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President **Miroslav Lajčák**
Minister of Foreign Affairs from Slovakia

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's internet site or may be obtained from the Press Office.

ITEMS DEBATED**MFF mid-term review**

The presidency informed ministers of the state of play in the mid-term review of the EU's multi-annual financial framework (MFF) for 2014-2020.

On 15 November 2016, the Council gave broad support to the Slovak presidency's latest proposal on the mid-term review. However, one member state still has a reservation and cannot yet give its agreement. Once unanimous agreement has been reached in the Council the European Parliament still has to give its consent.

The overarching aim of the MFF mid-term review is to strengthen the EU's ability to address new priorities. To that end the Commission proposed to

- increase the resources for measures to tackle the migration crisis, reinforce security, boost growth and create jobs
- add flexibility by creating new special instruments outside the MFF and increase the allocations of existing ones

The MFF regulation sets out annual maximum amounts which the EU is allowed to spend on different policy areas over the period from 2014 to 2020. It translates political priorities into figures, ensures budgetary discipline for the EU and seeks to facilitate the adoption of the annual EU budget.

Enlargement and stabilisation and association process

The Council discussed the enlargement and stabilisation and association process, following which the presidency noted that there was no consensus allowing for the adoption of Council conclusions on this issue. The presidency therefore drew up the following set of conclusions which received the support of the overwhelming majority of delegations in the course of the discussions ([15370/1/16 REV 1](#)):

"The Presidency notes the absence of a consensus allowing the adoption of Council conclusions on Enlargement and Stabilisation and Association Process. However, the Presidency also notes that the following conclusions received the support of the overwhelming majority of delegations in the course of the deliberations on this item:

1. The Council takes note of the communication from the Commission of 9 November 2016 on the EU Enlargement Policy and the reports on Turkey, Montenegro, Serbia, the former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina and Kosovo*, and of the conclusions and recommendations therein. The Council welcomes the expansion of the Commission's new methodology and further harmonisation of reporting.
2. In an overall challenging environment, the Council reaffirms its commitment to enlargement which remains a key policy of the European Union, in line with the renewed consensus on enlargement approved by the European Council on 14 and 15 December 2006 and the Council conclusions of 15 December 2015. It represents a strategic investment in the peace, democracy, prosperity, security and stability in Europe. The Council continues to attach great importance to the credibility of the enlargement process, which remains crucial to maintaining the momentum of reforms. It encourages partners to demonstrate ownership and embrace the necessary reforms in the interest of their people. In line with the Thessaloniki Agenda, the

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Council reiterates the EU's unequivocal support to the European perspective of the Western Balkans. Turkey remains a key partner in many areas. The full respect of commitments and established conditionality in accession negotiations will contribute to EU-Turkey relations achieving their full potential.

3. In line with previous Council conclusions and in the framework of the Copenhagen political criteria and of the Stabilisation and Association Process, that remains the common framework for relations with the Western Balkans, the Council reaffirms the need, in accordance with the renewed consensus on enlargement, for fair and rigorous conditionality and the principle of own merits, combined with the EU's capacity, in all its dimensions, to integrate new members.
4. The Council recalls the importance of strategic communication to ensure public support for and understanding of the benefits and obligations of enlargement, while addressing misinformation. The Council underlines the responsibility of partners in the Western Balkans and Turkey to clearly communicate on those benefits and obligations, as well as on EU values and perspectives. Continued engagement of the EU and Member States in pursuing a more effective public communication policy both towards the region and EU citizens is also crucial. The Council takes positive note of the follow-up on strategic communication in the Western Balkans and Turkey by the Commission and the EEAS by stepping up efforts and actions, and looks forward to further implementation, notably by efficient use of existing tools.
5. The Council welcomes the continued efforts of the Commission to strengthen the focus on addressing fundamental reforms early in the process, in particular on rule of law, fundamental rights, economic development and competitiveness, and on the strengthening of democratic institutions and public administration reform. A solid track record of reform implementation, leading to tangible results, is to be established in all these fields. The rule of law is a fundamental value on which the EU is founded and which is at heart of both the Enlargement

Process and of the Stabilisation and Association Process. Important challenges remain in judicial reform, ensuring an independent, impartial and efficient judiciary, and in the fight against corruption and organised crime, as well as in the protection of fundamental rights, including the rights of persons belonging to minorities, the non-discriminatory treatment of national minorities and tackling discrimination of vulnerable groups such as the Roma and lesbian, gay, bisexual, transgender and intersex (LGBTI) persons. Freedom of expression and media remains a particularly serious concern, which needs to be addressed in a determined and effective way as a matter of priority. Further work is also required to ensure gender equality and respect for women's rights. Inclusive political dialogue remains key to the proper functioning of democratic institutions and further progress on public administration reform is needed, including depoliticisation. A stronger role for civil society organisations is crucial.

