also freedom of movement for workers. The *acquis* under this chapter enables EU citizens of one Member State to work in another Member State. The so called EU migrant workers must be treated in the same way as national workers when it comes to working conditions, social and tax advantages.

Freedom of movement for workers is one of the fundamental freedoms guaranteed by the EU *acquis*. Every EU citizen has the right to move freely, to stay and to work, with some exceptions in the public sector, in another Member State without being discriminated against on grounds of nationality.

General principles related to access to labour market provide for non-discriminatory treatment (on the basis of nationality, residence and language) of workers who are legally employed in a country other than their country of origin. Certain rights are also extended to family members of the worker. The general principle includes also provisions related to supplementary pension rights of employed and self-employed persons moving within the Community. Member States also participate in the EURES system (European Employment Services) that enables close cooperation among national employment services to exchange information on employment opportunities.

This *acquis* also includes a mechanism to coordinate national social security provisions for insured persons and their family members who are moving from one Member State to another. In the health care field, medical expenses will need to be reimbursed for all necessary treatment of nationals falling ill or having an accident during a temporary stay in another Member State. European Health Insurance Card has to be issued to all nationals.

CHAPTER 2 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	13 May 2013	19 July 2006	23 January 2014
Bilateral Screening:	7 June 2013	8 September 2006	25 March 2014
Council approves the Screening Report and opening benchmarks are set up:	15 November 2013	21. februar 2007. godine	1. septembar 2015. godine
Opening benchmarks fulfilled:			
Negotiating Position submitted:	14 July 2014	20 July 2007	
Council approves the Common Position:	5 December 2017	16 June 2008	
Opening of the Chapter:	11 December 2017	17 June 2008	
Provisional closure of the Chapter:		2 October 2009	

There are no opening benchmarks for this chapter in the case of all three countries. In closing benchmarks, Croatia has been required to demonstrate that adequate administrative structures and enforcement capacity will be in place to implement correctly the *acquis* on freedom of movement for workers, particularly in the field of co-ordination of social security systems. It is similar with Montenegro as it is required to demonstrate that appropriate structures and capacities are in place to implement correctly the *acquis* on freedom of movement of workers by the time of EU accession. It is expected that Serbia will be presented with similar requirements once this chapter will have been opened.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA



No opening benchmarks.

CLOSING BENCHMARKS:

MONTENEGRO



1) Montenegro demonstrates that adequate structures and enforcement capacity will be in place to implement correctly the *acquis* on freedom of movement for workers by the time of accession.

CROATIA



1) Croatia demonstrates that adequate administrative structures and enforcement capacity will be in place to implement correctly the *acquis* on freedom of movement for workers, particularly in the field of co-ordination of social security systems, by the time of accession.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

taken into account consistent with the practice in the case of previous accessions.

On the basis of reciprocity, Croatia may apply restrictions equivalent to the national measures applied by the respective Member State.

TRANSITIONAL ARRANGEMENT

CROATIA

The following measures have been agreed:

- a two-year period during which national measures will be applied by current Member States to Croatia. Depending on how liberal these national measures are, they may result in full labor market access;
- after this period, reviews will be held: one automatic review before the end of the second year after accession and a further review at the request of Croatia. The procedure includes a report by the Commission, but leaves the decision on whether to apply the *acquis* up to the current Member States;
- the transitional arrangement should in principle come to an end after five years, but may be prolonged for a further two years in those current Member States where there would be serious disturbances of the labour market or a threat of such disruption;
- safeguards may be applied by Member States up to the end of the seventh year. Furthermore a standstill clause will apply, whereby current Member State labour markets cannot be more restricted than at the time of the signature of the Accession Treaty. Current Member States must give preference to Croatian nationals over non-EU labour.

Austria and Germany have the right to apply flanking national measures to address serious disturbances or the threat thereof, in specific sensitive service sectors on their labour markets, which could arise in certain regions from transnational provision of services.

Under the transitional arrangements, the rights of Croatian nationals who are already legally resident and employed in a current Member State are protected. The rights of family members are also

Chapter 3

RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES

Member States must ensure that the right of establishment of EU national and legal persons in any Member State and the freedom to provide cross-border services is not hampered by national legislation, subject to the exceptions set out in the Treaty. The *acquis* also harmonises the rules concerning regulated professions to ensure the mutual recognition of qualifications and diplomas between Member States; also, for certain regulated professions, a common minimum training curriculum must be followed in order to have the qualification automatically recognised in an EU Member State.

The chapter governs the exercise by lawyers of their profession in Member States other than those in which they obtained their qualifications, the activities of commercial agents, as well as the recognition of professional qualifications for activities related to the use, trade and distribution of toxic products. National contact point is needed to be established and receive enquiries related to the recognition of professional qualifications and to ensure administrative cooperation with authorities in other Member States.

As regards the right of establishment and the freedom to provide services, the Services Directive contains provisions which aim to make it easier for service providers to establish themselves in other Member States, as well as to provide cross-border services in the territory of Member States other than their State of establishment. Member States are obliged by the Directive to set up a Point of Single Contact and to take part in an electronic information system between administrative authorities which allows for cooperation

CHAPTER 3 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	23-24 October 2012	21-22 November 2005	30 -31 January 2014
Bilateral Screening:	29-30 November 2012	15 -16 December 2005	12-13 March 2014
Council approves the Screening Report and opening benchmarks are set up:	19 June 2013	20 September 2006	17 June 2015
Opening benchmarks fulfilled:	24 July 2014		
Negotiating Position submitted:	23 September 2014	18 October 2006	
Council approves the Common Position:	19 July 2017	20 June 2007	
Opening of the Chapter:	11 December 2017	26 June 2007	
Provisional closure of the Chapter:		21 December 2009	

in the supervision of services activities and information exchange between EU Member States. As regards postal services, the *acquis* also aims at opening up the postal services sector to competition in a gradual and controlled way, within a regulatory framework which assures a universal service.

Croatia didn't have opening benchmark in this area, while both Montenegro and Serbia have requirements in relation to legislative alignments, as well as institutional capacity-building and training for doctors, dentists, nurses responsible for general care, midwives, pharmacists and veterinary surgeons necessary in order to comply with the minimum training requirements outlined in Directive 2005/36/EC. Both countries are required to prepare a comprehensive and detailed strategy for alignment with the *acquis* on professional qualifications in response to issues outlined above.

In the case of Croatia, all six closing benchmarks focused mostly on legislative changes and harmonization of legislation and adoption of an *acquis*-compliant Act regulating the issue of the recognition of professional qualifications for EU citizens. Four closing benchmarks have been identified for Montenegro concerning mainly harmonization of the legislative framework and adopting a list of *acquis*-compliant list of regulated professions. There are no closing benchmarks for Serbia yet.

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro submits to the Commission a comprehensive and detailed strategy for alignment with the *acquis* on professional qualifications, covering the following:

- all the reforms necessary in terms of legislative alignment and institutional capacity-building for the recognition of professional qualifications acquired in other Member States and for the provision of assistance to professionals who qualified in Montenegro and wish to provide services in other Member States;
- any adjustments to the training of doctors, dentists, nurses responsible for general care, midwives, pharmacists and veterinary surgeons necessary to comply with the minimum training requirements outlined in Directive 2005/36/EC.

CROATIA

No opening benchmarks.

SERBIA

1) Serbia submits to the Commission a comprehensive and detailed strategy for alignment with the professional qualifications *acquis*.

- the strategy must cover all the reforms necessary in terms of legislative alignment and institutional capacity-building for the recognition of professional qualifications acquired in other Member States and for the provision of assistance to professionals who qualified in Serbia and wish to provide services in other Member States;
- the strategy must also cover any adjustments to the training of doctors, dentists, nurses responsible for general care, midwives,

pharmacists and veterinary surgeons necessary to comply with the minimum training requirements outlined in Directive 2005/36/EC;

-A deadline, a responsible entity and a clear indication of the corresponding provision of EU law must be specified for each action covered by the strategy.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro adopts and presents to the European Commission a list of regulated professions within the meaning of the relevant *acquis*, specifying the activities covered by each profession and the justifications on the regulations;
- 2) Montenegro aligns all study programmes under which qualifications for regulated professions are acquired in Montenegro with the requirements of Directive 2005/36/EC and its relevant amendments;
- 3) Montenegro adopts the horizontal law on services transposing the Services Directive 2006/123/EC and demonstrates further progress in the alignment of sectoral legislation.
- 4) Montenegro adopts amendments to its national legislation so as to repeal any nationality requirements for access and exercise of service activities, except for nationality requirements justified and proportionate according to Article 51 TFEU. These amendments should be applicable at the latest by the date of accession.

CROATIA

- 1) Croatia adopts an *acquis*-compliant Act regulating the issue of the recognition of professional qualifications for EU citizens applicable from the day of the accession at the latest.
- 2) Croatia adopts amendments to its national legislations so as to

repeal any nationality requirements, except for the cases covered by Article 45 EC, as well as non-proportionate language requirements. The amendments should be applicable from the day of accession at the latest.

3) Croatia adopts amendments to its national legislation, in particular the Law Practice Act, bringing it in line with Croatia's commitments under Article 49 of the SAA.

4) Croatia adopts amendments to its legislation on aliens aligning it with the *acquis* abolishing *inter alia* the requirement to have a business permit for EU service providers. The amendment should be applicable from the day of accession at the latest.

5) Croatia adopts amendments to its legislation so as to explicitly allow for the cross border of services on a temporary basis without the obligation for the service provider to establish a branch office under Croatian Law. The amendment should be applicable from the day of accession at the latest.

6) Croatia adopts legislation which should be applicable from the day of accession at the latest, limiting the reserved area to the price and weight limits provided for in Directive 2002/39/EC.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 4

FREE MOVEMENT OF CAPITAL

Member States are obliged to remove, with some exceptions, all restrictions on movement of capital both within the EU and between Member States and third countries. The *acquis* also includes rules concerning cross-border payments and the execution of transfer orders concerning securities. Beside freedom of movement of goods and people, each future Member State must remove, with some exceptions, all restrictions on movement of capital both within the EU and between Member States and third countries.

The liberalisation of payments is an essential requirement for the free movement of capital. The EC regulation on cross-border payments regulates the charges levied by an institution on electronic payment transactions in Euro and other notified Member State currencies (e.g. credit transfers, direct debits, card payments, ATM withdrawals). Directive on cross-border credit transfers and Directive on payment services aim to facilitate payment transactions within the EU, creating a legal framework for the single "domestic" payments market. The e-money Directive provides framework for the taking up and supervision of the business of electronic money and creates a single market in e-money services.

Chapter 4 also includes legislation in the field of anti-money laundering. The directive on the fight against money laundering and terrorist financing requires banks and other economic operators, particularly when dealing in high-value items and with large cash transactions, to identify customers and report certain transactions. A key requirement to combat financial crime is the creation of an effective administrative and enforcement capacity, including

CHAPTER 4 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	18 January 2013	25 November 2005	13 October 2014
Bilateral Screening:	21 February 2013	21 December 2005	15 December 2014
Council approves the Screening Report and opening benchmarks are set up:	24 September 2013	27 September 2006	11 January 2016
Opening benchmarks fulfilled:			
Negotiating Position submitted:	13 February 2014	5 June 2008	
Council approves the Common Position:	18 June 2014	2 October 2009	
Opening of the Chapter:	24 June 2014	2 October 2009	
Provisional closure of the Chapter:		5 November 2010	

co-operation between supervisory, law enforcement and prosecutorial authorities.

There are no opening benchmarks for Montenegro and Serbia in this area. Croatia had two opening benchmarks mostly to comply with its obligation under the SAA to authorize the *acquisition* of real estate, as well as to submit an action plan for setting out specific measures aimed at harmonizing its anti-money laundering legislation with the *acquis* and strengthening enforcement. Both Montenegro and Croatia have three closing benchmarks (Serbia still doesn't have closing benchmarks) and they look similar. However, the second benchmark for Montenegro is more complex requiring the country to align the implementing legislation for its Law on Payments System with the *acquis* and demonstrate it will be able to fully implement Regulation (EC) No 924/2009 and Regulation (EU) No 260/2012 by the time of accession. Also, in the case of Montenegro, under closing benchmark 3, terrorist financing is also an added requirement to the alignment of prevention of money laundering legislation. Both countries have all three categories required under this benchmark: alignment with the *acquis*, proven track record and building adequate administrative capacities.

OPENING BENCHMARKS

MONTENEGRO, SERBIA

No opening benchmarks.

CROATIA

1) Croatia complies with its obligation under the SAA to authorise, by making full and expedient use of its existing procedures, the *acquisition* of real estate by EU nationals except in the exempted areas listed in Annex VII of the Agreement.

2) Croatia submits an action plan, including milestones and deadlines, setting out specific measures aimed at harmonising its anti-money laundering legislation with the *acquis* and at strengthening enforcement, *inter alia*, by strengthening the awareness of reporting entities, the supervision of reporting entities, law enforcement, prosecution, judiciary and effective cooperation between the entities of the maintenance chain.

CLOSING BENCHMARKS

MONTENEGRO

1) With respect to capital movements and payments, Montenegro completes its legislative alignment with the *acquis* and demonstrates it will be able to fully implement it by accession, ensuring that all remaining restrictions are removed.

2) Montenegro aligns the implementing legislation of the Law on Payments System with the *acquis* and demonstrates it will be able to fully implement Regulation (EC) No 924/2009 and Regulation (EU) No 260/2012 by accession.

3) In the area of prevention of money laundering and terrorist fi-

nancing, Montenegro completes the necessary legislative alignment with the *acquis* and demonstrates through a track record an adequate administrative capacity and the effectiveness of its institutional and regulatory framework in the implementation and enforcement of the AML/CFT obligations.

CROATIA

- 1) With respect to capital movements and payments, Croatia completes legislative alignment with the *acquis* and demonstrates it will be able to fully implement it by accession, ensuring that all remaining restrictions are removed.
- 2) With respect to the acquisition by nationals of the EU Member States of real estate in Croatia other than for areas and matters listed in Annex VII SAA, Croatia successfully completes the transition from existing SAA obligations to those applicable from 1 February 2009, ensuring that all EU nationals, including those who have applied for permission to acquire real estate in Croatia prior to 1 February 2009, receive the same treatment as Croatian nationals.
- 3) Croatia completes legislative alignment on anti-money laundering, including confiscation, and demonstrates through a track record an adequate administrative capacity to properly implement and enforce the relevant legislation in all areas related to anti-money laundering. In order to facilitate an assessment of this track record, Croatia reports on a quarterly basis statistics and information on investigations, prosecutions, and judicial proceedings including convictions and confiscations in money laundering cases.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

- Croatia may maintain certain restrictions on the acquisition of agricultural land by EU/EEA nationals for 7 years from the date of accession, with the possibility of a 3-year extension. This extension may be limited to selected geographical areas particularly affected.
- Restrictions on the acquisition of real estate, with 3rd countries, which existed in Croatia on 31 December 2002, may be maintained.

Chapter 5

PUBLIC PROCUREMENT

Public procurement is an important market for the EU. According to the Commission estimates, the overall value of public procurement is 16% of the gross national product of the Union.

The *acquis* on public procurement includes general principles of transparency, equal treatment, free competition and non-discrimination. In addition, specific EU rules apply to the coordination of the award of public contracts for works, services and supplies, for traditional contracting entities and for special sectors. The *acquis* also specifies rules on review procedures and the availability of remedies. Additionally, *acquis* envisages that for these actions specialised implementing bodies are required.

The public procurement system is based on the general principles of transparency, equal treatment, freedom of competition, and non-discrimination. The EU *acquis* in this area aims to secure for service-providers, deliverers, and contractors the possibility to bid in public tenders in EU Member States, and to strengthen economic development and efficiency.

Montenegro and Serbia do not have any opening benchmarks. Croatia had two opening benchmarks in this area - to develop a strategy for aligning legislation and secure that organization for procurement guarantees a coherent policy in all areas related to public procurement, and steers its implementation. Closing benchmarks for all three countries are of similar complexity since for each country all three elements are included in requirements: harmonisation of legislation; administrative and institutional capacities and track record.

CHAPTER 5 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	27 September 2012	7 November 2005	21 March 2014
Bilateral Screening:	19 November 2012	29 November 2005	13 May 2014
Council approves the Screening Report and opening benchmarks set up:	12 June 2013	17 May 2006	2 February 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	14 October 2013	7 October 2008	2 June 2016
Council approves the Common Position:	18 December 2013	18 December 2008	7 December 2016
Opening of the Chapter:	18 December 2013	19 December 2008	13 December 2016
Provisional closure of Chapter:		30 June 2010	

OPENING BENCHMARKS

MONTENEGRO, SERBIA

No opening benchmarks.

CROATIA

- 1) Croatia ensures that, during the pre-accession period, an organisation for procurement guarantees a coherent policy in all areas related to public procurement, and steers its implementation, in order to facilitate the process of alignment to the *acquis*, and to facilitate the future negotiations on the chapter.
- 2) Croatia presents to the Commission its comprehensive strategy, which should include all reforms necessary in terms of legislative alignment and institutional capacity-building in order to comply with time-schedules and milestones. This strategy would cover all aspects and in particular:

- Alignment of the legislation for public contracts and concessions ensuring at the same time coherence of any legislative initiative on public-private partnerships with the transposed *acquis*;
- Outlines of the intended modifications to sector-specific acts in the area of concessions as well as of the content of the framework law;
- Alignment of the legislation on review procedures with the remedies directives;
- Strengthening of the administrative capacity at all levels including review bodies and enforcement mechanisms.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro aligns its national legislative framework covering all areas of public procurement, including in particular concessions, public-private partnerships, and defence procurement, in accordance with EU procurement legislation and in conformity with the Treaty on the Functioning of the EU and other relevant provisions of the *acquis*.
- 2) Montenegro puts in place adequate administrative and institutional capacity at all levels and takes appropriate measures to ensure the proper enforcement and implementation of national legislation in this area in good time before accession. This includes, in particular:
 - (a) the implementation of Montenegro's Strategy for the Development of the Public Procurement System 2011-2015 and the Action Plan for its implementation to improve its administrative capacity, including proper training at all levels for all stakeholders;
 - (b) the preparation of practical implementing and monitoring tools (including administrative rules, instructions, manuals, and standard contract documents);
 - (c) the strengthening of control mechanisms which are necessary to ensure full knowledge and reliability of the system, including close monitoring and enhanced transparency of the execution phase of public contracts based on systematic risk assessments with prioritisation of controls in vulnerable sectors and procedures;
 - (d) effective functioning of the remedies system, including in the area of concessions, public private partnerships and defense procurement;
 - (e) measures/actions related to the prevention of and fight against corruption and conflict of interest in the area of public procurement at both, central and local level.

3) Montenegro demonstrates a track record of a fair and transparent public procurement system, which provides value for money, competition, and strong safeguards against corruption.

CROATIA

1) Croatia adapts its national legislative framework covering all areas of public procurement, including concessions and public-private partnerships, in conformity with the EC Treaty, EU procurement legislation and other relevant provisions of the *acquis*.

2) Croatia – in accordance with its National Strategy and Action Plan – demonstrates that the national institutions responsible for policy making, enforcement and implementation can properly fulfill their tasks, in particular legislative, monitoring and control functions, the preparation of implementing tools, and legal and practical assistance for stakeholders.

3) Croatia – in accordance with its National Strategy and Action Plan – demonstrates, through the presentation of a convincing track record, that it has taken appropriate measures to ensure the proper enforcement and implementation of national legislation at all levels (national, regional and local) in good time before accession. This should include in particular:

- (a) adequate development of administrative capacity;
- (b) preparation of practical implementing tools (administrative rules, instructions, manuals, standard documents for contracts, etc.);
- (c) adoption of the control mechanisms which are necessary to ensure full knowledge and reliability of the system;
- (d) effective functioning of the remedies system;
- (e) proper training at all levels for all stakeholders;
- (f) actions related to the fight against corruption in the area of public procurement, in the areas covered by the National Strategy and the Action Plan.

SERBIA

1) Serbia fully aligns its national legal framework with the EU *acquis* with regard to all areas of public procurement, including its legislation on concessions and international agreements exempting certain works from public procurement rules.

2) Serbia puts in place adequate administrative and institutional capacity at all levels and takes appropriate measures to ensure the proper implementation and enforcement of national legislation in this area in good time before accession. This includes, in particular:

- a) the implementation of Serbia's public procurement development strategy 2014-2018 to improve its administrative capacity, in particular by reinforcing the public procurement Office's staff and by ensuring proper training at all levels for all stakeholders;
- b) the preparation of practical implementing and monitoring tools (including administrative rules, instruction manuals and standard contract documents);
- c) the strengthening of control mechanisms, including close monitoring and enhanced transparency of the execution phase of public contracts and systematic risk assessments with prioritisation of controls in vulnerable sectors and procedures;
- d) the effective functioning of the remedies system;
- e) measures related to the prevention of and fight against corruption and conflicts of interests in the area of public procurement at both central and local level.

3) Serbia demonstrates a track record of a fair and transparent public procurement system, which provides value for money, competition, and strong safeguards against corruption

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 6

COMPANY LAW

The chapter includes harmonised rules in the field of company law, including financial reporting requirements, intended to facilitate the exercise of the right of establishment. The company law *acquis* includes rules on the formation, registration, merger and division of companies. In the area of financial reporting, the *acquis* specifies rules for the presentation of annual and consolidated accounts, including simplified rules for small- and medium-sized enterprises.

The application of International Accounting Standards is mandatory for some public interest entities. In addition, the *acquis* specifies rules for the approval, professional integrity and independence of statutory audits.

There are no opening benchmarks for any of the three countries—Montenegro, Croatia and Serbia. Montenegro also has four closing benchmarks. First three are mostly in relation to legislative improvements, but the last one is more complex: „aligns its accounting and statutory audit legislation, including implementing legislation, with the *acquis*. Montenegro establishes an independent and adequately funded public oversight body and a quality assurance system so as to comply with the rules on statutory audit”. This one mandates establishing a new independent body and requires additional administrative capacities. Croatia had four closing benchmarks, mostly in respect to legislative changes and harmonization of legislation, but it was noted also that the relevant institutional framework must be strengthened accordingly. Serbia opened this chapter in December 2017 and has four opening benchmarks which primarily concern the legislative *acquis* alignment, similar to Montenegro.

CHAPTER 6 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	2 October 2012	21 June 2006	11 November 2014
Bilateral Screening:	5 December 2012	19 July 2006	05 February 2015
Council approves the Screening Report and opening benchmarks are set up:	10 July 2013	31 January 2007	11 January 2016
Opening benchmarks fulfilled:			
Negotiating Position submitted:	3 October 2013	1 February 2007	22 June 2017
Council approves the Common Position:	13 December 2013	20 June 2007	5 December 2017
Opening of the Chapter:	18 December 2013	26 June 2007	11 December 2017
Provisional closure of the Chapter:		2 October 2009	

Particular attention needs to be paid to requirements related to quality assurance, investigations and sanctions for the statutory audit of public-interest entities and to adequate funding and resources for the public audit oversight system.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro adopts the Law on Capital Markets and relevant implementing legislation, aligning in particular with the Transparency Directive.
- 2) Montenegro adopts the new Law on Business Organisations and relevant implementing legislation, aligning it with Company Law *acquis*, in particular by introducing provisions on cross-border mergers.
- 3) Montenegro completes alignment with the Directive on Takeover Bids.
- 4) Montenegro fully aligns its accounting and statutory audit legislation, including implementing legislation, with the *acquis*. Montenegro establishes an independent and adequately funded public oversight body and a quality assurance system so as to comply with the rules on statutory audit.

CROATIA

- 1) Croatia adopts amendments to the Companies Act, aligning it with the *acquis* in particular by repealing certain restrictions to the establishment of branches and by introducing provisions concerning cross-border mergers.
- 2) Croatia completes alignment with the Directive on take-over bids.
- 3) Croatia aligns its accounting legislation, in particular as regards measurement and recognition requirements, disclosure requirements, preparation of consolidated accounts and the audit scope for annual accounts.
- 4) Croatia adopts amendments to the Audit Act, with particular emphasis on aligning requirements concerning the approval of statutory auditors, external quality assurance of audit activities and public oversight of the audit profession. The relevant institutional framework must be strengthened accordingly.

SERBIA

- 1) Serbia aligns its Law on Capital Markets, and relevant implementing legislation, with the Transparency Directive.
- 2) Serbia aligns its Law on Companies, and relevant implementing legislation, with the Company Law *acquis*, in particular by introducing provisions on cross-border mergers.
- 3) Serbia completes alignment with the Directive on Takeover Bids.
- 4) Serbia aligns its accounting and statutory audit legislation, including implementing legislation, with the *acquis*. Particular attention should be paid to requirements concerning quality assurance, investigations and sanctions for the statutory audit of public-interest entities and to adequate funding and resources for the public audit oversight system.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 7

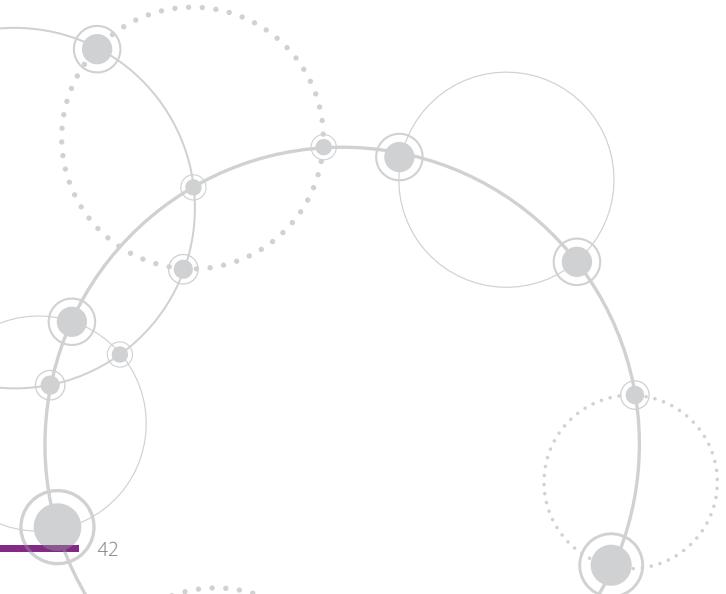
INTELLECTUAL PROPERTY LAW

The *acquis* on intellectual property rights specifies harmonised rules for the legal protection of copyright and related rights. Certain aspects of copyright rights in the information society aims to reflect technological developments and to transpose into EU law the main international obligations adopted within the framework of the World Intellectual Property Organisation. In the field of industrial property rights, the *acquis* defines rules for the legal protection of trademarks and designs, as well as a partially harmonised regime for patents.

Specific provisions apply to the protection of databases, computer programs, semiconductor topographies, satellite broadcasting and cable retransmission. Other specific provisions apply for biotechnological inventions, pharmaceuticals and plant protection products. The *acquis* also establishes a Community trademark and Community design. Finally, the *acquis* contains harmonized rules for the enforcement of both copyright and related rights as well as industrial property rights. Adequate implementing mechanisms are required, in particular effective enforcement capacity.

EU is also a member of the World Trade Organization (WTO) that administers the Agreement on Trade Related aspects of Intellectual Property Rights (TRIPS). The law on the compliance with the *acquis* on intellectual property requires an adequate implementation capacity and effective enforcement. In particular, there is a need for appropriate administrative structures including a national authority to receive applications for protection in all areas related to intellectual property rights.

There are no opening benchmarks in case of Montenegro, Croatia



CHAPTER 7 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	11-12 October 2012	6-7 February 2006	24-25 September 2014
Bilateral Screening:	20-21 November 2012	28 February - 1 March 2006	12-13 November 2014
Council approves the Screening Report and opening benchmarks are set up:	19 June 2013	4 October 2006	15 December 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	21 October 2013	18 October 2006	27 March 2017
Council approves the Common Position:	27 March 2014	21 February 2007	15 June 2017
Opening of the Chapter:	31 March 2014	29 March 2007	20 June 2017
Provisional closure of the Chapter:		19 December 2008	

and Serbia. Closing benchmarks for all three countries include additional alignment with the Community *acquis*, sufficient administrative capacity to register and enforce intellectual property rights and to provide a track record of investigation, prosecutions, and judicial treatment of violations.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro completes all necessary legislative amendments to ensure Community exhaustion of rights in all areas from the date of accession.
- 2) Montenegro adopts amendments to the Law on Copyright and Related Rights to complete alignment with the *acquis*.
- 3) Montenegro adopts the new Law on Patents to complete alignment with the *acquis*, particularly on supplementary protection certificates.
- 4) Montenegro ensures a sufficient administrative capacity to register and enforce intellectual property rights and provides a track record of investigation, prosecutions, and judicial treatment of violations.

CROATIA

- 1) Complete the alignment with the Community *acquis* concerning the community exhaustion of rights and the introduction of supplementary protection certificates. Ensure that these rights will be enforced by accession.

2) Ensure a sufficient administrative capacity to enforce the rights concerning the fight against piracy and counterfeit; provide a satisfactory track record of investigation, prosecutions, and judicial treatment of violations.

SERBIA

- 1) Serbia completes all necessary legislative amendments to ensure EU/EEA exhaustion of rights in all areas from the date of accession.
- 2) Serbia aligns its legislation with the *acquis* on copyrights and neighbouring rights, patents and trademarks.
- 3) Serbia ensures a sufficient administrative capacity to register intellectual property rights; and provides a track record of enforcement by the relevant administrative authorities and by civil and, where appropriate, criminal justice.

TRANSITIONAL ARRANGEMENT

CROATIA

- Community trademarks and designs registered in Member States before the date of accession shall be extended to the territory of Croatia on the day of accession, in order to ensure equal effect throughout the Community.
- Supplementary protection certificates (SPC) for medicinal and for plant protection products will be applicable to any medicinal or plant protection product which, on the date of Croatia's accession, is protected by a valid basic patent and for which the first marketing authorisation was obtained after 1 January 2003 provided that an application for a certificate will have to be submitted within six months from the date of Croatia's accession.
- Croatia has agreed to set up a specific mechanism to protect the rights granted by a patent or an SPC for a pharmaceutical pro-

duct filed in a Member State at the time when such protection could not be obtained in Croatia for that product.

- According to this mechanism, the holder, or his beneficiary, may rely on the rights granted by that patent or SPC in order to prevent the import and marketing of that product in the Member State or States where the product in question enjoys patent or SPC protection, even if this product was put on the market in Croatia for the first time by him or with his consent (in practice the mechanism protects EU patent-holders from so-called "parallel import" of medicines from Croatia if prices of this medicine are lower in Croatia than in Member States).

Chapter 8

COMPETITION POLICY

The *acquis* in Chapter 8 covers anti-trust and State aid control policies. It includes rules and procedures to fight anti-competitive behaviour by companies, to scrutinise mergers between undertakings, and to prevent governments from granting State aid which distorts competition in the internal market.

Generally, the competition rules are directly applicable in the whole Union, and Member States must co-operate fully with the Commission in enforcing them.

All three countries have extensive opening benchmarks due to same historical and economics background, as well as proven tradition of state aid for state-owned enterprises. This was a very common occurrence in all three countries and it requires a lot of work to overcome this heritage of the past and enable full transparency and clear rules during the negotiation process, particularly regarding steel industry and the shipbuilding sector. Specific complex issues concern the implementation of restructuring plans for KAP (Montenegro) and compliance of the aid granted to Zelezara Smederevo (Serbia) with all the conditions laid down in Protocol 5 to the SAA on State aid to the steel industry. Croatia in its closing benchmarks had a lot of requirements in relation to harmonization of the legislation, administrative capacities and implementation of state aid rules and restructuring plans in the shipbuilding sector. This is to be expected also in a case of Montenegro and Serbia once this chapter is open.

CHAPTER 8 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	3-5 October 2012	8-9 November 2005	31 March-1 April 2014
Bilateral Screening:	3-4 December 2012	5-6 December 2005	4-5 November 2014
Council approves the Screening Report and opening benchmarks are set up:	19 June 2013	28 June 2006	23 November 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:		2 April 2010	
Council approves the Common Position:		25 June 2010	
Opening of the Chapter:		30 June 2010	
Provisional closure of the Chapter:		30 June 2011	

OPENING BENCHMARKS

MONTENEGRO

- 1) Montenegro complements and amends its legislation on State aid for the purpose of implementing the obligations resulting from the Stabilization and Association Agreement.
- 2) Montenegro ensures that the State aid authority is operationally independent and that it has the powers and the resources necessary for the full application of State aid rules.
- 3) Montenegro aligns the fiscal aid schemes, namely the Law on Corporate Profit Tax, the Law on Personal Income Tax, the Law on Business Zones (Business Development Incentive Programme) and the Law on Free zones, with the requirements of Article 73 of the Stabilization and Association Agreement.
- 4) Montenegro establishes a comprehensive inventory of all State aid measures covered by the Stabilisation and Association Agreement and defines an action plan, accepted by the Commission, with a clear timetable for the alignment of all remaining aid schemes or equivalent measures identified as incompatible with the obligations resulting from the Stabilization and Association Agreement.
- 5) Montenegro adopts a restructuring plan for the aluminum plant KAP in line with the requirements of Article 73 of the Stabilization and Association Agreement. Such restructuring plan must be accepted by the Commission.

CROATIA

- 1) The Republic of Croatia should adopt a National Restructuring Program for the steel sector, adopted by the Commission, in accordance with the provisions of Article 5, paragraph 3 of Protocol 2 on steel products to the SAA.

2) The Republic of Croatia should adopt individual restructuring plans for each of the shipyards in difficulty in accordance with the requirements arising from Article 70 of the SAA. The individual restructuring plans must be accepted by the European Commission and can then be included in the national program for restructuring of the shipbuilding industry.

3) The Republic of Croatia has to align the Law on Corporate Income Tax, Law on Investment Promotion Act and Law on Free Zones with EU regulations on state aid in accordance with the requirements arising from Article 70 of the SAA. Croatia should present the Action Plan, adopted by the Commission, with a clear timeframe for the alignment of all remaining state aid programs or equal measures in the list of state aid, identified as incompatible with the obligations arising from the SAA.

4) The Republic of Croatia needs to ensure the transparency of the state aid by completing a comprehensive inventory of all State aid measures for the remaining sectors (aluminum and metals sector, textile, leather and footwear, automotive sector and the tourism sector).

SERBIA

- 1) Serbia complements and amends its legislation on State aid for the purpose of implementing its obligations under the SAA.
- 2) Serbia ensures that the State aid authority is operationally independent and that it has the powers and the resources necessary for the full and proper application of State aid rules.
- 3) Serbia completes its inventory of existing State aid measures within the meaning of Article 73(6) of the SAA and defines an action plan, accepted by the Commission, with a clear timetable for the alignment of all remaining existing aid schemes or equivalent measures identified as incompatible with the obligations resulting from the SAA.
- 4) Serbia aligns the existing fiscal aid schemes, namely the Law on

Corporate Income Tax, the Law on Personal Income Tax and the Law on Free zones, with EU State aid *acquis*.

5) Serbia ensures the compliance of the aid granted to Zelezara Smederevo with all the conditions laid down in Protocol 5 to the SAA on State aid to the steel industry.

6) Serbia complies with its obligation under Article 73(5) and Protocol 5 to the SAA to provide complete information on individual aid cases to the Commission so as to enable the Commission to assess and monitor the compliance of these aid measures with Serbia's obligations under the SAA.

CLOSING BENCHMARKS

MONTENEGRO AND SERBIA

No closing benchmarks since this chapter has not yet been opened.

CROATIA

1) The Republic of Croatia needs to continue to strengthen its administrative capacity and demonstrate a satisfactory enforcement of the competition policy legislation.

2) The Republic of Croatia needs to complete the legislative alignment with the EU *acquis*.

3) The Republic of Croatia needs to adopt updated National restructuring program for the steel sector and individual business plans, accepted by the European Commission, in accordance with the requirements of Protocol 2 on steel products to the SAA.

4) The Republic of Croatia needs to ensure full compliance with EU rules on state aid in the shipbuilding sector, in particular:

- For each of the shipyards in difficulty a restructuring plan must be adopted in compliance with the EU *acquis* and accepted by the

Agency for Protection of Competition and the European Commission;

- No shipyard will not take any new order until the restructuring plans is accepted by the European Commission;
- If any of the shipyards will not be able to submit an acceptable restructuring plan, The Republic of Croatia will have to adopt a bankruptcy plan for the shipyard in question, in accordance with national legislation, adopted by the Agency for Protection of Competition and the European Commission. Such shipyards will no longer be allowed to receive new orders and will only be allowed to receive new state aid strictly limited to what is necessary for the completion of existing orders.

TRANSITIONAL ARRANGEMENT

CROATIA

- Regarding the shipbuilding sector, the restructuring and privatization of the shipyards in difficulties shall be carried out in compliance with the conditions agreed with the EU. Upon accession, the Commission will be empowered to order Croatia to recover the restructuring aid granted since 2006 to the yards in difficulty which have not respected these conditions. In addition, Croatia will have to report regularly.
- On steel, upon accession, the Commission will be empowered to order Croatia to recover the state aid granted to CMC Sisak if the company has not reimbursed them by the date of accession.

Chapter 9

FINANCIAL SERVICES

The *acquis* on financial services includes rules for the authorisation, operation and supervision of financial institutions in the areas of banking, insurance, supplementary pensions, investment services and securities markets as well as with regard to financial market infrastructure.

Financial institutions can operate across the EU in accordance with the 'home country control' principle either by establishing branches or by providing services on a cross-border basis.

There are no opening benchmarks in case of Montenegro, Croatia and Serbia. Montenegro and Croatia have five closing benchmarks mostly in relation to legislative harmonization with *acquis*, but also referring to successful enforcement and administrative capacities. With Montenegro, it is particularly emphasized in the last benchmark that the country is to „demonstrate the robustness and independence of regulatory and supervisory institutions with an adequate administrative capacity for the implementation and enforcement of the *acquis* in the field of financial services”. Serbia still doesn't have closing benchmarks in this area.

CHAPTER 9 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	17-18 April 2013	29-30 March 2006	21 -22 January 2015
Bilateral Screening:	10-11 June 2013	4-5 May 2006	17-18 March 2015
Council approves the Screening Report and opening benchmarks are set up:	19 December 2013	24 January 2007	1 April 2016
Opening benchmarks fulfilled:			
Negotiating Position submitted:	16 October 2014	28 March 2007	
Council approves the Common Position:	17 June 2015	20 June 2007	
Opening of the Chapter:	22 June 2015	26 June 2007	
Provisional closure of the Chapter:		27 November 2009	

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro demonstrates an advanced level of alignment with the *acquis* in the field of banking and financial conglomerates, notably in relation to capital requirements, supervision of financial conglomerates, deposit protection, reorganization and winding up of credit institutions and demonstrates that it will be ready to implement the *acquis* as of accession.
- 2) Montenegro demonstrates an advanced level of alignment with the *acquis* in the field of insurance and occupational pensions, notably as regards life insurance, reinsurance, insurance intermediation, motor vehicle liability insurance, Solvency II and Institutions for Occupational Retirement Provision directive (IORPs) and demonstrates that it will be ready to implement the *acquis* as of accession.
- 3) Montenegro demonstrates an advanced level of alignment with the *acquis* in the field of financial market infrastructure, notably as regards settlement finality and financial collateral arrangements and demonstrates that it will be ready to implement the *acquis* as of accession.
- 4) Montenegro demonstrates an advanced level of alignment with the *acquis* in the field of securities markets and investment services, notably as regards Markets in Financial Instruments directive (Mi-FID), prospectus, transparency and market abuse and demonstrates that it will be ready to implement the *acquis* as of accession.

5) Montenegro demonstrates the robustness and independence of regulatory and supervisory institutions with an adequate administrative capacity for the implementation and enforcement of the *acquis* in the field of financial services.

CROATIA

- 1) The new capital framework (directives 2006/48/EC and 2006/49/EC) is transposed in Croatian law. The *acquis* on the supervision of electronic money institutions, winding-up and reorganisation of credit institutions and supplementary supervision of financial conglomerates is transposed and Croatian legislation is aligned with the Directive on deposit guarantee schemes.
- 2) The legislation concerning the calculation of solvency margins, the supervision of insurance groups and of reinsurance companies and insurance mediation is aligned.
- 3) The legislation concerning financial market infrastructure is modified in accordance with the *acquis*.
- 4) The legislation concerning investments services and securities markets and especially regulation and supervision of investment firms and regulated markets, prospectuses and market abuse is aligned with the *acquis* and an officially recognised investor compensation scheme is established in line with the *acquis*.
- 5) Croatia demonstrates continued progress in the enforcement of prudential requirement.

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

The following specific arrangement was agreed:

- The EU agreed to the Croatian request to exempt Credit Unions from the full application of the capital requirements Directive. This means that the EU will not impose disproportionate requirements on Croatian Credit Unions that have a long tradition in Croatia in providing banking services to craftsman and other individuals. The Croatian authorities will supervise Credit Unions on the basis of specific national legislation.

Chapter 10

INFORMATION SOCIETY AND MEDIA

The *acquis* on information society and media aims to eliminate obstacles to the effective operation of the internal market in electronic communications services and networks, promote competition and safeguard consumer interests in the sector, including the universal availability of basic modern services. The *acquis* includes specific rules on electronic communications, on information society services, in particular electronic commerce and conditional access services, and on audio-visual services.

The *acquis* also requires the capacity to participate in the community programmes Media Plus and Media Training. It also includes rules on information society services and a transparent, predictable and effective regulatory framework for audiovisual media services in line with European standards. The Digital Agenda for Europe frames the information and communication technologies strategy in the European Union and is one of the seven flagship initiatives of the Europe 2020 Strategy.

As regards audio-visual policy, the *acquis* requires the legislative alignment with the Television without Frontiers Directive, which creates the conditions for the free movement of television broadcasts within the EU. The *acquis* aims to the establishment of a transparent, predictable and effective regulatory framework for public and private broadcasting in line with European standards.

There are no opening benchmarks in case of Montenegro, Croatia and Serbia. Montenegro and Croatia have a similar structure and complexity of closing benchmarks. Both countries have to complete the alignment with the *acquis* concerning ensuring regulatory independence and safeguard against political interference, as well as demonstrating sufficient administrative capacity to enforce the *acquis* in the fields of electronic communications, information society services, audiovisual media services and regulatory independence.

CHAPTER 10 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	6-7 December 2012	12-13 June 2006	22-23 May 2014
Bilateral Screening:	21-22 January 2013	17-18 July 2006	10-11 July 2014
Council approves the Screening Report and opening benchmarks are set up:	7 May 2013	31 January 2007	10 April 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	11 October 2013	9 March 2007	
Council approves the Common Position:	27 March 2014	20 June 2007	
Opening of the Chapter:	31 March 2014	26 June 2007	
Provisional closure of the Chapter:		19 December 2008	

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA



No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro brings its legislation in line with the *acquis* as regards the provisions on the independence of the National Regulatory Authority for electronic communications as well as the *acquis* in the area of audiovisual media services.

2) Montenegro demonstrates that it will have sufficient administrative capacity to enforce the *acquis* in the fields of electronic communications, information society services and audiovisual media services, including as regards regulatory independence, by the time of accession.

CROATIA

1) Complete the alignment with the *acquis* concerning electronic communications, electronic commerce, electronic signature, information security and electronic media, and the Television without Frontiers Directive.

2) Ensure sufficient administrative capacity to enforce the *acquis*, in particular in the field of electronic communications and provide track record of the enforcement of obligations on operators with significant market power and the rights of new entrants on the electronic communications market, including rights of way, co-location and facility sharing.

3) Complete the foreseen review of audiovisual media legislation on

the basis of public consultation, to ensure regulatory independence and safeguard against political interference.

Chapter 11

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

AGRICULTURE AND RURAL DEVELOPMENT

The agriculture chapter covers a large number of binding rules, many of which are directly applicable. The proper application of these rules and their effective enforcement and control by an efficient public administration are essential for the functioning of the common agricultural policy (CAP). Running the CAP requires the setting up of management and quality systems such as a paying agency and the integrated administration and control system (IACS), and the capacity to implement rural development measures. Member States must be able to apply the EU legislation on direct farm support schemes and to implement the common market organisations for various agricultural products.

Objectives of the existing CAP are viable food production, sustainable management of natural resources and climate action, and balanced territorial development. It also underlines need of EU agriculture to attain higher levels of production of safe and quality food, while preserving the natural resources that agricultural productivity depends upon.

The CAP objectives should be achieved through two pillars:

- Pillar I: Direct payments and Common market organization
- Pillar II: Rural development policy

Agricultural *acquis* also includes organic production and quality policy.

Proper application of CAP requires the setting up of a paying agency and management and control systems such as the IACS, and the capacity to implement rural development actions.

CHAPTER 11 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	6-9 November 2012	5-8 December 2005	13 October 2014
Bilateral Screening:	11-14 December 2012	30 January-2 February 2006	15 December 2014
Council approves the Screening Report and setting up opening benchmark:	18 July 2013	9 November 2006	24 February 2015
Opening benchmarks fulfilled:	2 March 2016		
Negotiating Position submitted:	17 March 2016	8 September 2008	
Council approves Common Position:	23 November 2016	2 October 2009	
Opening of the Chapter:	13 December 2016	2 October 2009	
Provisional closure of the Chapter:		19 April 2011	

All three countries have similar opening benchmarks (one per country): to develop comprehensive National Strategies (in case of Montenegro and Croatia), or an Action plan (in case of Serbia). In respect to closing benchmarks, in the case of Montenegro and Croatia, these concern mostly strengthening of the administrative capacities, like implementation plans for the establishment of IACS or an implementation plan for the setting up of a Paying Agency.

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro presents to the Commission a comprehensive national strategy on agriculture and rural development, including an action plan, which will serve as a basis for the transposition, implementation and enforcement of the *acquis*. The action plan will, among other issues, include the development of a land parcel identification system and a unique identification system for farmers to prepare for the management and controls of agricultural payments.

CROATIA

1) Croatia presents to the Commission a detailed strategy (including targets, responsible authority and costs estimates) to reinforce the collection and processing of agricultural statistics in line with EU standards.

SERBIA

1) Serbia presents to the Commission an action plan, which will serve as a basis for the transposition, implementation and enforcement of the *acquis* in agriculture and rural development. This action plan will, among other issues, include the development of the relevant administrative capacities, the estimation of the resources required, and the development of the Integrated Administrative and

Control System to prepare for the management and controls of agricultural payments.

2) Serbia has submitted the request for entrustment with budget implementation tasks for IPARD II to the Commission, in accordance with the provisions of Commission Implementing Regulation 447/2014.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro presents an implementation plan for the establishment of an integrated administration and control system (IACS) to be fully operational by the date of accession. The Plan has to cover all actions required for the full implementation of each separate component of the system and their integration, including a presentation of the current status of preparation, the future targets indicated in a timetable, a plan of legislation still to be adopted, precise budgetary and human resources requirements and identification of possible shortcomings and respective solutions. Montenegro demonstrates sufficient progress towards the setting-up of the IACS, including the establishment of the land parcel identification system (LPIS).

2) Montenegro presents an implementation plan for the setting up of a Paying Agency to be fully operational by the date of accession. Taking into account the standards as regards independence, reliability, accountability and financial rectitude, the Plan should include a presentation of the current status of preparation, the future targets indicated in a timetable, a plan of legislation still to be adopted, precise budgetary requirements, human resources needs including recruitment schedule and identification of possible shortcomings and respective solutions. Montenegro demonstrates sufficient progress towards the setting-up of this Paying Agency.

CROATIA

1) Croatia should present its implementation plan for the establishment of an Integrated Administration and Control System (IACS) to be fully operational by the date of accession. The Plan has to cover all actions required for the full implementation of each separate component of the system and their integration, including a presentation of the current status of preparation, the future targets indicated in a timetable, a plan of legislation still to be adopted, and precise budgetary and human resources requirements. Croatia demonstrates sufficient progress towards the setting-up of the IACS, including the establishment of the Land Parcel Identification System (LPIS).

2) Croatia should present an implementation plan for the setting up of a Paying Agency to be fully operational by the date of accession. Taking into account the standards as regards independence, reliability, accountability and financial rectitude, the Plan should include a presentation of the current status of preparation, the future targets indicated in a timetable, a plan of legislation still to be adopted, precise budgetary requirements, human resources needs including recruitment schedule and identification of possible shortcomings and respective solutions. Croatia demonstrates sufficient progress towards the setting-up of this Paying Agency.

3) Croatia should present an implementation plan in order to be fully prepared for the application of the single Common Market Organisation (CMO) Regulation (EC) No 1234/2007 by the time of accession in the following areas: sugar, fruit and vegetables and milk. Furthermore, Croatia should demonstrate sufficient progress towards the setting up of the single CMO, to be fully operational by the time of accession.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

- Direct payments in Croatia will be phased in over a period of ten years starting at 25% of the EU direct payments in the first year of accession, 30% in the second, 35% in the third and 40% in fifth year of accession and thereafter in 10 % increments (see chapter 33). The total national envelop for direct payments per year for Croatia is EUR 373 million. In addition, and during a period of 10 years, Croatia will receive EUR 9.6 million annually of direct payments for de-mined land on the condition that this land is used for agricultural activities.
- Croatia can complement direct payments up to 100 % of the level of direct payments in the EU which have to be financed from the national budget. However, during 2014, 2015 and 2016, Croatia can use up to 20% of its annual rural development funds to finance complementary national direct payments. The contribution from rural development funds is limited to the difference between: a) the level of direct payments applicable in Croatia for the year concerned, and b) 45% of the level of direct payments applicable in the EU. After accession, Croatia will have the possibility to grant coupled direct payments for suckler cows (max. 105,270 head) and sheep and goats (max. 542,651 head). The minimum level for receiving direct payments by beneficiaries is EUR 100.
- The national sugar production quota for Croatia is 192,877 tones. During three years as of accession, Croatia has been granted an annual import quota of 40,000 tones of raw cane sugar at an import duty of EUR 98/tone.
- A number of denominations of wine and spirits will be protected at EU level as geographical indications or traditional terms.
- The milk quota for Croatia is 765,000 tones.
- In 2013, Croatia will benefit from a full year allocation under the

Instrument for pre-accession for rural development (IPARD). In the next programming period for rural development 2014 -2020, Croatia can:

- grant a special support for semi-subsistence agricultural holdings as well as a special support to facilitate the setting up of producer groups.
- apply a minimum contribution from rural development funds to LEADER which is half of the contribution applicable to the other Member States (if such a requirement is set in the rural development programme 2014-2020).
- support up to 75% of the costs of investments by agricultural holdings which are intended to improve the protection of waters against pollution caused by nitrates from agricultural sources (Nitrate Directive) during a period of four years as of accession..
- Croatia can continue, for 12 months after accession, the national protection of geographical indications and designations of origin for agricultural products existing at national level on the day of accession.

Chapter 12

FOOD SAFETY, VETERINARY AND PHYTOSANITARY POLICY

This chapter covers detailed rules in the area of food safety. The *acquis* in this chapter consists of a very large number of regulations, directives and decisions. The general foodstuffs policy sets hygiene rules for foodstuff production. Furthermore, the *acquis* provides detailed rules in the veterinary field, which are essential for safeguarding animal health, animal welfare and safety of food of animal origin in the internal market. In the phytosanitary field, EU rules cover issues such as quality of seed, plant protection material, harmful organisms and animal nutrition.

The EU integrated approach to food safety aims to ensure a high level of food safety, animal health, animal welfare and plant health within the European Union through coherent farm-to-table measures and adequate monitoring, while ensuring the effective functioning of the internal market.

Opening benchmarks for all three countries are similar. All countries got a requirement to adopt certain legislation and align it with *acquis*, present the Commission with a classification of all food establishments by category based on the EU *acquis* which will serve as a basis for a future National Programme for the upgrading of food establishments and develop comprehensive strategies with accompanying action plans for transposition, implementation and enforcement of the EU *acquis* for food safety, veterinary and phytosanitary policy, including plans for the development of the relevant administrative capacities.

Closing benchmarks are just a continuation of opening requirements and they are of the similar complexity for Montenegro and Croatia,

CHAPTER 12 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	15-19 October 2012	9-15 March 2006	3-7 February 2014
Bilateral Screening:	28 January – 1 February 2013	29 May-7 June 2006	20-24 October 2014
Council approves the Screening Report and opening benchmarks are set up:	13 May 2013	3 April 2007	6 September 2016
Opening benchmarks fulfilled:	23 March 2016		
Negotiating Position submitted:	4 April 2016	24 July 2008	
Council approves the Common Position:	30 June 2016	2 October 2009	
Opening of the Chapter:	30 June 2016	2 October 2009	
Provisional closure of the Chapter:		27 July 2010	

while Serbia still doesn't have closing benchmarks. They include the adoption of a National Programme, further harmonization of legislation with EU *acquis* and standards, and continuation of setting up and development of the relevant administrative structures, in particular with regard to food safety controls, as well as further increase administrative capacities and infrastructures.

OPENING BENCHMARKS

MONTENEGRO

- 1) Montenegro adopts the new framework legislation complying with the *acquis*, and makes provisions for a clear assignment of responsibilities, in particular for control bodies.
- 2) Montenegro presents to the Commission a comprehensive national strategy, including an action plan, which will serve as a basis for transposition, implementation and enforcement of the EU *acquis* for food safety, veterinary and phytosanitary policy, including plans for the development of the relevant administrative capacities and an estimation of the financial resources required. Particular attention should be given to a detailed action plan as regards the control and eradication of Classical Swine Fever for domestic pigs and wild boars after vaccination is discontinued.
- 3) Montenegro presents to the Commission a classification of all food establishments and all establishments handling animal by-products based on the *acquis* which will serve as a basis for a future National Programme for the upgrading of food and animal by-products establishments.

CROATIA

- 1) Croatia adopts the new framework laws (Food Act and Veterinary

Act) complying with the EU *acquis* and makes provisions for a clear assignment of responsibilities in particular for the controlling bodies.

2) Croatia presents to the Commission a comprehensive strategy for transposition, implementation and enforcement of the EU *acquis* for food safety, veterinary and phytosanitary policy, including plans for the development of the relevant administrative capacities. Particular attention should be given to a detailed action plan as regards the control and eradication of Classical Swine Fever for domestic pigs and wild boars

3) Croatia starts the implementation of an adequate system for identification and registration of pigs, caprine and ovine animals and demonstrates that measures have been taken in view to set up a compliant system for identification and registration of bovines and their movements.

4) Croatia presents to the Commission a classification of all food establishments by category based on the EU *acquis* which will serve as a basis for a future National Programme for the upgrading of food establishments.

SERBIA

1) Serbia adopts a legislative framework that complies EU *acquis*, enables full transposition of the *acquis* in this chapter and makes provisions for clear assignment of responsibilities, in particular for control bodies.

2) Serbia presents to the Commission a comprehensive national strategy with an action plan, which will serve as a basis for transposition, implementation and enforcement of the *acquis* in this chapter, including plans for the development of the relevant administrative capacities and an estimation of the financial resources required. Particular attention should be given to the detailed action plan as

regards the control and eradication of Classical swine fever for domestic pigs and wild boars after vaccination is discontinued.

3) Serbia presents to the Commission a classification of all food establishments and all establishments handling by-products of animal origin based on the EU *acquis*. The classification will serve as a basis for future National program for the upgrading of food and animal by-products establishments.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro submits to the Commission an approved national programme for the upgrading of establishments for products of animal origin, including establishments for animal by-products. As regards the milk sector, the national programme should also include a strategy for the use of non-compliant raw milk.

2) Montenegro provides to the Commission guarantees for the establishment of an EU-compliant system for official controls of live animals and animal products, including its funding.

3) Montenegro continues to set up and develop, in accordance with the *acquis*, the relevant administrative structures, in particular as regards food safety controls, and to further increase its administrative capacities and infrastructures. Montenegro demonstrates that it will have sufficient administrative capacity to correctly implement and apply all the *acquis* covered by this chapter upon accession.