6. The Council welcomes the Commission's close attention to the economic criteria and gradual improvements in this area. This new focus, better aligned with the Economic Reform Programmes, contributes to providing clearer guidance to ensure sustainable economic development. Economic reforms and a strengthening of the rule of law produce mutually reinforcing benefits. Further efforts are needed to address major structural challenges and to improve economic governance, competitiveness, business environment, investment climate, growth and job creation, ensuring a positive perspective for youth.
7. Good neighbourly relations and regional cooperation are essential elements of the Enlargement Process, as well as of the Stabilisation and Association Process. The Council welcomes positive developments in South Eastern Europe and the Western Balkans in regional cooperation, in particular progress on connectivity within the region and with the EU, including on the connectivity agenda, and efforts aimed at ensuring increased coherence among the different regional initiatives. It fully supports constructive initiatives and structures

which reinforce inclusive regional cooperation. The Council encourages further efforts to overcome legacies of the past and to foster reconciliation, including through promoting a climate of tolerance. Statements and actions, which negatively impact on good neighbourly relations and the peaceful settlement of disputes, should be avoided. In addition, continued efforts are needed to ensure that outstanding bilateral disputes do not have a detrimental effect on the accession process. The Council reiterates the need to continue handling domestic war crimes cases without discrimination, as well as addressing impunity and ensuring accountability, including through meaningful regional cooperation, full cooperation with and support to the work of ICTY and the Specialist Chambers. Outstanding disputes and issues should be solved in line with international law and established principles, including the Agreement on Succession Issues.

8. While recognising in particular the importance of visa liberalisation for citizens, the Council encourages the Commission to continue to closely monitor the implementation of all conditions set for visa liberalisation, including through its follow-up mechanism. While recalling that the general safeguard clause, currently under revision, may apply in this context, the Council encourages the authorities concerned to intensify their efforts to tackle the flow of manifestly unfounded asylum applications.
9. The Council welcomes the acknowledgement of the important role of Enlargement policy in the Global Strategy for the European Union's Foreign and Security Policy.
10. The Council underlines the growing importance of further deepening cooperation on foreign policy issues and expects progressive alignment with the EU Common Foreign and Security Policy, notably on issues where major common interests are at stake, such as on restrictive measures.

11. Terrorism and radicalisation continue to pose a security threat to the EU and to the whole region. In line with the European Council conclusions of 18 December 2015, the Council recalls the importance of the external dimension of the EU's counter-terrorism work and of further strengthening cooperation in counter-terrorism with Turkey and the Western Balkans, in particular regarding the fight against foreign terrorist fighters, the financing of terrorism, combat and prevention of radicalisation, reinforced border checks and illegal trafficking of firearms. Further efforts are also needed in this regard in the fight against organised crime, especially in the area of dismantling organised crime groups and tackling money laundering, including illicit money flows. The Council calls on partners to step up legal and operational measures in all these areas, in particular by improving the use of existing databases and the exchange of information.
12. The Council commends Turkey and the Western Balkans, in particular Serbia and the former Yugoslav Republic of Macedonia, for their efforts and constructive cooperation in addressing the migration crisis, which, together with the implementation of the EU-Turkey Statement, delivered clear results. A lasting stabilisation of the situation requires continued implementation of the EU-Turkey Statement and continued support for partners along the Western Balkans route. Further actions are needed to ensure administrative and enforcement capacity and to combat the smuggling of migrants. The EU will continue its financial support and technical assistance to strengthen cooperation in this field.