CROATIA

1) Croatia submits an approved national programme for the upgrading of establishments for products of animal origin, including establishments for animal by-products. This programme must include

a precise plan for the monitoring by the Croatian authorities of the process of upgrading establishments. As regards the milk sector, the national programme must also include a strategy for the use of non-compliant raw milk. Croatia must also demonstrate sufficient progress in the implementation of this national programme. Furthermore, Croatia demonstrates that it has devoted sufficient human and financial resources for monitoring the process of upgrading the establishments covered by the national programme.

2) Croatia provides the Commission with all necessary guarantees regarding the setting up of a fully EU-compliant system for official controls of live animals and animal products, including its funding

3) Croatia continues to set up and develop, in accordance with the *acquis*, the relevant administrative structures, in particular as regards food safety controls, and to further increase its administrative capacities and infrastructures. Croatia demonstrates that it will have sufficient administrative capacity to correctly implement and apply all the *acquis* covered by this chapter on accession.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

- Laying hens: Laying production cycles that started before the day of accession in cages which are not compliant with EU standards can be continued in these cages for a period of maximum 12 months after accession. Eggs from such cages have to be identified with a special mark and can only be placed on the Croatian market.
- Establishments: Croatia has been granted a transitional period

until 31 December 2015 for establishments in the meat, milk, fish and animal by-products sectors in order to meet structural EU standards (EU standards on hygiene requirements have to be fully respected). Products from such noncompliant establishments have to be identified with a special health mark and can only be placed on Croatian market and on markets of third countries.

- Quality of seeds and propagating material: Croatia has been granted a transitional period until 31 December 2014 with regard to the marketing of certain varieties of beets, cereals, oil and fibre plants, fodder plants, vegetables and seed potatoes which have not passed yet the Distinctness, Uniformity and Stability (DUS) examinations. Such plants and seeds may not be marketed in the territory of other Member States.
- Special regime for the Neum corridor: Products of animal origin coming from Croatia and transiting through the territory of Bosnia and Herzegovina at Neum ('Neum corridor') before re-entering Croatia via Klek or Zaton Doli, may be exempted from the required veterinary checks. Croatia has to have fully equipped and staffed points of entry to the north and south of the corridor in place as well as effective technical surveillance systems to ensure efficient controls. Consignments must not be transported in open vehicles via the Neum corridor and the vehicles have to be properly sealed. The transit of live animals with the exception of pet animals through the 'Neum corridor' is prohibited.

Chapter 13

FISHERIES

The Common Fishery Policy aims to ensure that fishing and aquaculture are environmentally, economically and socially sustainable and that they provide a source of healthy food for EU citizens. Its goal is to foster a dynamic fishing industry and ensure a fair standard of living for fishing communities. These goals are to be achieved through the policies on fleet and resources management, market policy and structural policy.

The *acquis* on fisheries consists of regulations, which do not require transposition into national legislation. However, it requires the introduction of measures to prepare the administration and the operators for participation in the common fisheries policy, which covers market policy, resource and fleet management, inspection and control, structural actions and state aid control. Fisheries *acquis* has set of provision on inspection and control, state aid and also includes international agreement. In some cases, existing fisheries agreements and conventions with third countries or international organisations need to be adapted.

For this chapter only Montenegro has opening benchmarks, while in the case of Croatia and Serbia there are no opening benchmarks. Montenegro is required to presents to the Commission a comprehensive national strategy on fisheries, including an action plan, which will serve as a basis for the transposition, implementation and enforcement of the *acquis* in this chapter. Closing benchmarks are developed for Montenegro and Croatia. Requirements for both countries encompass adopting legislation that provides a substantial degree of alignment with the EU *acquis* for fisheries as well as ensuring sufficient administrative and operational capacities at all levels.

CHAPTER 13 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	14-15 March 2013	24 February 2006	30 September 2014
Bilateral Screening:	5-6 June 2013	29 March 2006	14 November 2014
Council approves the Screening Report and opening benchmarks are set up:	21 November 2013	29 July 2008	20 May 2015
Opening benchmarks fulfilled:	9 December 2015		
Negotiating Position submitted:	13 January 2016	26 September 2008	
Council approves the Common Position:	30 June 2016	18 February 2010	
Opening of the Chapter:	30 June 2016	19 February 2010	
Provisional closure of the Chapter:		6 June 2011	

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro presents to the Commission a comprehensive national strategy on fisheries, including an action plan, which will serve as a basis for the transposition, implementation and enforcement of the *acquis* in this chapter.

CROATIA

No opening benchmark

SERBIA

No opening benchmark

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro adopts legislation that provides a substantial degree of alignment with the EU *acquis* for fisheries and ensures that Montenegro will be able to fully apply the Common Fisheries Policy upon accession.
- 2) Montenegro substantially strengthens the administrative, inspection and control capacity required by the Common Fisheries Policy and ensures that EU requirements will be fully met at the date of accession, in particular as regards inspection and control.

CROATIA

- 1) Croatia ensures sufficient administrative and operational capacities at all levels, in particular in order to discharge properly its future responsibilities in terms of inspection and control, including the setting up of a satellite-based vessel monitoring system, and achieves substantial progress with regard to fleet management and catch and landing registration.

re responsibilities in terms of inspection and control, including the setting up of a satellite-based vessel monitoring system, and achieves substantial progress with regard to fleet management and catch and landing registration.

2) Croatia adopts a new law on structural measures, market measures and State aid fully aligned with the *acquis*.

3) Croatia adopts an institutional framework for the implementation of the European Fisheries Fund including the formal designation of institutional structures (with specific tasks and responsibilities) for the operational programme.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

- Croatian fishermen may continue to use bottom trawls in waters on depths less than 50 meters at the minimum distance of 1.5 nautical miles from the coast until 30 June 2014. The vessels must be registered and operate in the Western Istria region determined from the point with geographic coordinates $\varphi=44.52135$ and $\lambda=14.29244$ with a line due north and a line due west. During the same period and for all vessels of less than 15 meters length overall, bottom trawls may be used in waters over 50 meters deep at a minimum distance of 1 nautical mile from the coast on condition that all other spatial and temporal restrictions Croatia currently applies are maintained.
- The specific category of non-commercial fisheries (subsistence fishermen), i.e. the small scale artesanal fishing for personal use needs to be phased out by 31 December 2014.

- For investments of all sizes of companies supported from the European Fisheries Funds on the islands Mljet, Vis, Dugi otok and Lastov, a higher co-finance rate (of max. 85%) can be applied.
- Based on existing bilateral agreement between Slovenia and Croatia, a limited mutual access to the coastal waters of the other country has been agreed between Croatia and Slovenia. The mutual access rights will apply as of the full implementation of the arbitration award resulting from the Arbitration Agreement between Slovenia and Croatia, signed in Stockholm on 4 November 2009.



Chapter 14

TRANSPORT POLICY

EU transport legislation aims at improving the functioning of the internal market by promoting safe, efficient and environmentally sound and user-friendly transport services. The *transport acquis* covers the sectors of road transport, railways, inland waterways, combined transport, aviation, and maritime transport. It relates to technical and safety standards, security, social standards, state aid control and market liberalisation in the context of the internal transport market.

EU transport policy is aimed at sustainable mobility, combining Europe's competitiveness with the welfare of its citizens. It is an essential component of Europe 2020 Strategy, and contributes to the EU's social and territorial cohesion. The objectives of the EU transport policy are: to improve the functioning of the internal market by promoting a safe, competitive, resource efficient, environmentally sound, user-friendly and effectively integrated transport system offering a high level of sustainable mobility throughout the Union, protecting the environment, promoting labour and qualification standards for the sector and protecting safety and security of the citizens. The EU's sustainable transport policy requires the integrated, interoperable and interconnected transport system to meet society's economic, social and environmental needs. The *acquis* under this chapter covers road transport, rail transport, inland waterways transport, combined transport, air transport, maritime transport and satellite navigation.

There are no opening benchmarks in case of Montenegro, Croatia and Serbia in this chapter. Closing benchmark are developed for Montenegro and Croatia mostly regarding further alignment of legislation with the EU standards and *aquis*, but also to ensure a competent, independent and effective railway regulatory body and safety authority. Serbia still doesn't have closing benchmarks for this chapter.

CHAPTER 14 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	22-25 April 2013	26-29 June 2006	16-17 December 2014
Bilateral Screening:	27-30 May 2013	18-21 September 2006	24-25 February 2015
Council approves the Screening Report and opening benchmarks are set up:	27 March 2014	21 February 2007	17 November 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	1 October 2014	8 June 2007	
Council approves the Common Position:	18 November 2015	16 April 2008	
Opening of the Chapter:	21 December 2015	21 April 2008	
Provisional closure of the Chapter:		5 November 2010	

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA



No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO



1) Montenegro aligns with the EU *acquis* concerning road charging, social *acquis* in road transport, new rules on weights and dimensions of heavy goods vehicles and vehicles transporting passengers as well as the common rules for access to the profession of road transport operator, to the international road haulage market and to the international market for coach and bus services.

2) Montenegro ensures a competent, independent and effective railway regulatory body and safety authority and it ensures alignment with EU safety and interoperability standards.

3) Montenegro aligns with the *acquis* on passenger rights in all modes of transport.

4) Montenegro aligns fully with the *acquis* on air traffic management.

CROATIA



1) Croatia needs to adopt amendments to the legislation with the aim of transposition and implementation of the EU *acquis* in the field of social conditions in the road transport and has already started with their application. As regards the application of digital tachographs, the Croatian security policy needs to be approved by the European Certification Authority (European Root Certification Authority' – ERCA) and Croatia needs to successfully participate in the

session of the ERCA on national cryptographic keys. Croatia needs to ensure adequate administrative capacity for the implementation of regulations in the area of road transport, including roadside checks.

2) Croatia needs to establish a competent and effective regulatory body for the rail, separate the basic functions from the body that provides transportation services and railway infrastructure manager must publish a report on the network.

3) Croatia should ratify the European Common Aviation Area and implement it's the first transitional phase.

4) Croatia needs to continue to improve the quality of ships flying its flag, as evidenced by the rate of prohibition of departure after the completion of Port State control in the area covered by the Paris Memorandum of Understanding.

SERBIA

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No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

.....

- For road transport, for the first 2 years following the accession of Croatia, transport companies established in Croatia will be excluded from operating transport services exclusively within the borders of the other Member States (cabotage), and operators established in the other Member States are excluded from providing such services in Croatia. This transitional period can be extended by a maximum of 2 additional years.
- In the area of maritime transport and with regard to the freedom to provide services within Member States (maritime cabotage), public service contracts concluded before the date of accession may continue to apply until 31 December 2016.

Furthermore, until the end of 2014 cruise services carried out between Croatian ports by ships smaller than 650 gross tones shall be reserved to ships registered in, or flying the flag of Croatia, which are operated by Croatian shipping companies. In turn, until the same date, the Commission may, upon a substantiated request by a Member State, decide that ships benefiting from this derogation shall not carry out cruise services between ports of certain areas of a Member State other than Croatia in case of serious disturbances of the internal transport market caused by such operations in the areas concerned.

█ Chapter 15

ENERGY

EU energy policy objectives include the improvement of competitiveness, security of energy supplies and the protection of the environment. The energy *acquis* consists of rules and policies regarding competition and state aid, including the coal sector, conditions for equal access to resources for prospection, exploration and production in the hydrocarbon sector, the internal energy market (opening of the electricity and gas markets), the promotion of renewable energy sources and energy efficiency, nuclear energy and nuclear safety and radiation protection.

Croatia didn't have opening benchmarks in this area, while Montenegro has one and Serbia two. Both Montenegro and Serbia need to develop an Action Plan to align its legislation on minimum stocks of crude oil and/or petroleum products with the *acquis*. This should include legislative alignment, establishing stockholding structures, acquiring storage capacity and gradually increasing the stock levels in terms of days of net imports. Serbia also has an obligation to adopt a legally binding plan including a timetable for the complete unbundling in the gas sector in order to implement the internal energy market *acquis*.

Montenegro and Croatia have closing benchmarks, while in the case of Serbia they haven't still been developed. For Montenegro, all closing benchmarks encompass only legislative alignment with *acquis*, while Croatia beside harmonization of legislation at this later stage got a requirement to deal with adequate administrative capacity to properly implement and enforce the relevant legislation in all areas related to nuclear safety and presents to the Commission a waste management strategy.

CHAPTER 15 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	27 February – 1 March 2013	15-17 May 2006	29-30 April 2014
Bilateral Screening:	10-12 April 2013	19-21 June 2006	11-12 June 2014
Council approves the Screening Report and opening benchmarks are set up:	7 October 2013	18 May 2007	12 May 2015
Opening benchmarks fulfilled:	16 September 2015		
Negotiating Position submitted:	14 October 2015	11 July 2007	
Council approves the Common Position:	11 December 2015	16 April 2008	
Opening of the Chapter:	21 December 2015	21 April 2008	
Provisional closure of the Chapter:		27 November 2009	

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro presents an Action Plan to align its legislation on minimum stocks of crude oil and/or petroleum products with the *acquis*, which should include legislative alignment, establishing stockholding structures, acquiring storage capacity and gradually increasing the stock levels in terms of days of net imports.

CROATIA

No opening benchmarks.

SERBIA

1) Serbia presents an Action Plan to align with the *acquis* on minimum stocks of crude oil and/or petroleum products. The Action Plan should indicate the timetable for legislative alignment, for establishing measures to be taken in the case of an emergency, for acquiring storage capacity, and for gradually increasing the stock levels to the minimum level set by the *acquis*.

2) Serbia adopts a legally binding plan including a timetable for the complete unbundling in the gas sector in order to implement the internal energy market *acquis*. This should include unbundling of the vertically-integrated publicly-owned utility according to one of the models foreseen in the 2009 Gas Directive.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro completes legal alignment with the *acquis* as regards mandatory oil stocks, establishes its administrative structure to manage oil stocks, and has begun to constitute actual stocks, in line with Montenegro's own Action Plan.

2) Montenegro aligns with the *acquis* on the internal energy market, including unbundling all energy utilities in line with one of the models in the *acquis*.

3) Montenegro aligns with the *acquis* on energy efficiency.

CROATIA

1) Croatia adopts a new mining act, aiming at full alignment with Directive 94/22/EC on the conditions for granting and using authorizations for the prospecting, exploration and production of hydrocarbons and coming into effect by the date of accession at the latest.

2) Croatia fully implements Directive 2003/54/EC concerning common rules for the internal market in electricity, Directive 2003/55/EC concerning common rules for the internal market in natural gas, and Regulation (EC) No. 1228/2003 on conditions for access to the network for cross-border exchanges in electricity.

3) In accordance with Directive 2001/77/EC on the promotion of electricity produced from renewable energy sources in the internal electricity market, Croatia sets an appropriately ambitious target for the percentage of electricity produced from renewable energy sources to be achieved by the deadline set in the directive, and commensurate with the objective to achieve an increase in the EU's share of renewable energy consumption from around 7% in 2005 to 20% in 2020, as agreed by European Council in March 2007.

4) Croatia demonstrates that it will have by the time of accession the adequate administrative capacity to properly implement and enforce the relevant legislation in all areas related to nuclear safety. In particular, Croatia presents to the Commission a waste management strategy in line with the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management. Such a strategy should ensure that sufficient qualified staff and adequate financial services are available to support the safety of facilities for spent fuel and radioactive waste management during their operating lifetime and for decommissioning and that the provisions of Article 24 of said Convention (Operational Radiation Protection) are applied.

SERBIA

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No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

.....

No transitional arrangement is envisaged.

Chapter 16

TAXATION

The *acquis* in the Chapter 16 refer to the indirect taxation, direct taxation and administrative co-operation and mutual assistance. The *acquis* on taxation covers extensively the area of indirect taxation, namely value-added tax (VAT) and excise duties. It lays down the scope, definitions and principles of VAT. Excise duties on tobacco products, alcoholic beverages and energy products are also subject to EU legislation. As concerns direct taxation, the *acquis* covers some aspects of taxing income from savings of individuals and of corporate taxes. Furthermore, Member States are committed to complying with the principles of the Code of Conduct for Business Taxation, aimed at the elimination of harmful tax measures. The EU legislation in the field of administrative co-operation and mutual assistance between Member States' tax and customs authorities provides tools to share information in order to prevent tax evasion and tax avoidance. Administrative co-operation and mutual assistance between Member States is aimed at ensuring a smooth functioning of the internal market as concerns taxation and provides tools to prevent intra-Community tax evasion and tax avoidance. Member States must ensure that the necessary implementing and enforcement capacities, including links to the relevant EU computerised taxation systems, are in place.

The differences between the Member States' tax systems and national tax policies, cause discrimination regarding investment in Member States, and for this reason a certain level of tax harmonisation has become a precondition for the functioning of the single market. The EU's objective is not to standardise national tax systems, but rather to ensure that they are compatible not only with each other but also with the objectives set out in the Treaty on European Union. This may

CHAPTER 16 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	8-9 April 2013	6-7 June 2006	14-15 October 2014
Bilateral Screening:	29-30 April 2013	3-4 July 2006	5-6 March 2015
Council approves the Screening Report and opening benchmarks are set up:	23 September 2013	31 January 2007	13 July 2016
Opening benchmarks fulfilled:			
Negotiating Position submitted:	16 June 2014	30 April 2008	
Council approves the Common Position:	4 February 2015	2 October 2009	
Opening of the Chapter:	30 March 2015	2 October 2009	
Provisional closure of the Chapter:		30 June 2010	

be achieved through coordination, administration of common policies and actions in certain areas, and harmonisation of national legislation through regulations and directives, in accordance with the EU Treaty.

Montenegro and Croatia do not have any opening benchmarks while Serbia has one: to review its legislation on excise duties on alcohol and coffee in order to ensure full compliance with Article 37 of the SAA on fiscal discrimination. Closing benchmarks for Montenegro and Croatia are almost the same. For both countries these include harmonisation of legislation on VAT, building up adequate institutional and administrative capacity and the required infrastructure in its central and local tax offices and the Central Liaison Office and the Central Excise Liaison Office, as well as developing IT systems necessary for tax cooperation and exchange of information in the field of direct taxation. In case of Croatia, the requirement for an IT system was formulated on the level of the action plan, while with Montenegro the emphasis is on implementation: "demonstrates sufficient progress in developing all the tax administration IT supporting systems".

OPENING BENCHMARKS

MONTENEGRO, CROATIA

No opening benchmarks.

SERBIA

1) Serbia reviews its legislation on excise duties on alcohol and coffee in order to ensure full compliance with Article 37 of the SAA on fiscal discrimination.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro adopts legislation in the areas requiring further alignment; it should in particular make significant progress towards alignment in the areas of VAT, excise duties and direct taxation, and submits to the Commission a detailed timetable to reach full alignment with the EU *acquis* by the date of accession.

2) Montenegro has adequate administrative capacity and the required infrastructure in its central and local tax offices to implement and enforce its tax legislation and to effectively collect taxes and control its taxpayers; additionally, Montenegro shall establish all arrangements for the Central Liaison Office and the Central Excise Liaison Office, in order to ensure that they will be sufficiently staffed and operational upon accession.

3) Montenegro demonstrates sufficient progress in developing all the tax administration IT supporting systems, including those related to interconnectivity, in particular those for the VAT (VIES), excise duties (EMCS) and the IT systems necessary for tax cooperation and exchange of information in the field of direct taxation.

CROATIA

- 1) The Republic of Croatia has to achieve significant progress in the field of harmonization of VAT and excise duties and submit a detailed timetable for achieving full compliance with the EU *acquis* in the remaining areas.
- 2) The Republic of Croatia needs to prove that it has adequate administrative capacity for the implementation and enforcement of tax legislation and the efficient collection of taxes and for the supervision of taxpayers using the necessary infrastructure within the central office and regional offices of the Tax Administration. Croatia must specifically meet all conditions for the establishment of the Central Liaison Office and Excise Liaison Office, hire enough employees and ensure that these offices will be fully functional on the date of accession.
- 3) The Republic of Croatia needs to present to the European Commission a comprehensive and consistent strategy for IT interconnectivity and achieve sufficient progress in developing all important IT systems for interconnectivity, especially Information Exchange System of VAT (VIES) and the Excise Movement Control System (EMCS).

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENTS

CROATIA

- Croatia is allowed to apply under certain circumstances a lower VAT exemption and registration threshold for taxpayers of the equivalent of € 35,000 in national currency without any time limitation and to continue exempting international transport of

passengers from VAT, with the right to input tax deduction. Croatia is granted a transitional period until 31 December 2014 to exempt from VAT the supply of building land, with or without buildings built on it. In consequence, the right of deduction of input tax on goods and services used as inputs in the course of construction of buildings on the building land, will remain unchanged during the transitional period and the current system of full right of input tax deduction applied in Croatia for all the supplies related to the construction of buildings on building land is maintained.

- Croatia has been granted a transitional arrangement to apply, until 31 December 2017, lower excise duties on cigarettes than the minimum level set in the *acquis*.

Chapter 17

ECONOMIC AND MONETARY POLICY

The *acquis* in the area of economic and monetary policy contains specific rules requiring the independence of central banks in Member States, prohibiting direct financing of the public sector by the central banks and prohibiting privileged access of the public sector to financial institutions. The economic policies of Member States are subject to fiscal and broader economic and financial surveillance.

Member States are expected to co-ordinate their economic policies and are subject to the Stability and Growth Pact on fiscal surveillance. New Member States also need to comply with set criteria in order to be able to adopt the euro in due course after accession. Until then, they will participate in the Economic and Monetary Union as a Member State with a derogation from the use of the euro and shall treat their exchange rates as a matter of common concern.

Croatia and Serbia do not have any opening benchmarks while Montenegro has 2 opening benchmarks: to amend relevant legislation and adopts and provides the Commission with a detailed action plan, with clear objectives and timeframes to fully align its legislation with the Economic and Monetary Union *acquis*, as well as measures to develop the necessary administrative capacity in order to be able to implement the *acquis* by the date of accession to the EU. Croatia had just one closing benchmark to align its legal framework to ensure full central bank independence and allow full integration of its central bank into the ESCB. Montenegro and Serbia still don't have closing benchmarks in this area.

CHAPTER 17 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	10-11 January 2013	16 February 2006	12 March 2015
Bilateral Screening:	25-26 February 2013	9 March 2006	2-3 December 2014
Council approves the Screening Report and opening benchmarks are set up:	7 March 2014	20 September 2006	5 February 2016
Opening benchmarks fulfilled:	19 July 2017		
Negotiating Position submitted:	26 July 2017	18 October 2006	
Council approves Common Position:		20 December 2006	
Opening of the Chapter:		21 December 2006	
Provisional closure of Chapter:		19 December 2008	

OPENING BENCHMARKS

MONTENEGRO

- 1) Montenegro amends articles 8 and 17a of the CBM Decision on bank reserve requirements, which allows banks to allocate and hold up to 25 or 35% of its minimum reserves in treasury bills issued by the government of Montenegro, in order to eliminate the possibility for bank reserves to be held in treasury bills.
- 2) Montenegro adopts and provides the Commission with a detailed action plan, setting out clear objectives and timeframes to fully align its legislation with the Economic and Monetary Union *acquis*, as well as measures to develop the necessary administrative capacity in order to be able to implement the *acquis* by the date of accession to the EU.

CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO, SERBIA

No closing benchmarks since this chapter has not yet been opened.

CROATIA

- 1) Croatia needs to align its legal framework in order to ensure full central bank independence, and to allow the full integration of its central bank into the ESCB.

TRANSITIONAL ARRANGEMENTS

CROATIA

- Croatia will participate in EMU upon accession with the status of a country with a derogation under Article 139 of the Treaty on the functioning of the European Union.

Chapter 18

STATISTICS

The *acquis* in the field of statistics requires the existence of a statistical infrastructure based on principles such as impartiality, reliability, transparency, confidentiality of individual data and dissemination of official statistics. The *acquis* in statistics consists almost exclusively of legislation that is directly applicable in Member States such as European Parliament and Council Regulations and Commission Decisions and Regulations.

National statistical institutes act as reference and anchor points for the methodology, production and dissemination of statistical information. The *acquis* covers methodology, classifications and procedures for data collection in various areas such as macro-economic and price statistics, demographic and social statistics, regional statistics, and statistics on business, transport, external trade, agriculture, environment, and science and technology. The statistical *acquis* contains also a wide range of methodological handbooks and manuals in the various statistical domains such as agriculture, economic and monetary policy, demographic and social statistics and research. International agreements or international standards provide a basis for the statistical production. No transposition into national legislation is needed as the majority of the *acquis* takes the form of regulations.

There are no opening benchmarks in case of Montenegro, Croatia and Serbia. Montenegro and Croatia have two closing benchmarks each, referring mostly to improvements of methodology and system to collect and present statistics in accordance with EU standards and *acquis*. Serbia still doesn't have closing benchmarks for this chapter.

CHAPTER 18 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	3-4 June 2013	19-20 June 2006	20-21 May 2014
Bilateral Screening:	24-25 June 2013	13-14 July 2006	25-26 November 2014
Council approves the Screening Report and opening benchmarks are set up:	20 November 2013	20 December 2006	22 February 2017
Opening benchmarks fulfilled:			
Negotiating Position submitted:	13 May 2014	22 February 2007	
Council approves the Common Position:	11 December 2014	20 June 2007	
Opening of the Chapter:	16 December 2014	26 June 2007	
Provisional closure of the Chapter:		2 October 2009	

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro submits key national accounts data in accordance with the European System of National and Regional Accounts (ESA) 2010 and other relevant requirements together with the required detailed description of the methodology used.
- 2) Montenegro presents to the Commission a road map for the transmission of the remaining tables from the ESA 2010 Transmission Programme and the pending methodological issues.

CROATIA

- 1) The Republic of Croatia should provide to the European Commission (Eurostat) a detailed description of the foreseen methodology and organizational structure for collecting statistics on crops, livestock, production of meat, milk and dairy products and agro – monetary statistics and statistical data pertaining to the livestock, meat production, production of milk and dairy products that show significant progress in terms of alignment with the EU *acquis*.
- 2) The Republic of Croatia should provide to the European Commission (Eurostat) key indicators of national accounts (GDP and GNI and the main components) in accordance with ESA – 95 and together with a detailed description of the methodology used.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 19

SOCIAL POLICY AND EMPLOYMENT

The *acquis* in the social field includes minimum standards in the areas of labour law, equality, health and safety at work and anti-discrimination. Specific binding rules have also been developed with respect to non-discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

The Member States participate in social dialogue at European level and in EU policy processes in the areas of employment policy, social inclusion and social protection. The European Social Fund is the main financial tool through which the EU supports the implementation of its employment strategy and contributes to social inclusion efforts (implementation rules are covered under Chapter 22, which deals with all structural instruments).

All three countries have one opening benchmark in this area: to provide an action plan for the gradual transposition of the *acquis*, identifying administrative capacities and their clear tasks, and building up the necessary capacity (in case of Serbia) to implement and enforce the *acquis* in all areas covered by the Social Policy and Employment chapter. Closing benchmarks are developed for Montenegro and Croatia. They incorporate legislative harmonization and changes needed in the Labour Law and the Law on Safety at Work, as well as anti-discrimination legislation, and administrative capacities to enable its full implementation.

CHAPTER 19 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	23-25 January 2013	8-10 February 2006	10-12 February 2014
Bilateral Screening:	11-13 March 2013	6-8 March 2006	24 – 26 June 2014
Council approves the Screening Report and opening benchmarks are set up:	6 February 2014	18 July 2006	18 January 2016
Opening benchmarks fulfilled:	20 April 2016		
Negotiating Position submitted:	28 April 2016	7 April 2008	
Council approves the Common Position:	30 November 2016	16 June 2008	
Opening of the Chapter:	13 December 2016	17 June 2008	
Provisional closure of the Chapter:		21 December 2009	

OPENING BENCHMARKS

MONTENEGRO

1) Provide the Commission with an action plan for the gradual transposition of the *acquis* (where necessary) and for building up the necessary capacity to implement and enforce the *acquis* in all areas covered by the Social Policy and Employment chapter. The plan should include: a) a timetable, b) the identification of the human resources allocated to each task, c) the identification of the institutions involved, their mandate and role in the accession negotiations, and d) the identification of accompanying support actions in the pre-accession context (strengthening of administrative capacity).