13. The Council recalls the continued EU financial and technical assistance for the Enlargement Process and the Stabilisation and Association Process, in particular in the form of the Instrument for Pre-Accession Assistance (IPA II), with a focus on key priorities and enhanced coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy, as well as on increased budget support, prioritisation and visibility of projects. The Council looks forward to the upcoming mid-term review of IPA II and the upcoming disbursement of the performance reward. The Council recalls that where the progress made and the results achieved by the beneficiaries remain significantly below agreed levels set out in strategy papers, the Commission shall adjust the allocations proportionately.
14. The Council takes note of the Commission's plan to amend the timeline of the annual Enlargement Package and therefore invites the Commission to report to the Council on developments as appropriate. The EU and its Member States will remain continuously engaged with the Western Balkans and Turkey.

ENLARGEMENT

TURKEY

15. The Council reaffirms the importance it attaches to EU relations with Turkey, a candidate country and a key partner for the Union. The EU remains committed to maintaining an open dialogue and working together with a democratic, inclusive and stable Turkey to address our common challenges and for the mutual benefits of our longstanding cooperation in many important fields. The EU should remain the anchor for Turkey's political and economic reforms in the framework of the accession process. Turkey can show commitment to the process by advancing in the fulfilment of the benchmarks, meeting the requirements of the Negotiating Framework and by respecting its contractual obligations towards the EU.

16. The Council welcomes the further deepening of EU-Turkey cooperation in several key areas of joint interest and challenges, such as migration, counter-terrorism, energy, economy and trade. Broad and coherent strategic engagement and comprehensive regular political dialogue within the established framework, including at Ministerial level have continued. These important engagements complement the accession negotiations and the Council stands ready to further develop the cooperation with Turkey within established frameworks. The Council reiterates its call on Turkey to progressively align with the EU Common Foreign and Security Policy in line with the Negotiating Framework.
17. The 15 July coup attempt was a direct attack on democracy in Turkey. The Council recalls its conclusions of 18 July 2016, which immediately and strongly condemned the attempted coup, deplored the high number of casualties, expressed its solidarity with the Turkish people, and welcomed the common position of the political parties in support of Turkey's democracy. The Council reiterates its full support to the democratic institutions of the country, and recognizes Turkey's legitimate need to take swift and proportionate action in the face of such a serious threat. However, the broad scale and collective nature of measures taken since the coup attempt, such as the widespread dismissals, arrests, and detentions, raise serious concerns.
18. The Council reiterates that the EU continues to expect Turkey - a candidate country - to respect the highest standards when it comes to democracy, rule of law and respect of fundamental freedoms. The Council is especially concerned by the continued backsliding in the independence and functioning of the judiciary, as well as in the area of freedom of expression. Turkey should urgently address the many serious shortcomings, concerns and outstanding issues identified in the Commission's report and reverse current negative trends. Particularly worrying are the restrictions and measures targeting journalists, academics, and human rights defenders, as well as frequent and disproportionate bans of media sites and social media. Together with other measures and actions, such as the arrests of several

Members of Turkey's Parliament following the earlier lifting of their immunities, these are extremely worrying developments which weaken the rule of law, the respect for human rights and fundamental freedoms, compromise parliamentary democracy and dialogue in Turkey, and further polarise the Turkish society. Turkey should refrain from any activities that contribute to polarisation in EU Member States. The Council recalls that the unequivocal rejection of the death penalty is an essential requirement for EU membership, as well as part of Turkey's international obligations, including the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) and its Protocol 13. The Council encourages Turkey's work with the Council of Europe as well as further cooperation with its bodies and institutions, including the publication of reports of the Committee for the Prevention of Torture (CPT), and calls on Turkey to enhance implementation of all the judgements of the European Court of Human Rights, in line with Article 46 of the ECHR. The Council also calls on Turkey to facilitate international monitoring of trials and procedures, and underlines the right of everyone to a fair trial and the presumption of innocence.

19. At a time marked by serious foreign policy and security issues, including the rising threat of terrorism which has caused a high number of casualties over the past twelve months, increased political dialogue, cooperation and partnership between the EU and Turkey remain crucial. Turkey is a key ally in the global anti-Daesh coalition. The Council condemns all terrorist attacks and violence in Turkey and reiterates its solidarity with the people of Turkey. The Council pledges its continued support and stands by Turkey in its fight against terrorism. Actions against PKK, which is listed as a terrorist organisation by the EU and its Member States, are legitimate, and, as with all counter-terrorist actions, they must be in full respect of the basic principles of democracy, respect for human rights and international law.