CROATIA

1) Croatia should submit to the European Commission Action Plan for the alignment of legislation and building of the necessary capacity to implement the EU *acquis* in all areas of Chapter 19. Action Plan should include: a) the schedule (timetable); b) precisely defined human resources allocated to each task; c) a list of all institutions that will be involved in the implementation, their mandate and a description of their role in the continuation of the negotiations; d) a list of accompanying operational support (strengthening of administrative capacity) during the pre-accession period.

SERBIA

1) Serbia provides the Commission with an action plan for the gradual transposition of the *acquis* (where necessary) and for building up the necessary capacity to implement and enforce the *acquis* in all areas covered by the Social Policy and Employment chapter.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro amends the labour law and the law on safety and health at work in order to align its legislation in the fields of labour Council of the EU law and health and safety at work with the *acquis*, and demonstrates that adequate administrative structures and enforcement capacity will be in place by the time of accession to implement correctly the *acquis* on labour law and health and safety at work, particularly through strengthening of the labour inspection system.

2) Montenegro amends the laws on non-discrimination and equality between women and men in employment and social policy in order to align its legislation in these fields with the *acquis*, and demonstrates that adequate administrative structures, particularly the required equality body, the Ombudsman, administrative and enforcement capacities will be in place by the time of accession.

3) Montenegro strengthens administrative capacities to ensure effective implementation and effective enforcement of all legislation and policy frameworks in the areas of employment and social policies, including planning and operational capacities, to ensure the effective dialogue between social partner organizations as well as to ensure future management of the ESF (European Social Fund).

CROATIA

1) Croatia needs to amend the Labour Law and the Law on Safety at Work in order to adapt its legislation with the EU *acquis* in the areas of labor and safety at work. Croatia has to show good progress in the establishment of adequate administrative structures and enforcement capacity, particularly through the strengthening of the system of labor inspection and to demonstrate that all appropriate admini-



strative structures will be established in due time before accession in order to be trained for the proper application of the EU *acquis* in these areas, and also in order to ensure the future management of the ESF until the accession to the EU.

2) Croatia should adopt an Anti – discrimination Law and a new Law on Gender Equality in order to adapt its legislation in the areas of anti – discrimination and equal opportunities with the EU *acquis* and show good progress in establishing the appropriate administrative structures, especially structures required for equality policy and implementation of legislation, and to prove that all appropriate administrative structures will be established in due time before accession in order to be trained for the proper application of the EU *acquis* in these areas at the time of accession.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 20

ENTERPRISE AND INDUSTRIAL POLICY

The *acquis* under the enterprise and industrial policy chapter consists of policy principles and instruments. EU industrial policy seeks to promote industrial strategies enhancing competitiveness by speeding up adjustment to structural change, encouraging an environment favorable to business creation and growth throughout the EU as well as domestic and foreign investments. It also aims to improve the overall business environment in which small and medium enterprises (SMEs) operate. It involves privatization and restructuring. EU SME policy is characterized by policy recommendations and joint policy review mechanisms comprised in the Small Business Act as well as a common SME definition. An important policy instrument is Directive on combating late payments in commercial transactions.

EU industrial policy mainly consists of policy principles and industrial policy communications. The implementation of enterprise and industrial policy requires adequate administrative capacity at the national, regional and local level. EU enterprise and industrial policy is strongly driven by the Europe 2020 Strategy. Financial support for the period from 2014 to 2020 is provided through COSME. COSME is the Union Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises with a planned budget of €2.3bn.

There are no opening benchmarks in case of Montenegro, Croatia and Serbia. Montenegro, Croatia and Serbia have one closing benchmark each, with similar focus but at a different stage. While it has been required from Croatia “to develop a comprehensive industrial policy strategy, with particular emphasis on the restructuring of key sectors

CHAPTER 20 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	25-26 October 2012	27-28 March 2006	2-3 April 2014
Bilateral Screening:	27-28 November 2012	27-28 April 2006	1 July 2014
Council approves the Screening Report and opening benchmarks are set up:	4 March 2013	20 September 2006	30 January 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	14 May 2013	18 October 2006	20 January 2017
Council approves the Common Position:	13 December 2013	20 December 2006	22 February 2017
Opening of the Chapter:	18 December 2013	21 December 2006	27 February 2017
Provisional closure of the Chapter:		25 July 2008	

which generate losses, which will contain a detailed analysis of current and estimated future competitiveness of the industry and its key sectors and the vision on how the individual sectors", in the case of Montenegro and Serbia the requirement is even more complex: "to put in place and start to implement a comprehensive industrial competitiveness strategy, supported by a system of evaluation indicators and benchmarks as suggested by the EU integrated industrial policy".

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA



No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro puts in place and starts to implement a comprehensive industrial competitiveness strategy, supported by a system of evaluation indicators and benchmarks as suggested by the EU integrated industrial policy.

CROATIA

1) Croatia needs to develop a comprehensive industrial policy strategy, with particular emphasis on the restructuring of key sectors which generate losses, which will contain a detailed analysis of current and estimated future competitiveness of the industry and its key sectors and the vision on how the individual sectors, including steel and shipbuilding, will regain sustainability conditions under market throughout the restructuring and other measures.

SERBIA

1) Serbia puts in place and starts to implement a comprehensive industrial strategy, supported by a system of evaluation indicators and benchmarks as suggested by EU policies relevant to industry.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 21

TRANS-EUROPEAN NETWORKS

This chapter covers the Trans-European Networks policy in the areas of transport, telecommunications and energy infrastructures, including the Community guidelines on the development of the Trans-European Networks and the support measures for the development of projects of common interest. The establishment and development of Trans-European Networks and the promotion of proper interconnection and interoperability of national networks aim to take full advantage of the internal market and to contribute to economic growth and the creation of employment in the European Union.

The aim of establishing and developing Trans-European networks and promoting proper interconnection and interoperability of national networks is to take full advantage of the internal market and contribute to economic growth and job creation in the European Union. The Trans-European network contributes to a sustainable and multimodal development of transport and to the elimination of bottlenecks. A corridor approach is used as an instrument to coordinate different projects on a trans-national basis and is considered to be priority for co-funding under the Connecting Europe Facility.

Trans-European energy networks cover the transport and storage facilities of gas as well as the electricity transmission. The security of energy supply, ending of energy isolation and the functioning of the internal energy market are key policy goals.

There are no opening benchmarks in case of Montenegro, Croatia and Serbia. Croatia had just one closing benchmark: to reach an agreement with the TEN – T in accordance with the Decision and priority projects, while Montenegro has more comprehensive closing benchmarks.

CHAPTER 21 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	No separate meeting – held together with multilateral screening of chapters 14 and 15	30 June 2006	TENs – Energy 30 April 2014; TENs – Transport 18 December 2014
Bilateral Screening:	No separate meeting – held together with bilateral screening of chapters 14 and 15	22 September 2006	TENs – Energy 12 June 2014; TENs – Transport 25 February 2015
Council approves the Screening Report and opening benchmarks are set up:	27 March 2014	3. april 2007. godine	17. novembar 2015. godine
Opening benchmarks fulfilled:			
Negotiating Position submitted:	8 September 2014	6 June 2007	
Council approves the Common Position:	17 June 2015	19 December 2007	
Opening of the Chapter:	22 June 2015	19 December 2007	
Provisional closure the of Chapter:		2 October 2009	

Beside this agreement, that is also included in the case of Montenegro, Montenegro and the European Commission have agreed on a list of priority projects in the transport sector in line with Regulation (EU) No 1316/2013 establishing the Connecting Europe Facility. Montenegro also needs to demonstrate the institutional and administrative capacity required to undertake the responsibilities referred to in Regulation (EU) No 1316/2013 establishing the Connecting Europe Facility. There are no closing benchmarks in this chapter for Serbia yet.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA



No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro and the European Commission have agreed on the future TEN-T network concerning Montenegro, according to Regulation (EU) No 1315/2013 on Union guidelines for the development of the trans-European transport network.
- 2) Montenegro and the European Commission have agreed on a list of priority projects in the transport sector in line with Regulation (EU) No 1316/2013 establishing the Connecting Europe Facility.
- 3) Montenegro demonstrates the institutional and administrative capacity needed to undertake the responsibilities referred to in Regulation (EU) No 1316/2013 establishing the Connecting Europe Facility.

CROATIA

- 1) Croatia needs to reach an agreement with the European Commission on the future Trans-European Transport Network (TEN-T) in accordance with the Decision no. 1692/96/EC, as amended, and

on the priority project of European interest in the framework of the TEN - T network

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 22

REGIONAL POLICY AND COORDINATION OF STRUCTURAL INSTRUMENTS

The *acquis* under this chapter consists mostly of framework and implementing regulations, which do not require transposition into national legislation. They define the rules for drawing up, approving and implementing the Structural and Investment Funds (ESI funds).

There are five ESI funds:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- Cohesion Fund (CF)
- European Agricultural Fund for Rural Development (EAFRD)
- European Maritime & Fisheries Fund (EMFF).

The EU member states administer the funds on a decentralised basis through shared management. Member States must set up an institutional framework. This includes designating and establishing all structures at national and regional level required by the regulations as well as setting up an implementation system with a clear definition of tasks and responsibilities of the bodies involved. The institutional framework also requires establishing an efficient mechanism for inter-ministerial coordination as well as the involvement and consultation of a wide partnership of organisations in the preparations and implementation of programmes. Adequate administrative capacity has to be ensured in all relevant structures.

The programming process covers the preparation of a Partnership Agreement between the European Commission and individual EU countries and a series of operational programmes (OP). Partnership

CHAPTER 22 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	14-15 November 2012	11-14 September 2006	1-2 October 2014
Bilateral Screening:	17-18 December 2012	5-6 October 2006	28-29 January 2015
Council approves the Screening Report and opening benchmarks are set up:	22 May 2013	29 April 2007	23 October 2015
Opening benchmarks fulfilled:	28 April 2016		
Negotiating Position submitted:	27 June 2016	25 June 2008	
Council approves the Common Position:	6 June 2017	30 September 2009	
Opening of the Chapter:	20 June 2017	2 October 2009	
Provisional closure of the Chapter:		19 April 2011	

Agreement set out the national authorities' plans on how to use funding from the ESI Funds between 2014 and 2020. They outline each country's strategic goals and investment priorities, linking them to the overall aims of the Europe 2020 Strategy for smart, sustainable and inclusive growth.

Member States should ensure that a sufficient pipeline of projects is established allowing for a full financial implementation of programmes. Member States will also have to carry out specific information and publicity measures with regard to the ESI funds. Establishing a monitoring and evaluation system includes the setting up of evaluation structures and processes in different relevant bodies as well the installation of a comprehensive and computerised management information system accessible and usable for all concerned bodies. Member States must set up a specific framework for financial management and control including audit.

All three countries have one opening benchmark for this Chapter: to present to the Commission a detailed Action Plan and a related timetable, setting out clear objectives and timeframes in order to meet requirements deriving from the EU Cohesion Policy. Closing benchmarks are comprehensive (6 in case of Montenegro, 7 in case of Croatia). Serbia still doesn't have closing benchmarks. They are strongly focused on implementation and institutional and administrative capacity building, as well as further alignment of procedures and methodologies for planning and implementing EU funds and EU Cohesion Policy. With Montenegro, there is an added requirement to provide a detailed plan and timetable with regard to the setting up of a monitoring and evaluation system, including the set-up of an electronic management and information system (MIS).

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro presents to the Commission a detailed Action Plan and a related timetable, setting out clear objectives and timeframes in order to meet requirements deriving from the EU Cohesion Policy.

CROATIA

1) Croatia presents to the Commission an action plan setting up clear objectives and a related timetable in order to meet regulatory and operational requirements deriving from Community cohesion policy.

SERBIA

1) Serbia presents to the Commission a detailed Action Plan and a related timetable, setting out clear objectives and timeframes in order to meet requirements deriving from the EU Cohesion Policy.

CLOSING BENCHMARKS

MONTENEGRO

1) A satisfactory level of implementation by Montenegro of the EU pre-accession funding approved for indirect management, in particular for the components and sectors relevant for the implementation of the future ESI Funds has been demonstrated.

2) Montenegro sends to the Commission an advanced and comprehensive draft of its partnership agreement (PA) document, which outlines arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth, the selected thematic objectives and the main expected results for each of the ESI Funds; this will comprise outline indications of the planned Operational Programme, including sources of funding as well as a summary of the

assessment of the fulfillment of applicable ex-ante conditionalities.

3) Montenegro provides a detailed plan and timetable for the finalisation of its PA and for the preparation and finalisation of the operational programme. This plan should include information on how and at which level Montenegro intends to organise the programming process and on the precise role and tasks of all the institutions involved at national and at regional/local level.

4) Montenegro adopts an institutional set-up for implementing EU cohesion policy, including the formal designation of institutional structures (with specific tasks and responsibilities) for the operational programme. This will include managing authority, certifying authority and audit authority, as well as intermediate bodies where appropriate and already identified. Adequate separation of functions between relevant institutions needs to be ensured.

5) Montenegro adopts individual organisational development strategies for all key organisations involved in the management/implementation of future ESI Funds (including the strengths, weaknesses, opportunities and threats analysis, training needs assessment, staffing plans, training/capacity building plan) as well as an overall institutional development and capacity building/training strategy, based on an adequate risk assessment of all bodies involved (including beneficiaries where already identified).

6) Montenegro provides to the Commission a detailed plan and timetable with regard to the setting up of a monitoring and evaluation system, including the set-up of an electronic management and information system (MIS).

CROATIA

1) The satisfactory functioning of the decentralised implementation system under IPA components III and IV has been proven, including in particular in relation to public procurement (as verified by follow-up audits to conferral of management decisions for different components and by evaluations).

2) Satisfactory level of implementation of EU pre-accession funding (Phare/ISPA) including for regional development, and human resources development schemes has been demonstrated.

3) Adequate and mature project pipeline has been established for IPA components III and IV to cover financial commitments for 2007-2009.

4) Croatia submits to the Commission an advanced and comprehensive draft of its National Strategic Reference Framework (NSRF) document, which outlines key priorities and expected results of Cohesion Policy assistance; this will comprise outline indications of planned Operational Programmes, including their sources of funding. Croatia also submits a detailed plan and timetable for finalization of its NSRF and preparation and finalisation of operational programmes. This plan should include information on how and at which level Croatia intends to organise the programming process and on the precise role and tasks of all the institutions involved at national and at regional/local level.

5) Croatia adopts an institutional set up for the implementation of the EU Cohesion Policy, including the formal designation of institutional structures (with specific tasks and responsibilities) for all operational programmes. This will include Managing Authorities, Certifying Authorities and Audit Authority, as well as intermediate bodies where appropriate and identified already. The designation of Managing Authorities will be at department level. Adequate separation of functions within Ministries, as applicable between Managing Authorities and intermediate bodies, need to be ensured.

6) Croatia adopts individual Organisational Development Strategies for all key organisations involved in Cohesion Policy management/implementation (including SWOT analysis, training needs assessment, staffing plans, training/capacity building plan) as well as an overall Institution Development and Capacity Building/Training Strategy based on an adequate risk assessment of all bodies involved (including beneficiaries where already identified). An adequate career planning and salaries strategy for civil servants involved in the management of EU funds is established.

7) Croatia submits to the Commission a detailed plan and timetable with regard to the setting up of a monitoring and evaluation system,

including the set up of an electronic Management and Information System (MIS).

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENTS

CROATIA

- In order to ensure continuation of the ongoing multiannual operational programmes under pre-accession assistance (IPA component III and IV) after accession these programmes will be considered as programmes adopted under Structural Fund/Cohesion Fund regulations.
- Croatia has been granted an extension of the eligibility end date and the deadline for automatic de-commitment to the 31 December of the third year following the year of the annual budget commitment under its operational programmes adopted under the current Structural Funds Regulation.
- All of Croatia's 3 level 2 regions shall be eligible for assistance under the Convergence objective. From the date of accession, Croatia will also be eligible for Cohesion Fund assistance.
- From the date of accession, all level 3 areas along Croatia's land borders and all level 3 maritime border areas shall be eligible areas for cross-border cooperation under the European territorial cooperation objective. All of Croatia's statistical regions at level 2 will be included in a joint or in separate groupings of regions for the purpose of transnational cooperation and the whole of Croatia's territory shall be eligible for interregional cooperation.

Chapter 23

JUDICIARY AND FUNDAMENTAL RIGHTS

EU policies in the area of judiciary and fundamental rights aim to maintain and further develop the Union as an area of freedom, security and justice. The establishment of an independent and efficient judiciary is of paramount importance. Impartiality, integrity and a high standard of adjudication by the courts are essential for safeguarding the rule of law. This requires a firm commitment to eliminating external influences over the judiciary and to devoting adequate financial resources and training. Legal guarantees for fair trial procedures must be in place. Equally, Member States must fight corruption effectively, as it represents a threat to the stability of democratic institutions and the rule of law. A solid legal framework and reliable institutions are required to underpin a coherent policy of prevention and deterrence of corruption. Member States must ensure respect for fundamental rights and EU citizens' rights, as guaranteed by the *acquis* and by the Fundamental Rights Charter.

The Union is founded on the principles of human dignity, freedom, democracy, equality, the rule of law and the respect for human rights. These principles are common to the Member States and need to be complied with by candidate countries.

As it has been noted in introduction, this is one of the most challenging and complex chapters and the pace and duration of the negotiation process in this area will much affect progress in other aspects for both Montenegro and Serbia. Although at first sight it seems the scope of the negotiating chapter is clearly defined, the spectrum of issues it covers is exceptionally broad. Furthermore, the main issue in Chapter 23 is the lack of clear cut standards

CHAPTER 23 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	26-27 March 2012	6-8 September 2006	25 – 26 September 2013
Bilateral Screening:	30-31 May 2012	17-18 October 2006	9 – 10 December 2013
Council approves the Screening Report and opening benchmarks are set up:	12 November 2012	20 December 2007	24 July 2014
Opening benchmarks fulfilled:	25 September 2013		1 June 2016
Negotiating Position submitted:	9 October 2013	19 February 2010	2 June 2016
Council approves the Common Position:	11 December 2013	25 June 2010	7 July 2016
Opening of the Chapter:	18 December 2013	30 June 2010	18 July 2016
Provisional closure of the Chapter:		30 June 2011	

that a negotiating country needs to meet in order to fulfill the EU membership criteria. This becomes particularly difficult if you keep in mind that there is, unlike in other negotiating chapters, almost none of the so called 'hard acquis', but only the best practices of the Member States. Whereby each Member State has its own best practice and its own experience and is frequently convinced that these are at the highest EU quality level.

Opening benchmarks for all three countries envisage that action plans need to be developed and adopted, comprising related timetables and setting out clear objectives and the necessary institutional set-up, in the following areas: judiciary, fight against corruption and fundamental rights. Montenegro and Serbia also have comprehensive interim benchmarks which was not a case for Croatia (there are 44 interim benchmarks for Montenegro and 50 for Serbia). They will not be elaborated further due to specifics that have been described above, but it is fair to say that Croatia instead got comprehensive closing benchmarks that have in general encompassed the most important elements in this particular area.

Chapter 23 is divided into four main and interconnected areas that can be further divided into numerous sub-areas. Against this background, Croatia was faced with the challenge to find solutions and standards acceptable to all EU Member States. Although it was not always easy to meet such a challenge, accession negotiations led to the transformation of the Croatian society in the long term which should leave a mark on the development of democracy, rule of law, respect for human rights, and better functioning of the state in general.

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro adopts one or more detailed action plan(s), comprising related timetables and setting out clear objectives and timeframes and the necessary institutional set-up, in the following areas:

- Judiciary
- Anti-Corruption
- Fundamental rights

The action plan(s) should be closely consulted with the Commission and take into consideration the recommendations provided in part III. Beyond these recommendations, also other identified shortcomings in the country should be addressed. The action plan(s) should aim at full alignment of Montenegro with the requirements of this chapter. They will constitute guidance documents for the following negotiations and the Commission may propose that Montenegro submits new or amended action plans, where problems arise in the course of negotiations under this chapter.

CROATIA

1) Croatia provides the Commission with a revised Action Plan for the Reform of the Judiciary including timeframes, bodies responsible and budget necessary for its implementation with specific emphasis on (a) the appointment and the management of the careers of judges and state attorneys; (b) measures to improve the efficiency of the judiciary including the rationalisation of the court network; (c) the introduction of a comprehensive system of legal aid; (d) the integrity of proceedings as regards war crimes, both in terms of domestic cases and proceedings transferred from ICTY.

2) Croatia provides the Commission with a revised National Anti-corruption Programme and related Action Plans including timeframes,

bodies responsible and budget necessary for its implementation with specific emphasis on (a) the establishment of an effective institutional mechanism of coordination for the implementation and monitoring of anticorruption efforts; (b) the effectiveness of legislation on financing of political parties and election campaigns in addressing corruption; (c) measures to prevent conflict of interest.

3) Croatia provides the Commission with two separate plans including timeframes, bodies responsible and budget necessary for their implementation for (a) the full implementation of the Constitutional Act on the Rights of National Minorities, and (b) the accelerated implementation of the Housing Care Programme within and outside the Areas of Special State Concern for those refugees who are former tenancy rights holders wishing to return; Croatia decides on measures to resolve the issue of convalidation.

SERBIA

1) Serbia adopts one or more detailed action plan(s), comprising related timetables and setting out clear objectives and timeframes and the necessary institutional set-up together with adequate cost evaluations and financial allocations, in the following areas:

- Judiciary
- Anti-corruption
- Fundamental rights

INTERIM BENCHMARKS

MONTENEGRO

In total, there are as many as 44 interim benchmarks for Montenegro under the framework of Chapter 23 negotiations. Apart from the general guidance on ensuring efficient and constant monitoring over the

process of implementation of measures contained in Chapter 23 Action Plan, 18 interim benchmarks concern the area of judiciary, 14 are related to the fight against corruption and 11 to fundamental rights.

In view of the present state of Montenegro's preparations, the EU notes that, on the understanding that Montenegro has to continue to make progress in the alignment with and implementation of the *acquis* covered by the chapter Judiciary and fundamental rights, the following interim benchmarks would need to be met before the next steps in the negotiation process of the chapter Judiciary and fundamental rights can be taken:

- Montenegro ensures a close and permanent monitoring of the implementation of the Action Plan in the field of Judiciary and Fundamental Rights through a robust and multi-disciplinary mechanism, paying particular attention to the adequacy of financial resources, institutional capacity and the respect of set deadlines.

Judiciary

- Montenegro adopts and starts implementing its new national strategy of Judicial Reform (2013 – 2018) and the accompanying Action Plan. Montenegro ensures that a monitoring mechanism continuously follows up on the impact of various measures and takes remedial action where needed.

Montenegro strengthens the independence of the judiciary, in particular:

- Montenegro implements constitutional amendments in line with the recommendations of the Venice Commission and European standards and best practices. Montenegro subsequently adopts implementing legislation. On that basis:
- Montenegro establishes an initial track record of appointments of high-level judges and high level prosecutors based on transparent and merit-based procedures and substantial qualified majority thresholds where the parliament is involved.

- Montenegro establishes an initial track record of recruiting judges and prosecutors on the basis of a single, nationwide, transparent and merit based system and ensures that candidate judges and prosecutors undergo obligatory initial training in the Judicial Training Centre prior to their nomination.
- Montenegro establishes an initial track record of implementing a fair and transparent system of promoting judges and prosecutors based on periodic, professional performance assessment (including at senior level).

Montenegro strengthens the administrative capacity of the Judicial and Prosecutorial Councils allowing them to perform in a professional, accountable, transparent, and impartial manner their key functions.

Montenegro strengthens the impartiality and accountability of the judiciary. In particular:

- Montenegro strengthens the system for random allocation of cases in all courts with three judges or more through the application of the PRIS system and ensures that the planned analysis on the organization of the court system confirms the commitment to establish a minimum number of judges per court that allows for effective random allocation of cases.
- Montenegro provides an initial track record of regular inspections of the work of judges and prosecutors and ensures that in case of detected breaches of rules, the disciplinary sanctions are effectively enforced. Montenegro develops case law on the interpretation of the disciplinary rules and raises awareness among judges and prosecutors of the interpretation, as well as the amended Code of ethics.
- Montenegro establishes a new disciplinary Commission in the Judicial and Prosecutorial Councils for the conduct of disciplinary proceedings against magistrates on the basis of objective criteria. Montenegro ensures that integrity managers in courts also develop measures fostering respect of ethical standards among other court staff.
- Montenegro provides an initial track record that assets reported

by magistrates are duly checked, that sanctions are applied in cases of non-compliance, should this occur, and that in cases where reported assets do not correspond to the reality, appropriate action is taken, including criminal investigations where relevant.

- Montenegro aligns legal provisions with the constitution so as to make magistrates fully accountable under criminal law and avoids that the concept of functional immunity of magistrates is abused so that it does not hamper the launch of criminal investigations should there be such requests.

Montenegro improves the professionalism, competence and efficiency of the judiciary. In particular:

- Montenegro develops a sound statistical capacity (based on the guidelines on judicial statistics of the European Commission for the Efficiency of Justice (CEPEJ) allowing it through the Judicial Information System (PRIS) to monitor the workload and performance of judges and courts, to measure *inter alia* the average duration of court proceedings per type of case, the clearance rate, the number of pending cases, as well as the recovery rate, the length and costs of enforcement proceedings. Montenegro analyses these statistics in order to identify backlogs, the exceeding of deadlines for preparing decisions, procedural bottlenecks, as well as human and financial resources involved in resolving a particular type of case. Montenegro actively uses these data as a management tool and takes appropriate action where needed.
- Montenegro continues to implement the organization of the judicial network. Montenegro finalises a new needs analysis establishing the basis for adopting the next steps of the organization which should lead to closing down all unviable small courts.
- Montenegro establishes an initial track record of further reducing the case backlog before the courts, particularly as regards old civil, administrative and enforcement cases. Montenegro makes

increasing use of alternative measures such as mediation, court settlements and arbitration.

- Montenegro puts in place a system of permanent voluntary horizontal transfer of judges, based on incentives allowing for an increase in the voluntary reallocations of judges to courts with the highest workload.
- Montenegro ensures the full respect and correct implementation of court orders and rulings. Montenegro establishes an initial track record of an improved clearance and recovery rate of enforcement proceedings in civil and commercial cases. Montenegro finalises a general assessment of the enforcement system and develops further measures where relevant.
- Montenegro adopts a law on training in the Judiciary and secures the necessary financial and human resources to turn the Judicial Training Centre into an institutionally and financially independent body in accordance with the set timeline.

Montenegro improves the handling of domestic war crimes cases. In particular:

- Montenegro effectively demonstrates the capacity of law enforcement bodies and courts to handle impartially war crimes cases in line with international humanitarian law and the jurisprudence of the International Criminal Tribunal for the former Yugoslavia, and takes effective action to address issues of impunity, in particular by accelerating progress with investigations and prosecutions of these crimes, and by ensuring civilian victims' access to justice and reparations.

Fight against corruption

Montenegro implements its national strategy for the fight against corruption and organized crime (2010 – 2014) and the Action Plan (2013 – 2014). It continuously monitors and assesses the impact of the various measures and proposes remedial action where needed.