20. The situation in the South East remains one of the most critical challenges for Turkey. The Council continues to call for the immediate cessation of violence and terrorist attacks and strongly urges a return to a credible and inclusive political settlement process and to a genuine political dialogue aiming for a sustained political solution to the Kurdish issue without delay, essential both for Turkey's democracy and the stability in the region.
21. The Council strongly commends Turkey's significant efforts to host and to address the needs of around 3 million refugees mainly from Syria and Iraq. The Council welcomes the successful, stepped-up EU-Turkey cooperation on migration and the continued implementation of the EU-Turkey Statement of 18 March 2016, which has led to a drastic decrease in deaths at sea and to a substantial reduction of irregular arrivals from Turkey. In this regard, the continued implementation of the EU-Turkey Statement is in the interest of both sides and remains crucial. The Council welcomes the results so far in the implementation of the Facility for Refugees in Turkey, under which EUR 2.2 billion of EUR 3 billion have already been committed for refugees and host communities in Turkey, contributing to improving living conditions.
22. The Council welcomes Turkey's progress in fulfilling the benchmarks of its visa liberalisation roadmap. Turkey's implementation of the EU-Turkey Statement has also made a key contribution. The Council encourages Turkey's work towards fulfilment of all benchmarks and asks the Commission to continue reporting on further progress. While regretting Turkey's unilateral statements in this regard, which have no legal effect, the Council underlines the importance of full and effective implementation of both the readmission agreement and the visa roadmap vis-à-vis all Member States, including cooperation on JHA issues and non-discriminatory visa free access to the Turkish territory for the citizens of all EU Member

States. Pending this, adequate implementation of existing bilateral readmission agreements and provisions contained in similar agreements and arrangements between Turkey and EU Member States, as well as reinforced management of the common borders with all EU Member States, remain a priority.

23. The Council welcomes the opening of Chapter 33 (Financial and budgetary provisions) on 30 June 2016. The Council notes that no chapters have been opened since then. Under the currently prevailing circumstances, no new chapters are considered for opening. The Council takes note of the Commission's updated preparatory documents. The Council notes positively that Turkey in a number of areas, particularly related to the economic field, has reached a good level of alignment with the EU *acquis*, and that the country remains a functioning market economy with moderate growth. The Council recalls that the accession process is open-ended and encourages Turkey to continue its alignment efforts, including stepping up efforts to enforce related legislation. With regard to the economic criteria, Turkey is encouraged to address macroeconomic imbalances and conduct further structural reforms. The particular attention which notably should be given to the rule of law and to the independence of the judiciary would also serve the improvement of the business environment and towards restoring investors' confidence. The Council also takes note of the preparatory work by the Commission for draft negotiating directives for an upgrading of the EU-Turkey Customs Union, without prejudice to Member States' position. The Council notes the Commission's intention to intensify its efforts to redirect IPA funds to support activities in the sector of the rule of law, human rights and freedom of expression, with a particular focus on civil society.

24. In line with the Negotiating Framework, previous European Council conclusions, including those of 24 October 2014, and Council conclusions, the Council reiterates that Turkey needs to commit itself unequivocally to good neighbourly relations, international agreements and to the peaceful settlement of disputes in accordance with the United Nations Charter, having recourse, if necessary, to the International Court of Justice. In this context, the Union expresses once again serious concern, and urges Turkey to avoid any kind of threat or action directed against a Member State, or source of friction or actions, which damage good neighbourly relations and the peaceful settlement of disputes. Moreover, the EU stresses again all the sovereign rights of EU Member States. This includes, *inter alia*, the right to enter into bilateral agreements and to explore and exploit natural resources in accordance with the EU *acquis* and international law, including the UN Convention on the Law of the Sea and also stresses the need to respect the sovereignty of Member States over their territorial sea and airspace.
25. Recalling its conclusions of 11 December 2006 and the declaration of 21 September 2005, the Council notes with deep regret that Turkey, despite repeated calls, continues refusing to fulfil its obligation of full, non-discriminatory implementation of the Additional Protocol to the Association Agreement towards all Member States, the fulfilment of which could provide a positive impulse to the negotiation process. In the absence of progress on this issue, including Turkey's restrictions as regards the Republic of Cyprus, the Council will maintain its measures from 2006, which will have a continuous effect on the overall progress of the negotiations. Furthermore, Turkey has regrettably still not made progress towards the necessary normalisation of its relations with the Republic of Cyprus. The Council recalls its position on accession of EU Member States to international organisations. The Council

reiterates that recognition of all Member States is a necessary component of the accession process. The Council invites the Commission to continue to monitor closely and specifically report on all issues covered by the declaration of 21 September 2005 in its forthcoming annual report. On this basis, the Council will continue to closely follow and review progress made, in accordance with its relevant conclusions. The Council reiterates its call for progress without any further delay.