Montenegro strengthens prevention measures in the fight against corruption. In particular:

- Montenegro establishes a new Anti-Corruption Agency with a clearly defined mandate and effective powers. This agency should demonstrate a pro-active attitude, enjoy the necessary independence, sufficient resources, including as regards merit-based recruitment and well trained staff and be well connected to other relevant authorities (and their databases). Montenegro ensures that the nomination of the head of the Anti-Corruption Agency is conducted in a transparent manner, on the basis of merit and objective criteria, including professional skills.
- Montenegro amends the Law on Conflicts of Interest and puts in place an effective system to prevent conflicts of interest at all levels of the state/public administration. Montenegro provides an initial track record showing an increase in the number of detected and resolved conflict of interest cases, including deterrent sanctions and effective recovery of damages caused to the public budget where relevant.
- Montenegro provides an initial track record of effective implementation of the asset declaration and verification system, including dissuasive sanctions for non-compliance and appropriate follow up measures (including through criminal investigations where relevant) in cases where the reported assets do not correspond to the reality.
- Montenegro adopts and implements ethical codes for members of the legislative and executive at all levels that would cover rules on conflict of interests, incompatibilities and other unethical or corrupt behavior and puts in place corresponding accountability tools and a dissuasive sanctioning system for violations of these rules.
- Within the public administration, Montenegro recruits, promotes and nominates public officials on the basis of clear

and transparent criteria, focusing on merits and proven skills. Montenegro reinforces the capacity of the Administrative Inspectorate, implements a risks analysis methodology, adopts integrity plans and appoints trained integrity managers in the public administration. Montenegro provides an initial track record of effective sanctions in cases of breach of ethical values.

- Montenegro amends its current legislation on political party financing, ensuring this is fully in line with GRECO recommendations, and reinforces the administrative capacity and independence of supervising authorities. Montenegro provides an initial track record on the correct implementation of the law, including application of deterrent sanctions where required.
- Montenegro implements and assesses the impact of measures taken to reduce corruption in vulnerable areas and takes remedial action where needed, including through disciplinary and criminal measures in cases of detected irregularities.

Montenegro strengthens repressive measures in the fight against corruption. In particular:

- Montenegro establishes an initial track record of efficient and effective investigation, prosecution and convictions in corruption cases, including high level cases.
- Montenegro revises its Criminal Procedures Code such that pre-trial investigations become more effective. Montenegro establishes a new special prosecution office which should lead to better priority setting in dealing with serious crime cases, more specialization of staff and substantially improved inter-agency co-operation and intelligence exchange.
- Montenegro substantially improves the capacity of the Ministry of Interior to run investigations into financial crimes. Montenegro ensures that both the Ministry of Interior and the Special Prosecution Office are well connected to other relevant

agencies. Montenegro provides the necessary training on the concept of financial investigation and systematically conducts financial investigations in parallel to criminal investigations into organized crime and corruption cases.

- Montenegro adopts legislation on asset recovery, establishes an Asset Recovery Office (ARO), recruits the management of the ARO on the basis of transparent and objective criteria with a focus on merits and professional skills, and provides an initial track record of an increased number and amounts of criminal assets confiscated, including in cases of high level corruption.
- Montenegro takes steps to improve the effectiveness of its whistle-blowers protection system.
- Montenegro brings the procedure for closing criminal cases in line with EU best practices. This includes the obligation to duly justify the decision towards the alleged victim as well as the creation of a legal possibility for review of the prosecutor's decision on dismissal of criminal charges.

Fundamental rights

Montenegro strengthens the effective application of human rights. In particular:

- Montenegro further aligns its legal framework (in particular the law on the Ombudsman) with the EU *acquis* and international standards. Montenegro strengthens the independence, professionalism and the institutional capacity of the ombudsman (including through the establishment of the National Prevention Mechanism for Torture). Montenegro guarantees the effective enforcement of human rights – including children's rights and rights of disabled persons – through its court system and other bodies and provides sufficient training in this respect.
- Montenegro implements all recommendations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment (CPT) from 2008 report and those urgent

ones from the 2013 report and in particular improves the material conditions in prisons, detention centres and closed institutions. Montenegro ensures a sufficient follow-up to 2013 CPT report's recommendations. Montenegro prevents and ensures appropriate and swift judicial follow up in cases of ill-treatment should these occur. Montenegro establishes an efficient probation system.

- Montenegro ensures that freedom of expression and the media in the country is improved and applies a zero-tolerance policy as regards threats and attacks against journalists, prioritizing criminal investigations should such cases occur. Montenegro establishes a Commission to monitor the actions of competent authorities in the investigation of old and recent cases of threats and violence against journalists, including a murder case. Montenegro provides an initial track record of progress in the investigation, effective prosecution and deterrent sanctions for perpetrators in these cases.
- Montenegro continues to implement the Strategy for the Protection Against Domestic violence, including raising awareness on preventing domestic violence and providing the necessary protection to victims.
- Montenegro continues to implement its Strategy for improving the Status of LGBTI persons, raises awareness of the rights of LGBTI persons and takes appropriate action against acts of discrimination on grounds of sexual orientation.

Montenegro improves alignment with the EU *acquis* and international standards regarding procedural safeguards. In particular:

- The Montenegrin courts establish an initial track record of effective legal remedy in line with Article 13 of the European Convention on Human Rights.
- Montenegro disseminates information on legal rights to citizens and ensures that free legal aid is in principle available to all citizens in need, in particular the most vulnerable ones.

Montenegro steps up the protection of minorities and cultural ri-

ghts. In particular:

- Montenegro takes concrete steps – in line with its Action Plan – to prevent discrimination and systematically addresses cases of discrimination through administrative or judicial follow.
- Montenegro implements the Strategy for the Advancement of the Status of Roma and Egyptians in Montenegro, facilitates their access to personal documents and registration as well as their access to education, health, employment and to social housing, including through the allocation of sufficient resources. Montenegro also promotes integration in the fields of culture, education, local self-government, media and socio-economic rights and takes concrete steps to decrease the drop-out rate of Roma children at schools.
- Montenegro increases the quality of living conditions of displaced persons, including by facilitating their registration as well as their access to education, health, employment and social housing.

Montenegro takes steps to align its domestic legal framework with the *acquis* and international standards against racism and xenophobia. In particular:

- Montenegro amends its Criminal Code so as to fully align it with Framework Decision 2008/913/JHA of 28 November 2008 on combating certain forms and expressions of racism and xenophobia by means of criminal law.

Montenegro ensures for the above policy areas an adequate involvement of civil society in policy development, implementation and monitoring.

CROATIA



No interim benchmarks.

SERBIA

As many as 50 interim benchmarks have been identified for Serbia under the framework of Chapter 23 negotiations. Apart from the one general benchmark on efficient and continuous monitoring of the implementation of measures contained in the Action Plan for Chapter 23 (see below), there are 20 interim benchmarks set for judiciary, 14 for the area of fight against corruption, while 15 concern the area of fundamental rights.

As per the Common Negotiating Position, Serbia ensures an effective, close and permanent monitoring of the implementation of its Action Plan in the field of Judiciary and Fundamental Rights, through a robust and multidisciplinary mechanism, paying particular attention to the adequacy of human and financial resources, institutional capacity, training requirements, the respect of set deadlines, a real dialogue with civil society and adequate consideration of their proposals and which can trigger corrective measures as required.

Judiciary

Serbia implements its national Judicial Reform Strategy (2013 – 2018) and Action Plan ensuring full alignment with its Action Plan for Chapter 23. It assesses its impact at the end of 2018 and takes remedial action where needed. Serbia ensures that recommendations from the functional review are followed up on and conducts a new functional review in early 2018.

Serbia strengthens the independence of the judiciary, in particular:

- Serbia adopts new Constitutional provisions bearing in mind the Venice Commission recommendations, in line with European standards and based on a wide and inclusive consultation process. Serbia subsequently amends and implements the Laws on the Organisation of Courts, on Seats and Territorial Jurisdiction of Courts and Public Prosecutors' Offices, on Judges, on Public

Prosecutor's Office, on the High Judicial Council and on the State Prosecutorial Council as well as the Law on Judicial Academy.

- Serbia establishes an initial track record of implementing a fair and transparent system based on merit for the management of the careers of judges and prosecutors including recruiting, evaluating and promoting judges and prosecutors based on periodic, professional performance assessment (including at senior level).
- Serbia provides an adequate administrative capacity to the Judicial and Prosecutorial Councils and provides them with their own budget. Serbia establishes an effective mechanism allowing the Councils to react against political interferences and establishes an initial track record of fully respecting judicial decisions and refraining from public comments on the work of courts by officials and politicians.

Serbia strengthens the impartiality and accountability of the judiciary. In particular:

- Serbia puts in place a coherent procedural framework and the necessary ICT tools ensuring random allocation of cases in all courts and prosecution offices. Serbia ensures that the Judicial and Prosecutorial Council have tools to monitor the random allocation of cases.
- Serbia ensures that magistrates are fully accountable providing an initial track record of using the system of asset declarations as an effective means to detect inexplicable wealth, raising awareness on and the strict application of conflict of interest rules, promoting and controlling the respect of codes of ethics, avoiding that the concept of functional immunity is abused, ensuring regular inspections by an independent inspection body of the work of judges and prosecutors.
- Serbia ensures an effective disciplinary system with all the guarantees of a fair trial and the right to challenge the decision and sanctions as well as the effective enforcement of sanctions.

Serbia improves the professionalism, competence and efficiency of the judiciary. In particular:

- Serbia ensures that the Judicial Academy adopts a multi-annual work programme, covering human and financial resources and a further development of its training programme. Serbia also provides a sustainable and long term solution for financing the Judicial Academy, applies a quality control mechanism and regularly and effectively assesses the impact of the training. Serbia ensures that training needs are evaluated as part of the performance assessments of judges and prosecutors.
- Serbia conducts a comprehensive assessment of its court and prosecution network with a focus on costs and allocated resources, efficiency, workload and access to justice prior to taking any further steps in the development of the court and prosecution network.
- Serbia adopts and implements a human resources strategy for the entire judiciary, leading to a measurable improvement in the workload spread, efficiency and effectiveness of the justice system.
- Serbia implements its national backlog reduction programme – including through promoting the use of various alternative dispute resolution mechanisms – and establishes an initial track record of a sustainable decrease in the backlog of court cases.
- Serbia adopts and implements the new Law on Enforcement and Security and establishes an initial track record of an improved clearance and recovery rate of enforcement proceedings in civil and commercial cases. Serbia monitors the enforcement system and develops further measures where relevant.
- Serbia develops and rolls out a coherent e-Justice system allowing systematic automated information exchange across the court system and prosecution offices, the electronic assignment of cases and the development and use of a sound statistical

capacity (in line with CEPEJ guidelines on judicial statistics) to allow *inter alia* the measurement of the average duration of court proceedings. Serbia ensures sufficient training for the users of the system.

- Serbia ensures a qualitative improvement of the consistency of jurisprudence, including by ensuring easy access to jurisprudence for all courts through an electronic database and their publication within a reasonable amount of time.

Serbia improves the handling of domestic war crimes cases. In particular:

- Serbia implements effectively the measures in its National strategy in support of investigation, prosecution and adjudication of war crimes. Serbia monitors its implementation, assesses its impact and revises the strategy in parallel.
- Serbia adopts and implements effectively a Prosecutorial strategy for the investigation and prosecution of war crimes; Serbia monitors its implementation and assesses its impact, as necessary and appropriate.
- Serbia strengthens its investigative, prosecutorial and judicial bodies including ensuring a more proactive approach and the confidentiality of investigations, providing for training for new and current staff members, improving its witness protection and victim support system and ensuring victims' rights and access to justice without discrimination.
- Serbia effectively demonstrates adequate investigations of allegations and equal treatment of suspects avoiding giving the impression that anyone is above the law, regardless of their nationality or ethnicity or that of the victims; Serbia provides an initial track record of investigation, prosecution and adjudication of a higher number of cases including against high level suspects as well as of cases transferred from ICTY to Serbia. Serbia ensures proportionality of sentences and a sentencing policy in line with international criminal law standards.

- Serbia cooperates constructively with neighbouring states in tracing and identifying/ascertaining the fate of missing persons or their remains, including through swift exchange of information. Serbia engages in meaningful regional cooperation and good neighbourly relations in handling of war crimes by avoiding conflicts of jurisdictions and ensuring that war crimes are prosecuted without any discrimination. All outstanding issues in this regard must be fully resolved.
- Serbia fully co-operates with the International Criminal Tribunal for the former Yugoslavia (including by fully accepting and implementing its rulings and decisions), and with the Mechanism for International Criminal Tribunals.

Fight Against Corruption

Serbia implements the Action Plan accompanying the National Anti-Corruption Strategy for the period 2013-2018. It strictly monitors the implementation and takes remedial action where needed. Serbia conducts an impact assessment in 2018 of its results

Serbia strengthens prevention measures in the fight against corruption. In particular:

- Serbia conducts a comprehensive assessment of its legislation comparing it against the EU *acquis* and the United Nation's Convention against Corruption and amends its legislation where needed. Serbia follows up on all GRECO recommendations.
- The Serbian government engages in a constructive relationship with the Anti-Corruption Council, seriously considers the latter's recommendation and takes them as much as possible into account.
- Serbia adopts the new Law on the Anti-Corruption Agency (ACA) providing it with a clear and strong mandate. Serbia ensures that ACA continues to enjoy the necessary independence, receives sufficient financial and human resources as well as training and is well connected to other relevant authorities (including to their

databases). Serbia ensures that bodies that fail to report and cooperate with ACA are held accountable.

- Serbia provides an initial track record showing an increase in the number of detected and resolved conflict of interest cases, including deterrent sanctions. Serbia provides trainings and raises awareness so as to ensure that the concept is well understood at all levels.
- Serbia provides an initial track record of effective implementation of the asset declaration and verification system, including dissuasive sanctions for non-compliance and appropriate follow up measures (including through criminal investigations where relevant) in cases where the reported assets do not correspond to the reality.
- Serbia amends its Law on Financing of Political Activities and reinforces the independence and administrative capacity of relevant supervisory authorities, in particular the State Audit Institution and the Republic Electoral Commission. Serbia provides an initial track record on the proper implementation of the law, including deterrent sanctions where required.
- Serbia amends its law on Free Access to Information of Public Importance, it strengthens the administrative capacity of the Office of the Commissioner for Information of Public Importance and Personal Data Protection, provides training on handling access to information requests and an initial track record of improved access to information, including with regard to privatisation deals, the activities of state owned enterprises, public procurement processes, public expenditures and donations from abroad to political parties.
- Serbia recruits and manages the career of civil servants on the basis of clear and transparent criteria, focusing on merits and proven skills. Serbia develops and applies a mechanism for the effective implementation of the Code of Conduct for civil servants. Serbia provides an initial track record of effective sanctions in

cases of breaches of this Code. Serbia ensures prevention of corruption through systematic introduction of effective internal control systems and strengthening managerial accountability in the public sector.

- Serbia effectively implements the new Law on Whistle-Blowers and monitors its implementation.
- Serbia implements and assesses the impact of measures taken to reduce corruption in vulnerable areas (health sector, taxation and customs, education, local authorities, the privatisation process, public procurement and the police), takes remedial action where needed and establishes an initial track record of a measurable reduction of corruption in these areas.

Serbia strengthens repressive measures in the fight against corruption. In particular:

- Serbia makes an analysis of its organisational structures and bodies prior to amending the Law on Organisation and Jurisdiction of State Authorities in the fight against organised crime, corruption and other particularly serious criminal offences. Serbia pays particular attention to capacity building in the prosecution service and the police and ensures the necessary financial and human resources and training. It substantially improves inter-agency co-operation and intelligence exchange in a safe and secure manner.
- Serbia establishes an initial track record of efficient and effective investigations (incl. financial investigations), prosecution, convictions and asset confiscations in corruption cases, including high level cases. Serbia applies a zero tolerance policy towards leaks related to planned or ongoing corruption related investigations and ensures that these are sanctioned should they occur.
- Serbia revises its Criminal Code and provides an effective solution for dealing with economic crime cases and in particular the criminal offense of "abuse of position of a responsible person".

Fundamental rights

Serbia strengthens the effective application of human rights. In particular:

- Serbia further amends the law on the Ombudsman so as to strengthen its independence in line with international standards. Serbia strengthens the institutional capacity of its ombudsman structures, including its role as National Preventive Mechanism for Torture. Serbia actively and continuously gives public support to relevant independent human rights institutions.
- Serbia implements all recommendations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment (CPT) and invests in improving infrastructure and living conditions in prisons (including healthcare), detention centres and psychiatric institutions. Serbia actively works on reducing overcrowding and conducts training and awareness raising on the rights of persons in detention.
- Serbia fully respects the independence of media, applies a zero-tolerance policy as regards threats and attacks against journalists, and prioritising criminal investigations should such cases occur. Serbia provides an initial track record of progress in the work of the "Commission for consideration of the facts that were obtained in the investigations that were conducted on the killings of journalists" including further investigations, effective prosecution and deterrent sanctions for perpetrators.
- Through the implementation of the Strategy for the Development of Public Information System, Serbia takes active measures for reforming its media landscape thus creating an enabling environment for freedom of expression, based on transparency (including on ownership of media), integrity and pluralism.
- Serbia implements the Strategy and action plan on anti-discrimination and adopts amendments to the Law on Prohibition of Discrimination in line with the EU *acquis*. Serbia ensures adequate institutional capacity for their implementation. Serbia mo-

nitors closely the impact of these two instruments – including as regards the full respect of the rights of LGBTI persons – and takes remedial action where required.

- Serbia adopts a new Law on Gender Equality and a new National Strategy and Action Plan for Combating Violence against Women in Family and Partner Relationships. Serbia ensures adequate institutional capacity for their implementation as well as for implementing the National Strategy and Action Plan for improving the status of women and promoting gender equality. Serbia monitors closely their impact and takes remedial action where required.
- Serbia steps up the respect of rights of the child, with particular attention for socially vulnerable children, children with disabilities and children as victims of crime. Serbia actively works on reducing institutionalisation to the benefit of increasing family care solutions. Serbia adopts and implements a Strategy and Action Plan for preventing and protecting children from all forms of violence. Serbia establishes a child friendly justice system, including through amending and implementing the Law on juveniles, improving the work of the Juvenile Justice Council, providing training on dealing with juvenile offenders, improving alternative sanctions for juveniles and measures to reintegrate juvenile offenders back into society.
- Serbia improves the situation of disabled persons, *inter alia* through the full implementation of the UN Convention on the Rights of Persons with Disabilities and closely monitors its results.

Serbia improves alignment with the EU *acquis* and international standards regarding procedural safeguards. In particular:

- Serbia adopts a new Law on Legal Aid and establishes a well-resourced legal aid system. Serbia amends its legislation (including the Criminal Procedure Code) so as to align it with the EU *acquis* on procedural rights and on victim's rights.
- Serbia provides the necessary training and monitors the imple-

mentation of EU compatible procedural safeguards legislation and takes remedial action where needed.

Serbia steps up the protection of minorities and cultural rights. In particular:

- Serbia implements its legal framework on the rights of persons belonging to minorities as well as "The action plan for the realisation of the rights of national minorities" in its entirety, contributing to the effective and equal implementation throughout its territory of the recommendations of the Advisory Committee of the Council of Europe Framework Convention for the Protection of National Minorities. Particular emphasis is put on education, the use of minority languages, access to media and religious services in minority languages and adequate representation in the public administration. Serbia closely monitors its implementation in an inclusive and transparent manner, assesses its impact by the end of 2018 and reports on progress.
- Serbia adopts and implements the action plan (accompanying the new strategy) to improve living conditions of Roma, with a special focus on registration, comprehensive measures on non-discrimination, compliance with international standards on forced evictions, guaranteed socio-economic rights, education, health, employment and housing, including access to basic public services (water and electricity). Serbia ensures a measurable improvement of the situation of Roma, reducing the gap with the rest of the population in the above areas.
- Serbia improves the situation of refugees and IDPs by providing permanent housing solutions and improving living conditions, improving their access to justice through free legal aid, provision of civil documentation to undocumented persons ensuring their full access to rights and fostering their social and economic integration.

Serbia takes steps to align its domestic legal framework with the *acquis* and international standards against racism and xenophobia. In particular:

- Serbia amends its Criminal Code so as to fully align it with the *acquis* and ensures also in practice an effective criminal law approach towards certain forms and expressions of racism and xenophobia. Serbia undertakes measures aimed at increasing tolerance among citizens, including through training and awareness raising on countering hate crime and ensuring effective investigation of cases. Serbia implements the Strategy and Action Plan against Violence and Misbehaviour at Sports Events (2013-2018).

Serbia ensures alignment with EU data protection standards, in particular:

- Serbia adopts and implements a new Law on Personal Data Protection in line with the EU *acquis*, monitors its implementation and takes remedial action where needed. Serbia also provides training and strengthens the independence, resources and administrative capacity of the Commissioner for Information of Public Importance and Personal Data Protection.

CLOSING BENCHMARKS

MONTENEGRO, SERBIA

No closing benchmarks yet.

CROATIA

- 1) Croatia updates its Judicial Reform Strategy and Action Plan and ensures effective implementation.

SUB-BENCHMARK: Croatia puts in place sufficient institutional capacity for the management of judicial reforms, including post-legislative scrutiny.

- 2) Croatia strengthens the independence, accountability, impartiality and professionalism of the judiciary.

SUB-BENCHMARK: Croatia establishes a track record of recruiting and appointing judges, state prosecutors and Court Presidents based on the application of uniform, transparent, objective and nationally applicable criteria embedded in the law, including that the State School for Judges and Prosecutors begins effective operation.

SUB-BENCHMARK: Croatia reforms and strengthens the State Judicial Council and State Prosecutorial Council (including through the election by peers of professional members) so that these bodies perform professionally, impartially and without political or other interference their key functions, in particular in the appointment, career management and disciplining of judges and prosecutors.

- 3) Croatia improves the efficiency of the judiciary.

SUB-BENCHMARK: Croatia substantially reduces the case backlog before the courts, particularly as regards old civil and criminal cases and enforcement decisions, and implements adequate legal and organizational measures to prevent undue delay in court cases, including the introduction of new methods of enforcement to ensure court decisions are enforceable within a reasonable time period, improved

use of alternative dispute resolution (ADR), including the simplification of ADR mechanisms, and a track record of implementation of the new Criminal Procedure and Civil Procedure Codes.

SUB-BENCHMARK: Croatia makes progress with the physical infrastructure and computerisation of courts, the accelerated introduction of case management systems, in particular the Integrated Case Management System (ICMS), the establishment of a unified statistical system for the monitoring of all types of cases handled before all courts and at prosecution services, and introduces random case allocation in all courts.

SUB-BENCHMARK: Croatia continues to implement the rationalization of municipal and misdemeanor courts, ensuring efficient operation of the merged courts, and sets out clearly the long term logistical and financial means for completing the court rationalisation process; Croatia adopts a clearly defined plan for rationalisation of county and commercial courts.

4) Croatia improves the handling of domestic war crimes cases.

SUB-BENCHMARK: Croatia establishes a track record of impartial handling of war crimes cases by the law enforcement bodies and courts and takes effective action to address issues of impunity, in particular by ensuring the proper investigation and prosecution of as yet un-investigated and unprosecuted crimes, including adoption and implementation of a clear strategy which addresses, *inter alia*, regional discrepancies within Croatia, as well as continued engagement at the bilateral and regional level.

SUB-BENCHMARK: Croatia implements its action plan for the review of *in absentia* cases and the new provisions of the Criminal Procedure Code on renewal of proceedings and deploying other legal remedies such as protection of legality, ensuring renewal of proceedings requests and renewed trials are properly and impartially handled by all relevant judicial authorities.

5) Croatia establishes a track record of substantial results based on efficient, effective and unbiased investigation, prosecution and court rulings in organized crime and corruption cases at all levels including

high level corruption, and in vulnerable sectors such as public procurement.

SUB-BENCHMARK: Croatia further reinforces the operational capacity of USKOK, including by extending its remit to tax fraud linked to organized crime and corruption offences, improving financial expertise and ensuring sufficient training and resources in view of its new role in the accusatorial system introduced in July 2009.

SUB-BENCHMARK: Croatia takes measures to improve police effectiveness and independence, including through depolitisation and improved professionalism, strengthening specialised expertise, especially for financial crimes, and improved cooperation with other agencies, the financial sector and international partners; Croatia applies effectively and consistently the confiscation provisions of article 82 of the Criminal Code and establishes clear responsibilities and rules for the proper management of property confiscated in criminal proceedings.

SUB-BENCHMARK: Croatia increases the capacity of the courts to handle cases adequately, including in terms of human resources and logistics.

6) Croatia establishes a track record of strengthened prevention measures in the fight against corruption and conflict of interest.

SUB-BENCHMARK: Croatia increases transparency and integrity in public administration and state owned companies, including by improving legislation on the access to information and its implementation, by adopting, amending and implementing legislation necessary for full application of the General Administrative Procedures Act, by implementing anti-corruption action plans in state owned companies and by continuous training of staff.

SUB-BENCHMARK: Croatia amends its current legislation on political party financing, *inter alia*, to extend its scope to election campaigns and to improve transparency and independent oversight.

SUB-BENCHMARK: Croatia ensures there are effective legislation and systems in place to protect against and sanction conflicts of interest at all levels of state/public administration, and to monitor and verify assets declarations of public officials and judges, including dissuasive

sanctions for non-compliance. Croatia ensures that effective systems are in place to enable and support those reporting corruption and maladministration in public institutions.

7) Croatia strengthens the protection of minorities, including through effective implementation of the Constitutional Act on the Rights of National Minorities (CARNM).

SUB-BENCHMARK: Croatia takes steps to ensure a tangible improvement in the level of employment of national minorities in state administration bodies and bodies of local and regional self-government, in the police and in the judiciary, and establishes an effective system of statistical monitoring, including through the adoption, implementation and monitoring of employment plans in all relevant bodies.

SUB-BENCHMARK: Croatia carries out a comprehensive study into the underrepresentation of minorities in the wider public sector not covered by the CARNM and adopts a plan to tackle the shortcomings identified.

SUB-BENCHMARK: Croatia undertakes measures aimed at reconciliation and increased tolerance among citizens, including through education and reviewing the role of schooling, through the media, and by an adequate response at the political and law enforcement level to racist or xenophobic incidents.

8) Croatia settles outstanding refugee return issues.

SUB-BENCHMARK: Croatia fully implements its Action Plan on the Housing Care Programme for refugees and former tenancy rights holders wishing to return to Croatia, including meeting the targets for 2008 and 2009 for the provision of accommodation both within and outside the areas of special state concern; Croatia makes substantial progress in providing accommodation to all other successful applicants for Housing Care on the basis of a fully costed plan.

SUB-BENCHMARK: Croatia strengthens the handling of appeals for rejected housing reconstruction applications, eliminates the backlog of existing appeals and makes significant progress with the reconstruction of the remaining properties.

SUB-BENCHMARK: Croatia strengthens the handling of appeals for rejected housing reconstruction applications, eliminates the backlog of existing appeals and makes significant progress with the reconstruction of the remaining properties.

9) Croatia improves the protection of human rights.

SUB-BENCHMARK: Croatia improves access to justice, including by taking the necessary steps to ensure that, by accession, the Administrative Court is made a court of full jurisdiction in the meaning of Article 6 ECHR and Article 47 of the Charter of fundamental rights, both in law and practice; and by ensuring improved implementation of the Law on legal aid.

SUB-BENCHMARK: Croatia establishes a track record of implementation of the Anti-Discrimination Law and the Law on Hate Crimes, ensuring that law enforcement authorities deal effectively with cases and that the Office of the Ombudsman is strengthened.

10) Cooperation with the International Criminal Tribunal for the former Yugoslavia.

SUB-BENCHMARK: Full cooperation with the ICTY remains a requirement for Croatia's progress throughout the accession process, including for the provisional closure of this chapter, in line with the negotiating framework adopted by the Council on 3 October 2005.

TRANSITIONAL ARRANGEMENT

CROATIA 

No transitional arrangement is envisaged.

Chapter 24

JUSTICE, FREEDOM AND SECURITY

EU policies aim to maintain and further develop the Union as an area of freedom, security and justice. On issues such as border control, visas, external migration, asylum, police cooperation, the fight against organized crime and against terrorism, cooperation in the field of drugs, customs cooperation and judicial cooperation in criminal and civil matters, Member States need to be properly equipped to adequately implement the growing framework of common rules. Above all, this requires a strong and well-integrated administrative capacity within the law enforcement agencies and other relevant bodies, which must attain the necessary standards. A professional, reliable and efficient police organization is of paramount importance. The most detailed part of the EU's policies on justice, freedom and security is the Schengen *acquis*, which entails the lifting of internal border controls in the EU. However, for the new Member States substantial parts of the Schengen *acquis* are implemented following a separate Council Decision to be taken after accession.

It seems that already in the opening benchmarks requirements are set significantly higher for Montenegro and Serbia. While Croatia has one clear benchmark (to develop an action plan for integrated border management), both Montenegro and Serbia have one benchmark too but with significantly more comprehensive content: "one or more detailed action plan(s), comprising related timetables and setting out clear objectives and timeframes and the necessary institutional set-up together with adequate cost evaluations and financial allocations, in the following areas: Migration; Asylum; Visa policy; External borders and Schengen; Judicial cooperation in civil and criminal matters; Police cooperation and fight against organized crime; The fight against

CHAPTER 24 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	28-30 March 2012	23-25 January 2006	2-4 October 2013
Bilateral Screening:	23-25 May 2012	21-23 February 2006	11-13 December 2013
Council approves the Screening Report and opening benchmarks set up:	12 November 2012	18 July 2006	24 July 2014
Opening benchmarks fulfilled:	25 September 2013		24 February 2016
Negotiating Position submitted:	9 October 2013	11 April 2008	2 June 2016
Council approves the Common Position:	11 December 2013	2 October 2009	7 July 2016
Opening of the Chapter:	18 December 2013	2 October 2009	18 July 2016
Provisional closure of the Chapter:		22 December 2010	

terrorism; Cooperation in the field of drugs; Customs cooperation; Counterfeiting of the euro (aspects of criminal law)”. Interim benchmarks for both Montenegro and Serbia are complex and highly demanding and while dealing with them it is expected that most of the problems in this area will be solved before closing benchmarks.

Unlike the Chapter 23, Chapter 24 encompassed large *acquis* that Croatia was supposed to align with and to build administrative capacities for its implementation. Due to lack of interim benchmarks, Croatia had 6 demanding requirements in closing benchmarks encompassing further legislative alignment with *acquis*, institutional and administrative capacities strengthening and proven track record on progress made.

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro adopts one or more detailed action plan(s), comprising related timetables and setting out clear objectives and timeframes and the necessary institutional set-up, in the following areas:

- Migration
- Asylum
- Visa policy
- External borders and Schengen
- Judicial cooperation in civil and criminal matters
- Police cooperation and the fight against organized crime
- Fight against terrorism
- Cooperation in the field of drugs
- Customs cooperation
- Counterfeiting of the euro (criminal aspects)

The action plan(s) should be closely consulted with the Commission and take into consideration the recommendations provided in Part III. Beyond these recommendations, also other identified shortcomings in the country should be addressed. The action plan(s) should aim at full alignment of Montenegro with the requirements of this chapter. They will constitute guidance documents for the following negotiations and the Commission may propose that Montenegro submits new or amended action plan(s) where problems arise in the course of negotiations under this chapter.

CROATIA

1) “Government needs to adopt the updated action plan for integrated border management with specific activities for both the land and the sea border with the goals, realistic deadlines,

responsible authorities and budget estimates for each activity that requires significant funding. This plan should include issues related to improving inter-agency cooperation, harmonization of legislation and institution building, and should include increasing the number of border police officers, improved training and coordination between departments that are involved”.

SERBIA

1) Serbia adopts one or more detailed action plan(s), comprising related timetables and setting out clear objectives and timeframes and the necessary institutional set-up together with adequate cost evaluations and financial allocations, in the following areas:

- Migration
- Asylum
- Visa policy
- External borders and Schengen
- Judicial cooperation in civil and criminal matters
- Police cooperation and fight against organized crime
- The fight against terrorism
- Cooperation in the field of drugs
- Customs cooperation
- Counterfeiting of the euro (aspects of criminal law)

INTERIM BENCHMARKS

MONTENEGRO

There are 38 interim benchmarks identified for Montenegro in the framework for negotiations under Chapter 24. In addition to ensuring overall efficient and continuous monitoring for the implementation of measures contained in the Chapter 24 Action Plan, there are 10

interim benchmarks in total for areas of migrations, asylum and visa policies, 4 regarding internal and external border management, 5 for the area of judicial cooperation in civil, criminal and commercial measures, as well as 18 interim benchmarks concerning police cooperation in terms of fight against organized crime, anti-terrorism and drug matters.

In view of the present state of Montenegro’s preparations, the EU notes that, on the understanding that Montenegro has to continue to make progress in the alignment with and implementation of the *acquis* covered by the chapter Justice, freedom and security, the following interim benchmarks would need to be met before the next steps in the negotiation process of the chapter Justice, freedom and security can be taken:

- Montenegro ensures a close and permanent monitoring of the implementation of the Action Plan in the field of Justice, Freedom and Security through a robust and multi-disciplinary mechanism, paying particular attention to the adequacy of financial resources, institutional capacity and the respect of set deadlines.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of legal and irregular migration. In particular:

- Montenegro conducts a comprehensive assessment of its legal, institutional, technical and training needs in the field of legal migration. Based on this, Montenegro clearly identifies steps for implementation and adopts a comprehensive training plan.
- Montenegro, as indicated in its Action Plan, opens at the end of 2013 the Reception Centre for irregular migrants, where migrant rights are safeguarded, and ensures its proper management through trained staff and the provision of adequate accommodation. Montenegro also monitors the adequacy of the reception capacity and puts in place adequate measures to prevent and sanction the infiltration of people smugglers in the Centre.
- Montenegro conducts a feasibility study which results in clear

recommendations on steps needed to reinforce the capacity to accommodate, protect and rehabilitate vulnerable minors and other vulnerable groups of migrants.

- Montenegro negotiates and takes steps to conclude readmission agreements with third countries in line with the deadlines set and continues to smoothly implement the readmission agreement with the EU, including by respecting the deadlines for responding to individual requests.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of asylum. In particular:

- Montenegro conducts an impact assessment with the help of EU expertise and on that basis, adopts a new Law on Asylum in line with EU *acquis* and prepares an analysis of all requirements needed to implement upon accession the Eurodac and Dublin regulations.
- Montenegro provides an initial track record of an improved handling of its asylum procedure including, a reasonable length of its procedure in line with the EU practices, an improved recognition percentage, improved accommodation for, assistance to and integration of asylum seekers (including vulnerable categories) into society and a swift and correct handling of rejected applicants.
- Montenegro, as indicated in its Action Plan, opens at the end of 2013 the Asylum Centre, where asylum seeker rights are safeguarded, and ensures it is properly managed through trained staff and offers adequate accommodation. Montenegro monitors the adequacy of the reception capacity and puts in place adequate measures to prevent and sanction the infiltration of people smugglers in the Centre.
- Montenegro provides training on various key aspects of the EU asylum *acquis* and procedures.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of visa policy. In particular:

- Montenegro conducts a comprehensive needs assessment as a basis for the relevant parts of the required Schengen Action Plan.
- Montenegro ceases issuing visas at the borders, except in cases as stipulated by the *acquis*.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of Schengen and external borders. In particular:

- Montenegro adopts a Schengen Action Plan which will allow it to effectively prepare the steps needed (including as regards investment in infrastructure and equipment, staffing and training needs, institution building needs and legal steps) to implement the relevant parts of the Schengen *acquis* upon accession or where relevant upon accession to the Schengen area.
- Montenegro adopts and implements an amended Integrated Border Management (IBM) Strategy in line with the EU IBM concept.
- Montenegro makes good progress with the modernisation of infrastructure and equipment at border crossing points as well as in between them, including along the maritime border. Montenegro takes steps to close alternative roads with neighbouring countries.
- Montenegro addresses the twin-threats of corruption and organised crime at its borders through the implementation of a specific anti-corruption plan at the borders and provides an initial track record of an adequate follow up of detected cases.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of judicial co-operation in civil and criminal matters:

- Montenegro conducts an analysis of and clearly defines further legal steps required to comply with the *acquis* in the field of judicial co-operation in civil and commercial matters.
- Montenegro puts in operation an information system that will keep records on international legal assistance and monitors the efficiency in treating international requests in the area of judicial co-operation in civil matters.

- Montenegro conducts an analysis of the administrative capacity, the budget and training needs required to implement the *acquis* in the field of judicial co-operation in criminal matters both within the Ministry of Justice as well as in the courts and prosecution offices and clearly defines further legal steps to fully comply with the *acquis* in this area, including as regards the European Arrest Warrant.
- Montenegro adopts and begins implementation of a training plan (including teaching foreign languages) in the field of judicial co-operation in criminal matters through the Judicial Training Centre and the Police Academy.
- Montenegro provides an initial track record of successfully handling requests for international judicial co-operation and applying bilateral agreements on judicial co-operation with other countries in the region.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of police co-operation and the fight against organised crime:

- Montenegro concludes an operational agreement with Europol and implements it in a satisfactory manner.
- - Montenegro puts in operation a secure electronic communication system which allows law enforcement agencies and the prosecution office to exchange data in an effective and secure manner.
- Montenegro ensures that the special investigative team in the special prosecution office has direct access to relevant databases.
- Montenegro conducts an analysis of the existing equipment, human resources and training needs in the field of police co-operation and ensures that the next steps are clearly defined.
- Montenegro continues to implement its strategy against human trafficking, developing a comprehensive and victim-oriented

approach, closely monitors the effects it generates and takes remedial action where needed.

- Montenegro implements its national strategy for the fight against corruption and organised crime (2010 – 2014) and the Action Plan (2013 – 2014). It continuously monitors and assesses the impact of the various measures and proposes remedial action where needed.
- Montenegro revises its Criminal Procedures Code such that pre-trial investigations become more effective. Montenegro establishes a new special prosecution office and substantially improves the capacity of the police to run investigations into financial crimes. Montenegro ensures that both bodies are well connected to other relevant agencies and intelligence exchange and inter-agency co-operation substantially improves.
- Montenegro establishes an initial track record of efficient and effective investigation, prosecution and convictions in organised crime cases (including money laundering, trafficking in human beings, cybercrime, cigarette and drug smuggling and arms trafficking) and demonstrates strong political commitment to domestic and regional action against serious and complex organised crime cases.
- Montenegro takes measures aiming at rationalising (High Court) and fostering specialisation of key institutions (Special Prosecution Office and the Ministry of Interior) in the fight against organised crime.
- Montenegro brings its legislation in line with FATF recommendations, provides the necessary training on the concept of financial investigation and systematically conducts financial investigations in parallel with criminal investigations into corruption and other white collar crimes.
- Montenegro develops an effective system for witness protection through amending its Law on Witness Protection and providing specialised training, better equipment and more staff to the unit for witness protection.

- Montenegro adopts new legislation on asset recovery, establishes an Asset Recovery Office (ARO), recruits the management of the ARO on the basis of transparent and objective criteria with a focus on merit and professional skills, and provides an initial track record of an increased number of cases and higher amounts of criminal assets confiscated, including in cases of organised crime and money laundering.
- Montenegro provides an initial track record of an increasing number of suspicious transactions reported to the Financial Intelligence Unit (FIU) and ensures these are pro-actively used in criminal investigations.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of anti-terrorism:

- Montenegro implements its anti-terrorism strategy and takes steps to align with the relevant *acquis* in accordance with the timelines set in its Action Plan.

Montenegro enhances its efforts to ensure compliance with EU requirements in the field of co-operation in the field of drugs:

- Montenegro implements the National Strategy on the Prevention of Drug Abuse.
- Montenegro takes measures aimed at increasing the operational capacity and co-operation between bodies involved in the fight against drugs trafficking.
- Montenegro provides an initial track record of an increase of drugs seizures, including in the port of Bar and along the maritime border.
- Montenegro ensures that final convictions for drugs trafficking are systematically accompanied by decisions on the confiscation of unlawfully gained assets.

SERBIA

There are 44 interim benchmarks identified for Serbia in the fra-

mework for negotiations under Chapter 24. In addition to ensuring overall efficient and continuous monitoring for the implementation of measures contained in the Chapter 24 Action Plan, there are 14 interim benchmarks in total for areas of migrations, asylum and visa policies, 5 regarding internal and external border management, 5 for the area of judicial cooperation in civil, criminal and commercial measures, as well as 19 interim benchmarks concerning police co-operation in terms of fight against organized crime, anti-terrorism and drug matters.

Serbia ensures an effective, close and permanent monitoring of the implementation of its Action Plan in the field of Justice, Freedom and Security through a robust and multidisciplinary mechanism, paying particular attention to the adequacy of human and financial resources, institutional capacity, training requirements, the respect of set deadlines, a real dialogue with civil society and adequate consideration of their proposals and which can trigger corrective measures as required.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of legal and irregular migration. In particular:

- Serbia conducts a comprehensive gap analysis of its legal, institutional, technical and training needs in the field of legal and irregular migration. Based on this, Serbia clearly identifies steps for implementing an EU compliant migration policy, including:
- An investment plan for meeting the needs for equipment, IT, consequent apprehension, identification and registration of irregular migrants, as well as accommodation and detention of irregular migrants for the purpose of return.
- A human resources strategy and training plan.
- Serbia allocates sufficient financial resources to start and complete implementation of the above.
- Serbia amends the Criminal Code, the Law on Employment of Foreigners and the Law on Foreigners and brings its legislation in line with the EU *acquis* in the field of legal and irregular migration.

Serbia effectively monitors and reports on the implementation of this legislation and takes corrective measures where needed.

- Serbia ensures proper accommodation for intercepted irregular migrants in accordance with the needs and pays particular attention to vulnerable groups. Serbia ensures adequate detention capacity and procedural timeframes for the return of irregular migrants in accordance with their needs and in compliance with the standards of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment. Serbia constantly monitors the adequacy of accommodation and detention capacity and is ready to provide, if necessary, at short notice additional capacity in case of sudden influxes.
- Serbia negotiates and takes steps to conclude readmission agreements, including with more countries of origin and transit. Serbia promotes and provides effective support for voluntary return of irregular migrants to their country of origin and develops the institutional capacity for implementing a robust re-documentation and return mechanism in line with the EU return policy and *acquis*. Serbia provides an initial track record of effective re-documentation and returns of irregular migrants.
- Serbia implements measures leading to a notable decrease in the numbers of its nationals submitting unfounded asylum applications in the EU. Serbia develops and implements awareness-raising and information campaigns, particularly among the main concerned local communities of origin and develops a parallel track of better social inclusion of these communities in Serbian society.
- Serbia takes all necessary steps to ensure that further measures are put in place to enable law enforcement agencies to effectively target and dismantle organised crime groups responsible for migrant smuggling through its territory. Serbia demonstrates an initial track record of successful investigations, prosecutions and final convictions of people smugglers, including successful confiscation of their criminal assets.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of asylum. In particular:

- Serbia develops a robust mechanism for early warning, preparedness and crisis management and correctly implements it in crisis situations. Serbia establishes an adequate capacity to register and determine whether displaced persons are in need of international protection or not.
- Serbia adopts and implements a new Law on Asylum which is to the maximum extent aligned with the relevant EU *acquis* and which provides the basis for establishing an initial track record on implementing an EU compliant asylum procedure ensuring:
 - unhindered access to the procedure;
 - a reasonable length of handling asylum requests;
 - an improved quality of the decisions taken;
 - recognition rates comparable to the EU average;
 - sufficient accommodation for, assistance to and integration of asylum seekers (including vulnerable categories) into society;
 - effective measures to prevent possible misuse of rights by migrants, including swift appeal procedures;
 - effective and rapid return of rejected applicants to the country of origin or third-country of transit;
 - Appropriate legal and immigration provisions for failed asylum applicants or irregular migrants that cannot be quickly removed from Serbia.

Serbia substantially strengthens its institutional capacity to effectively handle asylum claims and ensures the financial sustainability of institutions concerned, including relevant administrative and judicial authorities at local and national level. In particular:

- The capacity of the Asylum Office to adequately and timely handle asylum requests is strengthened through hiring extra staff and ensuring their comprehensive training, development and regular assessment.
- The capacity of the Commissariat for Refugees is further upgra-

ded in line with identified requirements, including through regular training.

- Judicial authorities in charge of handling asylum and immigration appeals receive relevant training.
- Serbia develops the ability to further increase its accommodation capacity based on a continued monitoring of migration trends and the needs of irregular migrants on its territory.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of visa policy. In particular:

- Serbia conducts a comprehensive needs assessment as a basis for the relevant parts of the required Schengen Action Plan.
- Serbia ceases issuing visas at the borders and brings its visa policy in line with EU requirements in this respect.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of Schengen and external borders. In particular:

- Serbia adopts a Schengen Action Plan (SAP) which will allow it to effectively prepare the steps needed (including as regards investment in infrastructure and equipment, staffing and training needs, institution building needs and legal steps) to implement the relevant parts of the Schengen *acquis* upon accession or where relevant upon accession to the Schengen area. Serbia secures upon adoption of the SAP the necessary funds for its implementation.
- Serbia adopts and implements an amended Integrated Border Management (IBM) Strategy in line with the EU IBM concept. Serbia pays particular attention to improving information exchange, coordination among border agencies and further develops its risk analysis capacity within the border police.
- Serbia makes good progress with the modernisation of infrastructure and equipment at border crossing points as well as in between them, in particular those borders most affected by smuggling of goods and persons.
- Serbia steps up operational cooperation with all its neighbours for effectively preventing illegal crossings and, in particular, ta-

kes steps to clarify the status of all alternative roads with its neighbours either by preventing passage or by formalising these border crossing points through the conclusion of local border crossing agreements.

- Serbia addresses the twin-threats of corruption and organised crime at its borders through the implementation of a dedicated anti-corruption plan at the borders and provides an initial track record of an adequate follow up of detected cases.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of judicial co-operation in civil, commercial and criminal matters:

- Serbia conducts a comprehensive impact assessments covering judicial co-operation in civil, commercial and criminal matters and on that basis amends its action plan providing:
 - a clear sequencing of steps needed to align with the *acquis* in this area;
 - an overview of staffing and training needs;
 - details on the costs and sources for financing these reforms.
- Serbia recruits and trains an adequate number of experts, both in the Ministry of Justice as well as in courts and prosecutorial offices in line with the set objectives of ensuring quality and a timely handling of requests for judicial cooperation in civil, commercial and criminal matters.
- Serbia adopts the necessary amendments to the relevant laws herewith aligning its legislation to the maximum extent to the EU *acquis* in the area of judicial co-operation in criminal, civil and commercial matters and ensures that the material conditions are in place to ensure a proper implementation.
- Serbia concludes a co-operation agreement with Eurojust for which a data protection law in line with the EU *acquis* needs to be adopted and implemented.
- Serbia provides an initial track record of efficiently handling judicial co-operation requests in civil and criminal matters and applying multilateral conventions and bilateral agreements in this area.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of police co-operation and the fight against organised crime:

- Serbia conducts a comprehensive analysis and on that basis amends its action plan providing:
 - a clear sequencing of steps needed to align with the EU police co-operation instruments;
 - an overview of staffing and training needs, including, where relevant, steps to address critical gaps;
 - clarifying procedures for operational co-operation between various departments in the Ministry of the Interior and with Intelligence Services;
 - ensuring the material conditions for smooth and secure exchange of relevant data;
 - cost details and sustainable financial sources required for effectively implementing these reforms;
 - detailed steps for establishing robust safeguards to ensure that the police integrity is strengthened and that police services are operationally independent from political interests and shielded from criminal influence.
- Serbia implements its operational agreement with Europol in a satisfactory manner and applies effectively the EU Serious and Organised Crime Threat Assessment (SOCTA) methodology to develop a strategic picture of risks and threats related to the organised crime situation on its territory. Serbia is using the SOCTA to define and act on priorities in its security policy.
- Based on the outcome of a planned analysis of relevant bodies, Serbia amends the Law on the Organisation and Jurisdiction of State Authorities in the fight against organised crime, corruption and other particularly serious offences and strengthens its institutional capacity through:
 - ensuring effective co-ordination and productive cooperation between the police and the prosecutors in line with Criminal Pro-

cedure Code which clearly defines their respective roles, duties and responsibilities;

- filling the remaining vacancies in the Prosecutor's Office for Organised crime (POOC) and the Department for Combating Organized Crime (DCOC) in the Ministry of the Interior;
- ensuring that training needs of staff of the POOC and the DCOC are clearly defined and addressed;
- improving the material conditions for the POOC, in particular through a modern case management system, new analytical software and making IT systems interoperable with data bases of other relevant institutions;
- ensuring a more coherent approach within the Police for collecting and sharing intelligence, including through modernising IT tools,
- ensuring in practice a smooth co-operation and a safe platform for information exchange between POOC and DCOC as well as with other relevant agencies.
- Serbia establishes a system of regular collection of unified crime statistics with reference to the UNODC International Classification of Crime for Statistical Purposes.
- Serbia redefines the role of the intelligence service in the criminal investigation procedure to ensure a clear separation of the mandates and regulations concerning interception of communications for criminal investigation, on the one hand, and for security purposes on the other and put in place a robust oversight mechanism so as to avoid any abuses.
- Serbia brings its legislation in line with the 40 FATF recommendations, implements its financial investigation strategy, including providing the necessary training on the concept of financial investigation and systematically conducts financial investigations in parallel with criminal investigations into corruption and organised crimes.
- Serbia adopts new legislation on asset recovery in line with

- but preferably going beyond – the EU *acquis*, establishes an Asset Recovery Office (ARO), which should also be in a position to properly manage these assets and is adequately resourced in terms of staff, equipment and budget. Serbia provides an initial track record of an increased number of cases and higher amounts of criminal assets confiscated, in particular in cases of organised crime and money laundering.
- Serbia steps up the fight against money laundering, in line with the recent recommendations of MONEYVAL in its evaluation report on Serbia and provides an initial track record of an increasing number of suspicious transactions reported to the Financial Intelligence Unit (FIU) and ensures these are proactively used in criminal investigations.
- Serbia adopts and implements a strategy and action plan in line with the EU Strategy Against Trafficking in Human Beings and respecting a human rights based approach. Serbia brings its legislation in line with the relevant EU *acquis*, strengthening its operational capacity, ensuring a more pro-active attitude of investigative authorities, focusing prevention efforts also on vulnerable groups such as children and Roma, preventing re-victimisation during investigation, prosecution or trial and provides training on the above to all relevant organisations and services, including to services that can help on the early identification of victims and/or potential victims.
- Serbia prepares, adopts and implements a strategy and action plan to effectively address cyber criminality in line with the EU strategic and operational approach against cybercrime. Serbia strengthens its operational capacity (in terms of staffing and equipping the High Tech Crime Unit) to deal with cyber criminality and aligns its legislation with the relevant EU *acquis*, including as regards on-line child sexual abuse, provides specialised training and raises the awareness among civil servants and the public on cyber criminality.
- Serbia steps up the fight against the storage, sale and ownership of illegal firearms (in particular linked to terrorist activities), implements the new Law on Weapons and Ammunition and adopts and implements its future Strategy and Action Plan on Small Arms and Light Weapons for the period 2016 – 2021. Serbia steps up its operational capacity (including intelligence collection, analysis and exchange of information), further aligns its legislation with the relevant EU *acquis*, establishes a centralised system to register seized arms and exchanges information on it and ensures secure storage and destruction of confiscated weapons.
- Based on the results of an impact assessment, Serbia provides extra staff, training and equipment to the Witness Protection Unit in the Ministry of the Interior.
- Serbia establishes an initial track record of efficient and effective investigation, prosecution and convictions in organised crime cases, including the confiscation of criminal assets.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of antiterrorism:

- Serbia adopts and implements a new Strategy to prevent and fight terrorism in line with the EU Counter-Terrorism Strategy, aligns its legislation to the maximum extent with the relevant EU *acquis*, continues to develop its operational capacity, deploys effective efforts to prevent radicalisation and extremism and steps up practical co-operation and information exchange with specialised services in the EU and its Member States.

Serbia enhances its efforts to ensure compliance with EU requirements in the field of cooperation in the field of drugs:

- Serbia continues to implement the Strategy for Drug Abuse (2014 – 2021) and the Action Plan (2014 – 2017) and monitors the quality and effects of their implementation.
- Serbia takes measures aimed at increasing the operational capacity of bodies involved in the fight against drugs trafficking, in particular the Service for Drug Addiction Prevention and Drugs Trafficking Suppression in the Ministry of the Interior which should be fully staffed and trained, allowing it to systematically conduct pro-active investigations.

- Serbia ensures that there is a smooth cooperation between the various bodies responsible for prevention of drug abuse and the overall coordination of the national policy against drugs. It ensures that there are no overlapping mandates.
- Serbia ensures smooth cooperation with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) through the National Monitoring Centre for Drugs within the Ministry of Health and reports to EMCDDA on a regular basis.
- Serbia provides an initial track record of an increase of drugs seizures and ensures secure storage and effective destruction of confiscated drugs and precursors in line with EU standards. Serbia ensures that final convictions for drugs trafficking are systematically accompanied by decisions to confiscate unlawfully gained assets of convicted criminals.

CLOSING BENCHMARKS

MONTENEGRO, SERBIA

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No closing benchmarks yet.

CROATIA

- 1) Croatia ensures access to fully functioning asylum procedures for all third country applicants wishing to apply for international protection, in line with Directives 2005/85/EC, 2004/83/EC and 2003/9/EC, as well as the Dublin and Eurodac Regulations, including the establishment of a fully independent appeal body and of an effective legal remedy.
- 2) Croatia enhances its efforts and demonstrates, by means of a satisfactory track record and future plans, that it will be compliant at the date of accession with EU requirements for a uniform visa format, as issued according to a coherent procedure, and taking into account the requirements for document security. Croatia also enhances its efforts and puts in place actions that demonstrate that it

will meet EU standards on security features and biometric identifiers on passports and travel documents at the date of accession.

3) Croatia implements the Integrated Border Management Action Plan and demonstrates, through a satisfactory track record, that it will be fully prepared at the date of accession to ensure the implementation and enforcement of EU requirements with regard to the EU's external borders.

4) Croatia continues its alignment with the *acquis* and the Schengen *acquis* and demonstrates through a satisfactory track record that it will be fully prepared at the date of accession to ensure the implementation and enforcement of EU requirements in the field of police cooperation, fight against organised crime as well as judicial cooperation in civil and criminal matters, with particular regard to the effective implementation of foreign civil and arbitration rulings.

5) Croatia amends its legal framework, as required, in order to ensure the implementation of the Council Framework Decision on the European Arrest Warrant.

6) Croatia aligns to the EU definition of terrorism.

TRANSITIONAL ARRANGEMENTS

CROATIA

- Croatia has been granted a transitional measure according to which it may maintain its joint Border Crossing Points with Bosnia and Herzegovina, until the Schengen Borders Code is amended or until its accession to Schengen, whichever comes first.

Chapter 25

SCIENCE AND RESEARCH

The *acquis* in the field of science and research does not require transposition of EU rules into the national legal order. The *acquis* requires necessary implementing capacities to pursue the EU objectives in the field of research and technological development. Implementation capacity relates to the existence of conditions necessary for the effective participation in the EU programmes on research and innovation including the necessary administrative capacity and capacity building on research and innovation to facilitate integration into the European Research Area, contribute to the Innovation Union flagship and the Europe 2020 strategy in general.

There are no opening or closing benchmarks for this chapter in case of Montenegro, Croatia and Serbia. Regarding negotiations on Chapter 25, the EU considered that, exceptionally, benchmarks for the provisional closure of this chapter were not required, given the general good level of preparedness in the area of science and research, and the limited scope and particular nature of *acquis* obligations in this chapter. The EU therefore noted that, at this stage, this chapter does not require further negotiations.

CHAPTER 25 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	24 September 2012	20 October 2005	4 October 2014
Bilateral Screening:	25 September 2012	15 November 2005	1 December 2014
Council approves the Screening Report and opening benchmarks are set up:	5 November 2012	24 February 2006	15 July 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	21 November 2012	17 March 2006	7 November 2016
Council approves the Common Position:	17 December 2012	8 June 2006	12 December 2016
Opening of the Chapter:	18 December 2012	12 June 2006	13 December 2016
Provisional closure of the Chapter:	18 December 2012	12 June 2006	13 December 2016

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

.....
No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

.....
No closing benchmarks have been identified.