26. The Council welcomes the intensified engagement by the parties to the settlement of the Cyprus problem. In light of recent encouraging developments and as emphasised by the Negotiating Framework, the Council expects Turkey's active support to the negotiations, including steps contributing to a favourable climate, aimed at a fair, comprehensive and viable settlement within the UN framework, in accordance with the relevant UN Security Council resolutions and in line with the principles on which the Union is founded and acquires. Turkey's commitment and contribution in concrete terms to such a comprehensive settlement remains crucial.

MONTENEGRO

27. The Council welcomes the steady progress in the accession negotiations with Montenegro. The Council takes positive note that the legal framework in the area of the rule of law is largely complete and the institutional set-up is in place. In this context, the Council welcomes in particular the establishment of the new Anti-Corruption Agency and encourages the work of the Special Prosecutor's Office. Building on the results achieved so far, the Council underlines the importance of further implementation. It remains essential for the overall pace of the negotiating process that the entire rule of law system delivers more concrete results and

a strengthened and sustainable track record, in particular in the fight against corruption and organised crime, including effective investigations, prosecutions and final convictions. Continued actions are needed to pursue the public administration reform and to strengthen the independence of institutions. Progress in the area of freedom of expression and media has to be ensured. On economic reforms, Montenegro needs to take measures to ensure fiscal sustainability, to control public debt and to improve the trade balance and the business environment.

28. The Council takes note of the recent parliamentary elections which were conducted under a substantially revised legal framework and, in general, in a more participatory and transparent manner. The Council calls on Montenegro's authorities to address shortcomings reported by the international observers and to investigate alleged irregularities. The Council expects the new Government to maintain political commitment to the reform process and invites all political parties to re-engage in a constructive dialogue, notably within parliament.
29. The Council welcomes Montenegro's continued positive role in further developing regional cooperation and advancing good neighbourly relations. Moreover, the Council strongly commends Montenegro for its consistent cooperation on foreign policy issues, and in particular its full alignment with the EU Common Foreign and Security Policy.
30. The Council looks forward to the next meeting of the Accession Conference on 13 December 2016 as well as to the continued cooperation with and work by Montenegro that will allow further progress towards its EU accession.

SERBIA

31. The Council welcomes the progress made in the accession negotiations, in particular the opening of chapters 23 - Judiciary and Fundamental Rights and 24 - Justice, Freedom and Security. The respective Action Plans and the interim benchmarks for these chapters should continue to guide future reforms leading to a solid track record. The Council recalls that progress under these chapters remains essential for the overall pace of the negotiating process, in line with the Negotiating Framework. The Council also welcomes the progress on the screening of individual negotiating chapters which is almost complete.
32. The Council encourages Serbia to take this positive momentum forward. Serbia should intensify reform efforts and focus on effective implementation, in particular in rule of law areas such as judicial reform and the fight against corruption and organised crime. To guarantee unhindered exercise of the freedom of expression and media, shortcomings in this area need to be addressed as a matter of priority. Particular attention needs to be paid to the full respect of fundamental rights, including protection of the most vulnerable groups as well as the non-discriminatory treatment of national minorities throughout Serbia, including in the areas of education, use of minority languages, access to media and religious services in minority languages. The Council calls for effective implementation of the relevant strategic documents. It takes positive note of progress achieved in public administration reform, which should be taken forward, together with further progress on the independence of democratic institutions as well as support to the work of independent bodies. The Council welcomes the results produced by economic reforms and encourages Serbia to continue its efforts to develop a functioning market economy and to improve the business environment.