TRANSITIONAL ARRANGEMENT

MONTENEGRO, CROATIA, SERBIA

.....
No transitional arrangement is envisaged.

Chapter 26

EDUCATION AND CULTURE

The EU devotes particular attention to science and research, as it is a very important development area. Knowledge, as the most important intellectual resource, is gaining importance and the establishment of a stable research system is becoming fundamental in modern societies and the main force behind improving living standards.

Through its strategies and programmes, the EU has ensured high quality conditions for the development of science and research, which is beneficial to economic growth. In order to ensure the attainment of the Lisbon Strategy main objective, making the EU the most competitive and dynamic economy in the world, the Member States have decided to increase their investment in science and research to 3% of the GDP and thus encourage competitiveness and growth.

There are no opening or closing benchmarks in case of Montenegro, Croatia and Serbia. It can be concluded that in general, within this particular Chapter, no major difficulties have been expected in Montenegro and that a good level of preparation is achieved in this area.

CHAPTER 26 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	26 September 2012	26 October 2005	23 January 2014
Bilateral Screening:	16 November 2012	17 November 2005	25 March 2014
Council approves the Screening Report and opening benchmarks are set up:	5 February 2013	26 April 2006	6 February 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	1 March 2013	26 April 2006	7 November 2016
Council approves Common Position:	10 April 2013	7 December 2006	19 January 2017
Opening of the Chapter:	15 April 2013	11 December 2006	27 February 2017
Provisional closure of Chapter:	15 April 2013	11 December 2006	27 February 2017

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

.....
No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

.....
No closing benchmarks have been identified.

TRANSITIONAL ARRANGEMENT

MONTENEGRO, CROATIA, SERBIA

.....
No transitional arrangement is envisaged.

Chapter 27

ENVIRONMENT AND CLIMATE CHANGE

EU environment policy aims to promote sustainable development and protect the environment for present and future generations. It is based on preventive action, the polluter pays principle, fighting environmental damage at source, shared responsibility and the integration of environmental protection into other EU policies. The *acquis* comprises over 200 major legal acts covering horizontal legislation, water and air quality, waste management, nature protection, industrial pollution control and risk management, chemicals and genetically modified organisms (GMOs), noise and forestry. Compliance with the *acquis* requires significant investment. A strong and well-equipped administration at the national and local level is imperative for the application and enforcement of the environment *acquis*. Negotiations in this area are a good opportunity to improve environmental protection as the necessary precondition for implementing principles and standards of sustainable development.

Chapter 27 - Environment and climate change is one of the most demanding and a largest chapter of the EU *acquis*, and requires significant investment both from the State and local authorities. Montenegro and Croatia have one opening benchmark each, while Serbia doesn't have opening benchmarks in this area yet. Croatia was required to develop a comprehensive plan, while for Montenegro the scope of the comprehensive plan has been outlined in more detail: "comprehensive national strategy, including an action plan, which will serve as a basis for the transposition, implementation and enforcement of the EU *acquis* on environment and climate change, including plans for the developing of the relevant administrative capacities". Also, areas needing special attention have been emphasised.

CHAPTER 27 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	4-8 February 2013	3-11 April 2006	15-19 September 2014
Bilateral Screening:	18-22 March 2013	15-19 May 2006	17-21 November 2014
Council approves the Screening Report and opening benchmarks are set up:	28 November 2013	3 April 2007	8 June 2016
Opening benchmarks fulfilled:	15 March 2017		
Negotiating Position submitted:		11 July 2008	
Council approves the Common Position:		18 February 2010	
Opening of the Chapter:		19 February 2010	
Provisional closure of the Chapter:		22 December 2010	

Serbia does not have opening benchmarks since it has adopted the strategic document called "The status and plans of transposition and implementation of EU *acquis* for Chapter 27, Environment and Climate change", and this document was the most important document for the opening of the chapter, after the screening processes took place.

Croatia had comprehensive closing benchmarks (fourth of them) referring to the adoption of legislation, further alignment with the *acquis* in the remaining sectors of this chapter and strengthening administrative capacities to ensure the implementation and enforcement of the EU requirements at the date of accession. No closing benchmarks have yet been identified for Montenegro and Serbia and it will take some time to do so due to the complexity of this Chapter.

OPENING BENCHMARKS

MONTENEGRO

1) Montenegro presents to the Commission a comprehensive national strategy, including an action plan, which will serve as a basis for the transposition, implementation and enforcement of the EU *acquis* on environment and climate change, including plans for the developing of the relevant administrative capacities (also including inspections), and an estimation of the financial resources required, with targets and deadlines. Particular attention should be given for alignment with water, nature and waste sector *acquis*, integrating waste minimization measures and management of waste that cannot be treated other than landfilled and to the polity planning and administrative capacity considerations for climate action.

CROATIA

1) Croatia should present to the Commission a comprehensive plan for putting in place the necessary administrative capacity and required financial resources to implement the environment *acquis* with targets

and deadlines. This plan should be coherent with the process to complete the legislative alignment and the start of implementation.

SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO, SERBIA

No closing benchmarks since this chapter has not yet been opened.

CROATIA

1) Croatia adopts legislation aimed at transposing the *acquis* in the field of water quality, notably the new Water Act and the new Water Management Financing Act and makes further significant progress in legislative alignment in this sector by adopting implementing legislation.

2) Croatia adopts legislation aimed at transposing the *acquis* in the field of industrial pollution control and risk management and ensures that definitions, notably related to installations, are aligned with the *acquis*.

3) Croatia continues its alignment with the *acquis* in the remaining sectors of this chapter and demonstrates that it will be fully prepared to ensure the implementation and enforcement of the EU requirements at the date of accession.

4) Croatia continues capacity building of the administrative bodies at all levels, including inspection services, in line with the Action Plan, further improves coordination of work and demonstrates that all appropriate administrative structures will be in place in good time before accession to enable implementation and enforcement of the *acquis* in all sectors of this chapter.

TRANSITIONAL ARRANGEMENT

CROATIA



- Croatia will join the EU Emission Trading System (EU ETS) not before 1 January 2013, when the third trading period of the EU ETS starts.
- Croatia will join the EU ETS for aviation activities as of 1 January 2014.
- Linked to the above, Croatia will join the standardised and secured system of registries foreseen under the EU ETS on these dates.
- Croatia will have a percentage of 26% added to the annex of the EU ETS Directive, being the increase in the percentage of allowances to be auctioned for the purpose of Community solidarity and growth in order to reduce emissions and adapt to the effect of climate change. These calculations are based on the provision that the community-wide quantity of allowances as a result of the accession of Croatia will only be increased by the quantity of allowances that Croatia shall auction.
- Croatia needs to set an exposure reduction target and an average exposure indicator for the air pollutant PM 2,5. The reference year is the second year after the end of the year of Croatia's accession. The average exposure indicator for that reference year shall be the average concentration of the year of accession and the first and the second year after accession. The exposure reduction target shall then be calculated in relation to the average exposure indicator in that reference year.
- One transitional period has been granted until 1 January 2019 for Croatia to bring its landfills for waste in compliance with the *acquis* requirements.
- A second derogation was granted until 1 January 2021, with intermediate deadlines of 1 January 2014 and 2017 in order to reduce the amount of biodegradable waste going into landfills.
- Croatia has a transitional period until 1 January 2024, with intermediate deadlines with intermediate targets of 1 January 2019 and 1 January 2021, to bring its treatment systems in line with the *acquis* requirements as regards urban waste water.

- A second derogation until 1 January 2019 was granted during which Croatia will have to reach certain parameters for drinking water.
- For integrated pollution prevention and control (IPPC), where installations have to reduce their emissions of pollutants: the latest date to bring about compliance, with intermediate deadlines, is 1 January 2018. A total of 67 installations is concerned.
- Eleven large combustion plants have been granted a derogation to reduce their emissions until 1 January 2018.
- Emissions of volatile organic compounds need to be reduced for a specified list of installations until 1 January 2016, with several intermediate deadlines. Also, the obligation for the operator to demonstrate to that the best available techniques are being used shall for coating processes in shipbuilding with regard to certain installations in Croatia apply only as from 1 January 2016. The lists of installations for which these derogations hold are put into the treaty.
- For the regulation on registration, evaluation, authorisation and restriction of chemicals (REACH), Croatia will have a maximum of six months upon accession to adapt to the registration obligation for non-phase-in substances and to the deadlines for pre-registration of phase-in substances, 12 months upon accession for the registration of pre-registered phase-in substances and at least 6 months upon accession for sending applications for authorisations of substances on the authorisation list.

Chapter 28

CONSUMER AND HEALTH PROTECTION

The consumer protection *acquis* covers the safety of consumer goods as well as the protection of the economic interests of consumers in a number of specific sectors. Member States need to transpose the *acquis* into national law and to put in place independent administrative structures and enforcement powers which allow for effective market surveillance and enforcement of the *acquis*. Appropriate judicial and out-of-court dispute resolution mechanisms as well as consumer information and education and a role for consumer organisations should be ensured as well. In addition, this chapter covers specific binding rules in the area of public health.

This Chapter treats two groups of issues: consumer protection and health protection. Protection of consumers' economic interests, information provision and education of consumers, as well as the efficient protection of their interests are the basic principles of the European Union consumer protection policy.

Key issues in the product safety area are: general product safety, deceptive products, and quick exchange of information on dangerous products. Key issues as for the protection of consumers' economic interests' are: long-distance contracts; out-of-office contracts; provisions running contrary to the principles of honesty (unjust provisions in consumer contracts); sale of mass-products and threatening guarantees; deceptive and comparative advertising; disloyal commercial practices; time-sharing of real-estate; travel and vacation arrangements; responsibility for malfunctioning products; court orders; consumer loans, and cooperation between consumer protection bodies.

Health protection policy is aimed at aligning the national public

CHAPTER 28 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	19-20 February 2013	8-9 June 2006	4-5 December 2014
Bilateral Screening:	15-16 April 2013	10-11 July 2006	3-4 February 2015
Council approves the Screening Report and opening benchmarks are set up:	18 December 2013	14 March 2007	23 November 2016
Opening benchmarks fulfilled:			
Negotiating Position submitted:	14 July 2014	28 March 2007	
Council approves the Common Position:	11 December 2014	19 July 2007	
Opening of the Chapter:	16 December 2014	12 October 2007	
Provisional closure of the Chapter:		27 November 2009	

health protection policies within the Union. The common policy is pursued through development of health protection and oversight of health policy performance, joint fight against contagious diseases, rare diseases, cancer, prevention of addictions and accidents, and diseases related to environmental protection. This area also discusses rights of patients in cross-border health care, mental health, blood, tissue, cells, and organs health care, as well as the prevention of alcohol and drug abuse, and tobacco control.

The EU's health protection objectives are: alignment of legislation related to health protection within the EU; citizen protection from health threats; promotion of healthy lifestyles; contribution to suppressing major diseases; contribution to more efficient health care systems; health information provision; citizens' right to express views on health issues.

Joint policy measures include joint regulation between consumer and business organisations and good practice guidelines, as well as consumer protection legislation.

There are no opening benchmarks in the case of Montenegro, Croatia and Serbia. As for closing benchmarks, Montenegro has three, and Croatia had four closing benchmarks, mostly to adopt legislative changes needed (the Law on General Product Safety and the Law on Consumer Protection), further align its legislation with *acquis* in this area and strengthen administrative capacities to enforce improvements. Serbia still doesn't have the closing benchmarks.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA



No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro amends the Law on General Product Safety and the Law on Consumer Protection in order to further align its legislation in the field of consumer protection, particularly with Directive 2011/83/EU on consumer rights, and demonstrates that adequate administrative structures and enforcement capacity will be in place to implement the legislation correctly by the time of accession.

2) Montenegro demonstrates alignment with the EU communicable diseases *acquis*, and ensures that adequate institutional, technical and administrative capacity will be in place by the time of accession to implement it and to fulfill EU reporting and coordination obligations to deal with serious cross-border threats to health.

3) Montenegro adopts legislation aligning with the *acquis* on substances of human origin, especially with regard to organs, reproductive cells and reporting of serious adverse events and reactions. Montenegro demonstrates that it will have the adequate administrative capacity to properly implement and enforce the legislation in the area of blood, tissues, cells and organs by the time of accession.

CROATIA

1) Croatia amends the General Product Safety Act and adopts a new Consumer Protection Act in order to further align its legislation in the field of consumer protection and demonstrates that adequate

administrative structures and enforcement capacity will be in place to implement them correctly by the time of accession.

2) Croatia adopts the legislation aiming at transposing the Commission implementing directives in the area of technical requirement for blood and blood components, traceability requirements and notification of serious adverse reactions and events and of a quality system for blood establishments. Croatia demonstrates that it will have the adequate administrative capacity to properly implement and enforce this legislation by the time of accession.

3) Croatia adopts the legislation aiming at transposing the *acquis* on tissues and cells, especially with regard to reproductive cells and reporting of serious adverse events and reactions. Croatia demonstrates that it will have the adequate administrative capacity to properly implement and enforce this legislation by the time of accession.

4) Croatia achieves substantial progress in transposing the EC tobacco control *acquis* particularly as regards health warnings, ban on misleading product descriptions, ingredients reporting, tobacco sponsorship and tobacco advertising in the information society services.

SERBIA

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No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

CROATIA

.....

No transitional arrangement is envisaged.

Chapter 29

CUSTOMS UNION

The customs union *acquis* consists almost exclusively of legislation which is directly binding on the Member States. It includes the EU Customs Code and its implementing provisions, the combined nomenclature, common customs tariff and provisions on tariff classification, customs duty relief, duty suspensions and certain tariff quotas, and other provisions such as those on customs control of counterfeit and pirated goods, drugs precursors, export of cultural goods as well as on mutual administrative assistance in customs matters and transit. Member States must ensure that the necessary implementing and enforcement capacities, including links to the relevant EU computerised customs systems, are in place.

The customs union is a single customs area of 28 EU Member States, where all internal trade and exchange between member-States is customs-free, i.e. there are no customs fees or customs oversight. Main objectives of the Customs Union are: establishment of a free trade area, boosting economic relations between EU Member States, development of trade activities, improving the living standards, better employment opportunities, raising productivity, and ensuring financial stability. The customs services must also ensure adequate capacities to implement and enforce special rules laid down in related areas of the *acquis* such as external trade.

There are no opening benchmarks in the case of Montenegro, Croatia and Serbia. All countries have three closing benchmarks, similar in structure and content: to continue to adopt legislation in the remaining areas requiring further alignment, to apply its customs rules consistently and efficiently across its customs offices, and to reaches sufficient progress in developing all the required IT interconnectivity systems.

CHAPTER 29 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	23-24 May 2013	31 January- 1 February 2006	26-27 March 2014
Bilateral Screening:	20-21 June 2013	15-16 March 2006	3-4 June 2014
Council approves the Screening Report and opening benchmarks set up:	28 November 2013	28 June 2006	17 November 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	2 July 2014	2 October 2006	26 January 2017
Council approves the Common Position:	11 December 2014	20 December 2006	15 June 2017
Opening of the Chapter:	16 December 2014	21 December 2006	20 June 2017
Provisional closure of the Chapter:		2 October 2009	

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

- 1) Montenegro continues to adopt legislation in the remaining areas requiring further alignment; it should in particular align its legislation on customs status and transit, customs risk management and security aspects, including the Authorised Economic Operator (AEO) program, intellectual property rights, and drug precursors.
- 2) Montenegro applies its customs rules consistently and efficiently across its customs offices, notably in the areas of declaration processing, origin, simplified procedures, intellectual property rights, and selectivity of controls and risk analysis (including automated pre-arrival/pre-departure risk analysis across all modes of transport).
- 3) Montenegro reaches sufficient progress in developing all the required IT interconnectivity systems, in particular the New Computerised Transit System (NCTS), the Integrated Tariff Management System (ITMS), the Export Control System (ECS) and the Import Control System (ICS).

CROATIA

- 1) Croatia should continue to issue legal acts in the limited remaining areas requiring further alignment. Croatia particularly needs to align its legislation on non-preferential rules of origin.
- 2) Croatia needs to show that in its customs offices applies customs regulations in a consistent and uniform way, especially in the areas

of processing of customs declaration, origin, simplified procedures, counterfeiting, selectivity of controls and risk analysis.

3) Croatia should submit to the Commission a comprehensive and clear strategy on the mutual information networking and achieve sufficient progress in developing all related IT interconnectivity system, especially for the New Computerized Transit System (NCTS), Integrated Tariff Management System (ITMS), the Export Control System (ECS) and Import Control System (ICS).

SERBIA

- 1) Serbia continues to adopt legislation in the areas requiring further alignment; it should in particular align its legislation on duty relief, customs risk management and security aspects, cultural goods, and drug precursors.
- 2) Serbia applies its customs rules consistently and efficiently across its customs offices, notably in the areas of declaration processing, origin, simplified procedures, intellectual property rights, and selectivity of controls and risk analysis (including automated pre-arrival/pre-departure risk analysis across all modes of transport).
- 3) Serbia presents to the Commission comprehensive and coherent customs business and IT strategies, and reaches sufficient progress in developing all the required IT interconnectivity systems.

CROATIA

- Provisions ensuring continued validity after accession of proof of origin issued before accession in the framework of preferential agreements concluded by Croatia with third countries. Such a measure is necessary in order to respect the legitimate expectations of operators.
- Provisions applicable upon discharge of certain economic regimes (customs warehousing, inward processing, outward processing, processing under customs control and temporary importation).
- Provisions concerning remission, recovery and repayment of duties. Such provisions are necessary for the proper management of the resources.

Chapter 30

EXTERNAL RELATIONS

Chapter 30 covers all the aspects of the EU's international activity, including the common trade policy, bilateral agreements with third countries, as well as development and humanitarian aid.

Common trade policy covers trade in goods and services, commercial aspects of intellectual property, FDI, export policy, and trade protection measures. Its aims are: development of trade, gradual removal of barriers in international trade and foreign investment, as well as the reduction of customs and other trade barriers.

The EU has concluded numerous agreements with third countries, regional, and international organisations. So far, it has signed over 200 free trade agreements. In addition, the customs union has been established with Turkey, Andorra, and San Marino. Trade partnership and cooperation agreements have also been signed with Russia.

Candidate countries need to align their agreements on free trade, economic relations, and investment with the EU *acquis*.

In the area of humanitarian and development aid, candidate countries are expected to align its legislation with the *acquis*, international commitments accepted by the Member States, and to strengthen capacities for participation in humanitarian and development aid intended for developing countries and least developed countries.

There are no opening benchmarks in the case of Croatia, Montenegro and Serbia. Croatia and Montenegro have one closing benchmark each, while Serbia has two. The closing benchmark for Montenegro and Croatia is almost the same: "present to the Commission an action plan for its remaining preparations in terms of legislation and

CHAPTER 30 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	14 May 2013	10 July 2006	2 July 2014
Bilateral Screening:	12 June 2013	15 September 2006	9 October 2014
Council approves the Screening Report and opening benchmarks are set up:	16 January 2014	14 March 2007	26 October 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	1 August 2014	28 March 2007	10 May 2017
Council approves the Common Position:	25 March 2015	11 October 2007	11 December 2017
Opening of the Chapter:	30 March 2015	12 October 2007	
Provisional closure of the Chapter:	20 June 2017	30 October 2008	

bringing international agreements into conformity with the *acquis* demonstrating that it will have the adequate administrative and control capacity to properly implement and enforce this legislation, especially in the field of export controls for dual-use items and technology, by the time of accession". Serbia has one benchmark similar to that of Montenegro and Croatia, and an additional one related to the request to accede to the WTO, and a track record of alignment with EU positions in the WTO.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro presents to the Commission an action plan for its remaining preparations in terms of legislative alignment, bringing international agreements into conformity with the *acquis* and enhancement of administrative and control capacity to ensure full application and enforcement of the *acquis* in this chapter from the day of accession.

CROATIA

1) Present to the Commission an action plan for its remaining preparations in terms of legislation and bringing international agreements into conformity with the *acquis* demonstrating that it will have the adequate administrative and control capacity to properly implement and enforce this legislation, especially in the field of export controls for dual-use items and technology, by the time of accession.

SERBIA

1) Serbia accedes to the WTO and ensures a track record of alignment with EU positions in the WTO.

2) Serbia presents to the Commission an action plan for its remaining preparations in terms of legislative alignment, bringing international agreements into conformity with the *acquis* and enhancement of administrative and control capacity to ensure full application and enforcement of the *acquis* in this chapter from the day of accession.

TRANSITIONAL ARRANGEMENT

CROATIA

No transitional arrangement is envisaged.

Chapter 31

FOREIGN, SECURITY AND DEFENCE POLICY

The common foreign and security policy (CFSP) and the European security and defence policy (ESDP) are based on legal acts, including legally binding international agreements, and on political documents. The *acquis* consists of political declarations, actions and agreements. Member States must be able to conduct political dialogue in the framework of CFSP, to align with EU statements, to take part in EU actions and to apply agreed sanctions and restrictive measures. Applicant countries are required to progressively align with EU statements, and to apply sanctions and restrictive measures when and where required.

This area covers issues of the candidate countries' relations with the EU and its institutions. This Chapter treats the issues of Common Foreign, Security, and Defence Policy, as well as the Common Security and Defence Policy.

Negotiations in this Chapter include the overall security and defence system and cooperation with international organisations. It contains several sub-areas: cooperation with international organisations (especially the CoE and the UN), arms control, the European Security and Defence Policy, political dialogue with the EU, cooperation with NATO, fight against terrorism.

This Chapter covers the candidate country's participation in missions and military and defence institutions and organisations important to the EU, primarily NATO and peacekeeping missions. At the same time, the country must have a well-developed arms control system based on a normative framework in line with the EU *acquis*.

CHAPTER 31 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	17 May 2013	14 September 2006	15 July 2014
Bilateral Screening:	27 June 2013	2 October 2006	10 October 2014
Council approves the Screening Report and opening benchmarks are set up:	16 December 2013	7 May 2008	16 December 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	19 February 2014	8 May 2008	
Council approves the Common Position:	18 June 2014	25 June 2010	
Opening of the Chapter:	24 June 2014	30 June 2010	
Provisional closure of the Chapter:		22 December 2010	

There are no opening benchmarks for this chapter in the case of Montenegro, Croatia and Serbia. Montenegro and Croatia have one closing benchmark, while Serbia still doesn't have closing benchmarks in this area.

This chapter is specific in a way that the monitoring of progress is carried out by the European External Action Service (EEAS), the EU's diplomatic service and not the EC. This certainly gives political flair to the negotiations under this chapter and places emphasis on the candidate country's concordance with EU's foreign policy orientation (Montenegro is fully concordant with the EU in this regard; Serbia less so).

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro – as a signatory of the Rome Statute establishing the International Criminal Court (ICC) – fully aligns its position with the Council Decision 2011/168/CFSP of 21 March 2011 and the EU Guiding Principles concerning Arrangements between a State Party to the Rome Statute of the ICC and the United States regarding the Conditions to Surrender of Persons to the Court, annexed to the Council Conclusions of 30 September 2002 on the International Criminal Court.

CROATIA

1) Croatia needs to continue to strengthen its implementation and enforcement capacity as well as the transparency of information on weapons and to ensure that the National Strategy and Action Plan

for the Control of Small Arms and Light Weapons are in line with the EU Strategy for the Suppression of Illegal Trafficking and Accumulation of Small Arms and Light Weapons and Ammunition.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

TRANSITIONAL ARRANGEMENT

MONTENEGRO, CROATIA

No transitional arrangement is envisaged.

Chapter 32

FINANCIAL CONTROL

The *acquis* under this chapter relates to the adoption of internationally agreed and EU compliant principles, standards and methods of public internal financial control (PIFC) that should apply to the internal control systems of the entire public sector, including the spending of EU funds. In particular, the *acquis* requires the existence of effective and transparent financial management and control systems (including adequate ex-ante, ongoing and ex-post financial control or inspection); functionally independent internal audit systems; the relevant organisational structures (including central co-ordination); an operationally and financially independent external audit organisation to assess, amongst others, the quality of the newly established PIFC systems. This chapter also includes the *acquis* on the protection of EU financial interests and the fight against fraud involving EU funds. This Chapter is related to the adoption of standards, methods, and international principles of internal financial control across the entire public sector, as well as the control of spending EU funds. Financial control includes four main areas: public internal financial control, external audit, protection of the EU's financial interests, and protection of the euro from forgery.

Main objectives of this Chapter are: financial stability of the Member States, prevention of misuse of financial means, contribution to a more efficient, successful, and accountable spending, which offers an important mechanism for fighting corruption.

Internal financial control systems contribute to an improved discipline and provide for transparency in using public and EU funds, as well as the protection of EU financial interests.

There are no opening benchmarks in the case of Montenegro, Croatia

CHAPTER 32 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	15 May 2013	18 May 2006	17 October 2013
Bilateral Screening:	19 June 2013	29 June 2006	26 November 2013
Council approves Screening Report and setting up opening benchmark:	28 October 2013	9 November 2006	28 May 2014
Opening benchmarks fulfilled:			
Negotiating Position submitted:	11 March 2014	21 December 2006	6 August 2014
Council approves Common Position:	18 June 2014	20 June 2007	2 December 2015
Opening of the Chapter:	24 June 2014	26 June 2007	14 December 2015
Provisional closure of Chapter:	27 July 2010		

and Serbia. All three countries have closing benchmarks in this area. Montenegro and Serbia have four each, Croatia had five. Main requirements include: further alignment of legislation with *acquis* and its successful implementation, compliance with EU Conventions and standards (ratification and implementation), adequate administrative capacities and effective and efficient coordination service and monitoring. The State Audit Institution should comply with the standards of the International Organisation of Supreme Audit Institutions, including ensuring financial, functional and institutional independence, implementation of finance and performance audits, and ensures sufficient administrative capacity.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro implements PIFC legislation and underlying policies and ensures sufficient administrative capacity at central and local level, in social security funds and in the state-owned enterprises. Montenegro further ensures that the proposed centralized budget inspection function is in line with the PIFC requirements.

2) The State Audit Institution (SAI) of Montenegro complies with the standards of the International Organisation of Supreme Audit Institutions (INTOSAI), including ensuring financial, functional and institutional independence, implementation of finance and performance audits, and ensures sufficient administrative capacity.

3) Montenegro ensures an effective and efficient coordination of anti-fraud activities to guarantee the fulfillment of future obligations arising from Article 325(3) of the TFEU and application of the provisions of Regulation (EC) No 2185/96 concerning on-the-spot checks and inspections carried out by the Commission, in particular the obligation of assistance to Commission inspectors. Montenegro provides a track record on cooperation with the Commission on reported irregularities and investigation cases involving EU funds.

4) Montenegro ratifies and implements the 1929 Geneva International Convention for the suppression of counterfeiting currency, aligns its legislation with the EU *acquis* on medals and tokens similar to euro coins and ensures sufficient administrative capacity for the technical analysis centre.

CROATIA

1) Croatia should adopt and implement a Law on the System of Internal Financial Control (PIFC), as well as related policies that will be supported by adequate enforcement capacity.

2) Croatia needs to maintain functional and financial independence of the State Audit Office through amendments to the Constitutional provisions or national legislation having the same effect, and to ensure the adoption and implementation of necessary accompanying legislation.

3) Croatia has to align the Criminal Code with the Convention on the Protection of EU Financial Interests (PIF) and its protocols.

4) Croatia should establish effective and efficient coordination service to guarantee fulfillment of the obligations arising from Article 280, paragraph 3 of the Treaty establishing the European Community and the application of the provisions of Regulation (EC) no. 2185/96 on the direct control and monitoring performed by the European Commission, especially as regards the obligation of assisting the inspectors of

the European Commission, not later than the date of accession.

5) Croatia should establish effective and efficient coordination service to guarantee fulfillment of the obligations arising from Article 280, paragraph 3 of the Treaty establishing the European Community and the application of the provisions of Regulation (EC) no. 2185/96 on the direct control and monitoring performed by the European Commission, especially as regards the obligation of assisting the inspectors of the European Commission, not later than the date of accession.