33. Following the elections, the Council welcomes the reaffirmed commitment of the new Serbian government to the strategic objective of EU accession which should be actively communicated in the public debate. The Council also underlines that the recommendations of international election observers need to be followed up.
34. As regards the EU facilitated Dialogue, the Council welcomes the recent agreements on the implementation of Freedom of Movement and Telecoms, which constitute a substantial step forward in this work. The Council looks forward to a swift appointment of judicial personnel into the Kosovo system in order to ensure the functioning of an integrated judiciary by January 2017. The Council also looks forward to the opening of the Mitrovica Bridge in January 2017 as agreed between the two sides. The Council notes that progress in the EU facilitated Dialogue, in particular in implementing the August 2015 agreements, has been slow in the first half of 2016. The Council urges Serbia to swiftly implement in good faith its part of all past agreements, in particular on energy, and to engage constructively with Kosovo in formulating and implementing future agreements. The Council will continue to monitor closely Serbia's continued engagement towards visible and sustainable progress in the normalisation of relations with Kosovo, so that Serbia and Kosovo can continue on their respective European paths, while avoiding that either can block the other in these efforts and with the prospect of both being able to fully exercise their rights and fulfil their responsibilities. The Council expresses its appreciation for the key role played by the High Representative in promoting further progress in the Dialogue and looks forward to the continued engagement of all involved.

35. The Council welcomes the opening of chapter 35 and recalls that progress in the process of normalisation of relations with Kosovo under this chapter remains essential for the overall pace of the negotiating process, in line with the Negotiating Framework.
36. The Council welcomes Serbia's constructive engagement in regional cooperation and encourages Serbia to continue sustained efforts to strengthen good neighbourly relations. Full cooperation with the ICTY remains essential.

The Council reiterates its call on Serbia to progressively align with the EU Common Foreign and Security Policy in line with the Negotiating Framework.

37. The Council looks forward to the next meeting of the Accession Conference on 13 December 2016, as well as to the continued cooperation with and work by Serbia that will allow for progress towards its EU accession.

STABILISATION AND ASSOCIATION PROCESS

FORMER YUGOSLAV REPUBLIC OF MACEDONIA

38. The Council reaffirms its conclusions regarding the former Yugoslav Republic of Macedonia adopted in December 2015, the EU commitment under the Thessaloniki agenda and the candidate status of the former Yugoslav Republic of Macedonia. The Council reiterates its unequivocal commitment to the EU accession process of the former Yugoslav Republic of Macedonia.

39. The Council welcomes the agreement reached by the political leaders on 20 July 2016 on the further implementation of the Pržino agreement. After the postponement of the elections planned for April and June, important decisions were taken on 31 August 2016, which paved the way for the organisation of early parliamentary elections on 11 December 2016. Throughout, the EU called for the election campaign, and the elections, to be conducted in a credible way, in accordance with international standards and in line with OSCE/ODIHR recommendations. The Council notes that OSCE/ODIHR considers that the elections were competitive, but took place in an environment characterised by widespread public mistrust in institutions and the political establishment.
40. The Council reiterates its serious concern about the continuation of the political crisis, and only partial implementation of the Pržino agreement calling for political will to ensure its full, tangible and sustainable implementation. The country continues to suffer from a divisive political environment, polarisation and lack of culture of compromise, with backsliding in important areas such as the functioning of the judiciary, which should be allowed to function independently.
41. The Council reiterates the importance of a thorough and independent investigation, without hindrance, of the allegations of wrong-doing brought to the fore by the wiretaps, and the related failures of oversight. The Council recalls the importance of the mandate and the work of both the Special Prosecutor and the Parliamentary Committee of Inquiry to look, respectively, into legal accountability and political responsibility. It calls upon the relevant authorities to unreservedly support the independent functioning of those bodies and regrets the lack of cooperation to date. In this context, the Council insists that the Special Prosecutor and her team must be allowed to do their work, unhindered, and calls for the Office to be given the conditions and time necessary to complete their important work. It is important to restore trust in national institutions.