SERBIA

1) Serbia amends its legal framework to ensure coherent PIFC legislation. Serbia implements PIFC legislation and the underlying policies and ensures sufficient administrative capacity at central and local level, in social security funds and in the state-owned enterprises. Serbia ensures that the centralised budget inspection function is compatible with the PIFC requirements.

2) The State Audit Institution (SAI) of Serbia complies with the standards of the International Organisation of Supreme Audit Institutions (INTOSAI), including ensuring financial, functional and institutional independence, implementation of finance and performance audits, and ensures sufficient administrative capacity.

3) Serbia ensures an effective and efficient coordination of anti-fraud activities and cooperation with the Commission to guarantee the fulfillment of future obligations arising from Article 325(3) of the TFEU and application of the provisions of Regulation (EU, EURATOM) No 883/2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and Regulation (EC) No 2185/96 concerning on-the-spot checks and inspections carried out by the Commission, in particular the obligation of assistance to Commission inspectors. Serbia ensures in its national legislation the obligation to safeguard evidence. Serbia ensures a comprehensive legal basis and sufficient operational capacity for its national anti-fraud coordination service.

Serbia provides a track record on cooperation with the Commission on reported irregularities and investigation cases involving EU funds.

4) Serbia ratifies and implements the 1929 Geneva International Convention for the suppression of counterfeiting currency, aligns its legislation with the EU *acquis* on authentication of euro coins and the handling of euro coins unfit for circulation and on authentication of euro banknotes. Serbia ensures sufficient administrative capacity for the technical analysis centre.

TRANSITIONAL ARRANGEMENT:

MONTENEGRO, CROATIA, SERBIA   



No transitional arrangement is envisaged.

Chapter 33

FINANCIAL AND BUDGETARY PROVISIONS

This Chapter includes rules on own resources, which are the EU budget revenues. These resources are made up mainly from contributions from Member States based on traditional own resources from customs and agricultural duties and sugar levies; a resource based on value-added tax; and a resource based on the level of gross national income. Member States must have appropriate administrative capacity to adequately co-ordinate and ensure the correct calculation, collection, payment and control of own resources. The *acquis* in this area is directly binding and does not require transposition into national law.

The EU budget is used to fund a great deal of activities, from rural development and environmental protection to border protection and human rights promotion. The Commission, the Council, and the Parliament have a right to vote on the amount of the budget and its allocation. However, the Commission and the Member States are responsible for budgetary expenditure.

There are no opening benchmarks for this chapter in the case of Montenegro, Croatia and Serbia. Montenegro and Croatia have one closing benchmark each: to increase its administrative capacity and adopt an action plan in order to sufficiently prepare and introduce procedural rules to ensure that the country will be able, from accession, to correctly calculate, forecast, account for, collect, pay, control and report to the EU on own resources in line with the *acquis*, while Serbia still doesn't have benchmarks in this area.

CHAPTER 33 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:	15 May 2013	6 September 2006	27 January 2015
Bilateral Screening:	26 June 2013	27 September 2006	24 March 2015
Council approves the Screening Report and opening benchmarks are set up:	17 September 2013	25 April 2007	15 December 2015
Opening benchmarks fulfilled:			
Negotiating Position submitted:	10 June 2014	2 August 2007	22 June 2017
Council approves Common Position:	11 December 2014	19 December 2007	
Opening of the Chapter:	16 December 2014	19 December 2007	
Provisional closure of Chapter:		30 June 2011	

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO

1) Montenegro increases its administrative capacity and to this end adopts an action plan in order to sufficiently prepare and introduce procedural rules to ensure that it will be able, from accession, to correctly calculate, forecast, account for, collect, pay, control and report to the EU on own resources in line with the *acquis*.

SERBIA

No closing benchmarks since this chapter has not yet been opened.

CROATIA

1) Croatia should strengthen its administrative capacity in order to sufficiently prepare and introduce procedural rules to ensure that it will be able, from accession, to correctly calculate, forecast, account for, collect, pay, control and report to the EU on own resources in line with the *acquis*.

Financial package for Croatia

This chapter also covers the financial allocations for Croatia as a Member State. The amounts and arrangements agreed are set out below. Croatia will also participate in the EU's other actions and programmes (internal policies) as from its accession. As there exist no pre-allocated envelopes by Member State for this other expenditure,

specific amounts for Croatia are not fixed and are therefore not included in the Accession Treaty.

Structural measures

For structural measures, the following amounts in commitments were agreed for 2013 (accession 1 July):

€ millions, current prices 2013	2013
Structural Funds	299.6
Cohesion Fund	149.8
European Fisheries Fund	8.7

No specific amounts for the structural measures from 2014 were agreed. However, it has been agreed that Croatia will be subject to a continued phasing-in of these structural measures in 2014 and 2015. Accordingly, Croatia will receive funding at a rate of 70% in 2014 and 90% in 2015 of 'normal' funding in those years, with an adjustment to be made to ensure, insofar as the limits of the new *acquis* allow, an increase of funds for Croatia in 2014 of 2.33 times the 2013 allocation, and in 2015 of 3 times the 2013 allocation.

Agricultural / rural development

As regards agriculture and rural development funding it was agreed that there would be:

- no post-accession rural development funding in 2013,
- full access to rural development funding from 2014, i.e. with no phasing-in,
- a full, 1-year allocation of IPARD pre-accession funding available to Croatia in 2013 (€27.7 million), and
- access to the full amount of 25% of direct payments in 2013.

Temporary financial instruments

The package also includes three temporary financial instruments in favour of Croatia in 2013 and 2014: a "Schengen facility", a "Transition facility" and a "Cash-flow facility". The following amounts were agreed:

€ millions, current prices	2013	2014
Schengen facility	40	80
Transition facility	29	
Cash-flow facility	75	28.6

Chapter 34

INSTITUTIONS

This chapter covers the institutional and procedural rules of the EU. This Chapter treats the future member's participation in the work of the EU institutions. This means determining the number of its representatives in the institutions, and the number of votes and voting procedures in certain bodies. The process defines the number of votes the future member states will have when decisions are being reached within the Council and in cases when decisions are reached through a qualified majority vote. When a country joins the EU, adaptations need to be made to these rules to ensure this country's equal representation in EU institutions (European Parliament, Council, Commission, Court of Justice) and other bodies and the good functioning of decision-making procedures (such as voting rights, official languages and other procedural rules) as well as elections to the European Parliament.

EU rules in this chapter do not affect the internal organisation of a Member State, but acceding countries need to ensure that they are able to participate fully in EU decision-making by setting up the necessary bodies and mechanisms at home and by electing or appointing well-prepared representatives to the EU institutions. After concluding the accession negotiations, specific rules for the interim period until accession ensure a smooth integration of the country into EU structures: an information and consultation procedure is put in place and, once the Accession Treaty is signed, the acceding country is granted active observer status in the European Parliament and Council as well as in Commission committees.

Each country that joins the Union has the possibility of having a Commissioner. When it comes to the European Parliament, the country

CHAPTER 34 NEGOTIATION TIME TABLE			
MAIN STEPS	MONTENEGRO	CROATIA	SERBIA
Explanatory Screening:		5 November 2010	
Bilateral Screening:			
Council approves the Screening Report and opening benchmarks are set up:			
Opening benchmarks fulfilled:			
Negotiating Position submitted:			
Council approves Common Position:			
Opening of the Chapter:			
Provisional closure of the Chapter:		5 November 2010	

has the right to have its citizens run for elections for members of the European Parliament (MEPs), as well as vote in the EU elections. Following accession, the new member receives the right to appoint a judge at the Court of Justice of the European Union. In a similar fashion, the Member State Central Bank Governors participate in the work of the European Central Bank. In addition, each country has a representative at the European Court of Auditors, European Economic and Social Committee, Committee of the Regions, etc.

There are no opening and no closing benchmarks in the case of Montenegro, Croatia and Serbia under this chapter.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

CLOSING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

RESULTS OF NEGOTIATION

CROATIA

- Parliament - For the remainder of the 2009-2014 parliamentary term, Croatia will be allocated 12 seats in the European Parliament. As from 2014, the composition of the 751 seats of Members of Parliament will be determined on the initiative of the European Parliament and with its consent by a decision of the European Council (Article 14(2) TEU).

- Council - Until 31 October 2014/31 March 2017, the qualified majority is calculated in accordance with the regime laid down in Article 3(3) of Protocol n. 36 on transitional provisions, as amended by Article 20 of the Act of Accession of Croatia. The weighting of votes for Croatia will be set at 7. The qualified majority threshold is fixed at 260 votes out of 352, whereas the blocking minority requires 91 votes. Furthermore, a Member State may request the verification whether these 260 votes represent at least 62% of the total population of the Union.
- Commission - A national of Croatia will be appointed to the Commission as from the date of accession.
- Economic and Social Council and the Committee of the Regions - Until the entry into force of the decisions of the Council on the new composition of the two advisory committees (Articles 301 and 305 TFEU), Croatia will be granted 9 members in each committee.
- Other issues - The number of judges of the Court of Justice and the General Court will be increased by 1 to 28. As regards other institutions, organs, bodies, committees and agencies established by the Treaties or secondary law, Croatia will be adequately represented in accordance with the existing rules. The 22 official languages of the EU will be supplemented by the Croatian language. In this context, due attention should be paid to the training of suitably qualified conference interpreters and translators.

Chapter 35

OTHER ISSUES

This chapter includes miscellaneous issues which come up during the negotiations but which are not covered under any other negotiating chapter. This chapter usually contains issues that need to be solved during the negotiations but which are not covered in other negotiating chapters.

When it comes to Serbia's negotiations with the EU, Chapter 35 has the same importance as chapters 23 and 24, because it is through this chapter that the implementation of the agreements reached in the dialogue between Belgrade and Pristina is monitored.

In the case of Croatia, this Chapter was negotiated at the very end of the integration process. Opening of the chapter was on 30 June 2011 and provisional closure of chapter on the same day.

Chapter 35 - Other issues, that covers the issue of normalization of relations between Belgrade and Pristina, was opened during the Second Intergovernmental Conference between Serbia and the EU. Bilateral and Explanatory Screening was held on 22 January 2014. The Screening Report was approved in September 2015, the Common Position in November 2015, while this Chapter was opened on 14 December 2015.

There are no opening and closing benchmarks for this chapter in the case of Croatia, Montenegro and Serbia. Serbia has interim benchmarks that will remain a huge challenge for the duration of the negotiation process.

OPENING BENCHMARKS

MONTENEGRO, CROATIA, SERBIA

No opening benchmarks.

INTERIM BENCHMARKS

SERBIA

1. Implementation of First Agreement (April 2013) and May implementation plan – Agreements on Energy and Telecoms

a) On elections

- Serbia discontinues funding and support of Serbian structures (i.e. interim municipal councils, municipal staff) in order to finalise and consolidate municipal administrations in line with Kosovo law;
- Serbia encourages the full respect of Kosovo legislation by the northern Kosovo municipal authorities, particularly on procurement and on the remaining open issues from the municipal Statutes (i.e. the use of municipal stamps and insignia in line with the applicable Kosovo legislation).

b) On the Association/Community of Serb majority municipalities in Kosovo

- Serbia contributes to the continuation of the process (drafting of the Statute), within the timelines agreed and in line with Kosovo law, the First Agreement and the 25 August 2015 Agreement;
- Serbia ensures transparency of its funding to the Association/Community of Serb majority municipalities in Kosovo.

c) On the Police

- Serbia provides quarterly information on the payment of pension

benefits to its former police officers now integrated into the Kosovo Police, as appropriate, to the Kosovo competent authorities.

d) On Justice

- Serbia continues to engage constructively in reaching an agreement on the judicial support staff and the premises
- Serbia confirms the end of tenure for all its to-be integrated judicial personnel;
- Serbia enacts a special legislation with regard to Serbian judicial institution in Kosovo as foreseen in the Serbian Law on seats and territorial jurisdictions of Courts and Prosecutors Offices
- Serbia provides quarterly information on the payment of pension's benefits for the integrated judicial personnel to the Kosovo judicial and prosecutorial councils, as appropriate.

e) On Civil Protection

- Serbia adopts the necessary regulations on the discontinuation of payment of salaries and provision of financial means to the civil protection in Kosovo.

f) On the Liaison Arrangements

- Serbia continues to consistently respect the provisions for the exchange of the official visits;
- Serbia provides the Serb Liaison Officer in Pristina with all necessary administrative support (for example by paying his rent for the official premises);
- Serbia agrees on the visual appearance on official correspondence that is still not determined (stamps, symbols and letter-heads);
- Serbia continues to provide security support and access to Serbian interlocutors to the Kosovo Liaison Officers in Belgrade.

g) On the Energy Agreement

- Serbia continues to engage in the process of normalisation between the Kosovar Transmission System Operator (KOSTT)

and the Serbian transmission company (EMS), including by signing an interconnection agreement, and supporting KOSTT's membership of the European organisation, European Network of Transmission System Operators for Electricity (ENTSO-E). This agreement should cover the entire territory of Kosovo in line with the Energy Agreement;

- Serbia establishes the supply company (called "ElektroSever") in Kosovo, and fulfils the conditions under Kosovo legal and regulatory framework for the company to be granted a supply license;
- Serbia contributes to reaching commercial arrangements for ElektroSever with the existing distribution company, if it is to be able to carry out distribution services;
- Serbia solves the issue of the Serbian-appointed management of the Gazivode/Ujmani plant.

h) On the Telecommunications Agreement

- Serbia establishes the telecommunications company as a subsidiary of Serbija Telekom, and fulfils the conditions under the Kosovo legal and regulatory framework for the company to be granted a fixed telephony license;
- Serbia respects the calendar and each of the steps agreed which establishes a parallel process between allocating a 3-digit dial code to Kosovo with granting a temporary authorisation for existing mobile operations in Kosovo;
- Serbia engages in the co-operation process between telecommunication regulatory authorities;
- Serbia gives its consent, as required, to the ITU allocating the 3 digit code to Kosovo, as well as the text of the ITU bulletin agreed in the Action Plan.

2. Implementation work on March 2011-February 2012 Technical Dialogue Agreements

a) On customs issues

- Serbia addresses the issue of the existence of re-located Serbian administrative customs structures with Kosovo denomination;
- Serbia ceases the issuance of documentation or affixing of stamps with denominations that contravenes Serbian obligations under the 17 January 2013 agreement.

b) On IBM and joint crossing points

- Serbia completes the establishment of all crossing points;
- Serbia processes requests for Mutual Legal Assistance;
- Serbia improves control and/or closes alternative roads and by-passes to ensure exclusive use of official crossing points for goods and persons entering into or leaving Kosovo;

c) On Freedom of Movement

- Serbia allows third states' nationals entry into Serbia from Kosovo;
- Serbia implements the licence plates' arrangements in northern Kosovo for Kosovo residents.

d) On Freedom of Movement/Mitrovica Bridge

- Serbia publicly supports the implementation of the Agreement concluded on 25 August 2015, in particular its timetable leading up to the opening of the Mitrovica bridge for all traffic by summer/not later than end of June 2016;
- Serbia respects the timelines agreed in the arrangements of 25 August 2015.

e) On regional cooperation

- Serbia enables, from their side, Kosovo's effective participation in remaining regional initiatives, in line with the jointly agreed terms;

- Serbia supports the inclusion of Kosovo's representatives in the management and administrative structures of regional organisations, provided that the merit principle, comparative analysis and the specific Terms of Reference are observed.

f) On the recognition of University Diplomas

- Serbia engages constructively with Kosovo on a consistent procedure in order to achieve the results intended by the 2011 Agreement..

g) On cooperation with EULEX Kosovo

- Serbia provides public support for the judicial process led by EU-LEX, including the Specialist Chambers and Prosecution Office;

3. Further agreements and progress in the normalisation of relations

- Serbia remains committed to the EU-facilitated Dialogue, engages in reaching further agreements in new subjects/areas, furthering the normalisation in good faith, with a view to gradually lead to the comprehensive normalisation of relations between Serbia and Kosovo, in line with the negotiating framework.

CLOSING BENCHMARKS

MONTENEGRO 

Montenegro has no open issues at this stage of the negotiations, thus no closing benchmarks have yet been identified.

CROATIA 

No closing benchmarks.

SERBIA 

No closing benchmarks yet.

RESULTS OF NEGOTIATIONS

CROATIA 

- European Development Fund - Croatia will accede to the EDF as of the entry into force of the new Multiannual Financial Framework of Cooperation following its accession to the Union and will contribute to it as from the 1 January of the second calendar year following the date of its accession.
- Research Fund for Coal and Steel (RFCS) - Croatia will participate fully in the RFCS from the day of accession. It will pay its contribution to the RFCS calculated according to the same methodology followed for the 12 new Member States. Payments will be made in four annual installments starting in 2015.
- Arrangements for the Interim Period - Arrangements are specified for the period between the conclusion of the accession negotiations) and the date of accession. The main elements of these arrangements in the form of an exchange of letters between the European Union and Croatia are an 'information and consultation procedure' and an 'active observer status' during the period between the signature of the Accession Treaty and accession.

- Implementation and management of pre-accession funds in Croatia - Provisions in the Accession Treaty establish the rules for the implementation, after accession, of the pre-accession funds under the Instrument of Pre-accession Assistance.
- European Investment Bank - Provisions on the amendments to the Statute of the European Investment Bank will be included in the Accession Treaty covering the addition of Croatia to the list of members of the Bank, arrangements for an increase to the capital and reserves (including an agreed transitional measure with contributions from Croatia to be paid in 8 installments) and provisions with regard to its representation on the Board of Directors.
- Arrangements with regard to goods transiting the Neum corridor - The Accession Treaty will provide for a special regime to be established that allows partial waiving of entry/exit summary declarations for goods crossing the Neum corridor. The Council, acting on the basis of a proposal from the European Commission, will define before the accession of Croatia the terms of the special regime.
- Safeguard clauses - The Accession Treaty will feature three safeguard clauses: a general economic safeguard clause, a specific internal market safeguard clause and a specific JHA safeguard clause. The general economic safeguard clause covers any sector of the economy or economic situation of a given area, both in current Member States and Croatia. The internal market safeguard clause covers all sectoral policies involving economic activities with cross border effects and can also be invoked in case of threats to the financial interests of the EU. The JHA safeguard clause covers mutual recognition in the area of criminal law and civil matters. Both the internal market and the JHA safeguard clause may be applied vis-à-vis Croatia only. Safeguard measures may be taken under these three clauses until the end of a period of three years after accession, but they may remain in force beyond this period. However, any safeguard measure shall be maintained no longer than is strictly necessary and must be proportional in scope and duration.
- Monitoring - It was agreed that the Commission shall closely monitor all commitments undertaken by Croatia in the accession negotiations, including those which must be achieved before or by the date of accession. The Commission's monitoring shall focus in particular on commitments undertaken by Croatia in the area of the judiciary and fundamental rights, including the continued development of track records on judicial reform and efficiency, impartial handling of war crimes cases, and the fight against corruption. In addition, the Commission's monitoring shall focus on the area of justice, freedom and security, including the implementation and enforcement of Union requirements with respect to external border management, police cooperation, the fight against organised crime, and judicial cooperation in civil and criminal matters, as well as on commitments in the area of competition policy including the restructuring of the shipbuilding industry and the restructuring of the steel sector.
- The Commission shall issue six-monthly assessments up to the accession of Croatia on the commitments undertaken by Croatia in these areas as an integral part of its regular monitoring tables and reports. The Council, acting by qualified majority on a proposal from the Commission, may take all appropriate measures if issues of concern are identified during the monitoring process. The measures shall be maintained no longer than strictly necessary and, in any case, shall be lifted by the Council, acting in accordance with the same procedure, when the relevant issues of concern have been effectively addressed.
- Arrangements on a possible one-off transfer of Assigned Amount Units under the Kyoto Protocol to Croatia - All signature countries of the Kyoto protocol have been allocated an Assigned Amount Unit, which is a sort of carbon credit representing the allowed amount of greenhouses gases a country is permitted to emit per year. The EU has agreed to give Croatia extra carbon credits under the provision that Croatia drops its complaint against the decision of the Compliance Committee under the Kyoto Protocol. (Croatia stated in September 2011 its intent to announce the drop of the complaint at the COP 17 meeting in Durban in December 2011).



ANNEXES

Annex 1

Benchmarks per Chapter Overview





MONTENEGRO



CROATIA



SERBIA



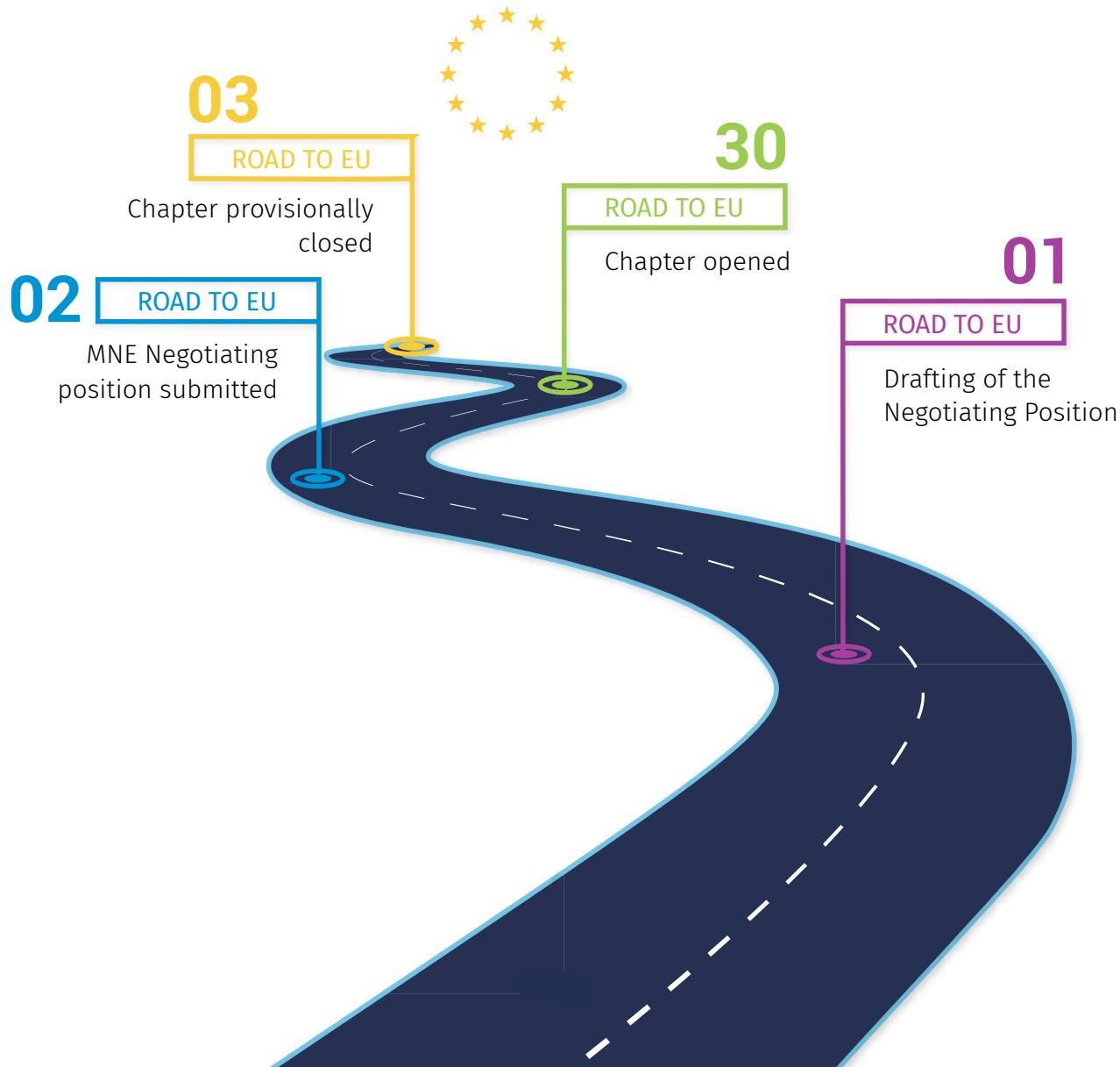
CHAPTER	MONTENEGRO		CROATIA		SERBIA			
	Opening	Closing	Opening	Closing	Opening	Closing		
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34								
35						Interim Benchmarks		
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ANNEX 2

Chapters Overview



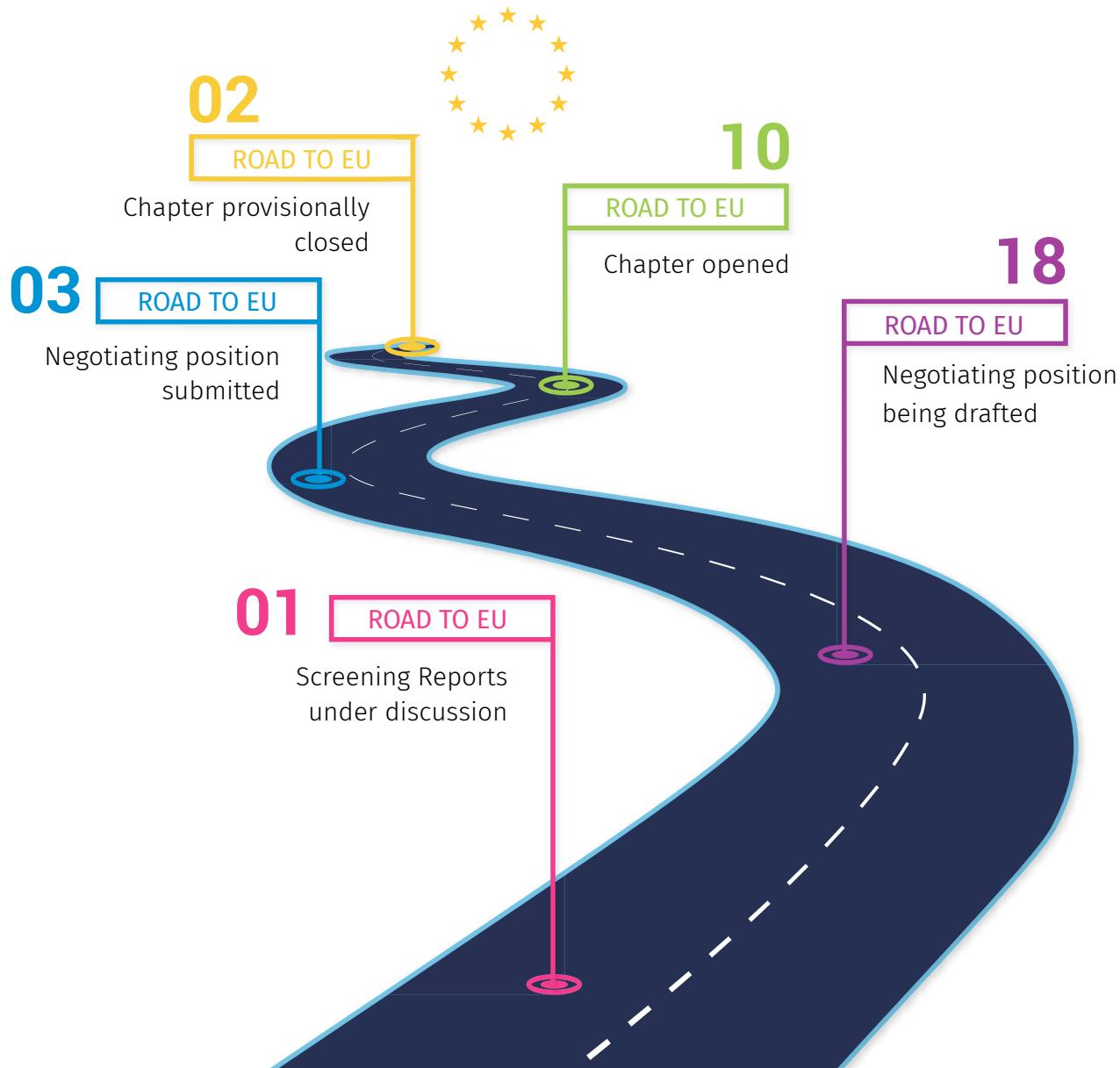
Montenegro



ANNEX 2

Chapters Overview







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