42. The Council repeats its call on all parties including those forming the future government, to take ownership and to honour their undertaking to implement the Urgent Reform Priorities, to address systemic rule of law issues including in relation to breaches of fundamental rights, judicial independence, media freedom, elections, corruption, politicisation of state institutions and state/party blurring and failures of oversight. In order to assess systemic failures in the areas of justice, corruption, fundamental rights, and home affairs, as reflected in the Urgent Reform Priorities, the Council welcomes the Commission's intention to continue close monitoring in these areas. The new government needs to urgently, as a first priority, address overdue reforms, including the Urgent Reform Priorities, for the benefit of the country and its citizens and in order to return the country to its European path. The Council acknowledges and encourages the constructive role played by civil society in supporting and improving democratic processes.
43. The Council recalls the importance of good inter-ethnic relations and stresses that the overdue review of the Ohrid Framework Agreement needs to be completed by the new government at the earliest, in an inclusive and transparent manner, and its recommendations implemented.
44. As set out in previous European Council and Council Conclusions, maintaining good neighbourly relations, including a negotiated and mutually accepted solution to the name issue, under the auspices of the UN, remains essential. In this regard, the Council notes positively the relevant commitment by the main political party leaders under the Pržino agreement and calls for its urgent implementation. There is a need to bring the longstanding discussions on the name issue to a definitive conclusion without delay. The Council welcomes that the confidence building measures have started to produce tangible results. Actions and statements which negatively impact on good neighbourly relations should be avoided. The Council notes the continued high level and expert contacts between the former Yugoslav Republic of Macedonia and Bulgaria, aimed at strengthening good neighbourly relations, and looks forward to their timely translation into concrete results.

45. The Council positively takes note that the Commission is prepared to extend its recommendation to open accession negotiations with the former Yugoslav Republic of Macedonia, conditional on progress with the implementation of the Pržino Agreement and substantial progress in the implementation of the Urgent Reform Priorities.
46. The Council will revert when appropriate to the former Yugoslav Republic of Macedonia, including on the basis of an update from the Commission once sufficient progress has been made on these issues, in line with previous Council conclusions and established conditionality.

ALBANIA

47. The Council welcomes the major step Albania has taken through the pivotal constitutional amendments unanimously adopted in July 2016, by launching a process for thorough and comprehensive reform of the judicial system. The Council takes positive note of steady progress towards fulfilling the five key priorities for the opening of accession negotiations and encourages Albania to continue work and consolidate the achievements.
48. The Council takes positive note of the Commission's recommendation to open accession negotiations with Albania, subject to credible and tangible progress in the implementation of the justice reform, in particular the re-evaluation of judges and prosecutors. Recalling its earlier Council conclusions, including those of December 2015, the Council reiterates that a sustained, comprehensive and inclusive implementation of all five key priorities has to be ensured before the opening of accession negotiations. The Council invites the Commission to report on Albania in addition to the Enlargement Package and will revert to Albania once sufficient progress has been made.

49. The Council encourages Albania to pursue the comprehensive and thorough justice reform, aimed at increased professionalism, efficiency and independence of the judicial system, including the court system, including through carrying out the re-evaluation of all the members of the judiciary. Justice reform remains key to the rule of law and could be transformative also for other areas. The Council welcomes that a positive trend can be noted towards establishing a solid track record of pro-active investigations, prosecutions and final convictions in the fight against corruption and organised crime and stresses the importance for Albania to achieve tangible and sustainable results.
50. The Council underlines that Albania needs to intensify its efforts in these areas and ensure that results in the fight against corruption are achieved also at high level, as well as that more effective results in dismantling organised criminal networks and addressing drug production and trafficking need to be also progressively secured. The very low level of convictions for organised crime offences, including in money laundering and human trafficking cases, remains an issue to be addressed with targeted measures, including strengthened police/prosecutor cooperation and appropriate financial investigations. The Council notes progress in fighting radicalisation, extremism and terrorism and encourages to further pursue efforts. In order to support the implementation of judicial reform, the Commission is invited to intensify its technical engagement with Albania in the area of rule of law.
51. The Council reiterates the need for effective legislative and policy measures to reinforce the protection of human rights and anti-discrimination policies, including the equal treatment of all minorities and access to rights for persons belonging to them throughout Albania, as well as to efficiently implement property rights. In this context, the Council calls on Albania to address relevant legal gaps.

52. The Council commends the adoption by unanimity of a law "Ensuring the Legitimacy of Elected Persons, Nominated or Exercising Public Functions" and related constitutional amendments. Implementation of this framework, which provides for the exclusion of criminal offenders from public offices, is key to enhance citizens' trust in political representatives and public institutions.
53. The Council reiterates that Albania should continue reforms aimed at increasing competitiveness and addressing informal economy and encourages Albania to further improve the business and investment environment and vigorously pursue fiscal consolidation.
54. The Council notes that consistent and constructive dialogue between the government and the opposition on EU-related reforms remains crucial to advance on the reform agenda to the benefit of the citizens, and move the country closer to the EU. This will be of particular relevance also to finalise electoral reform, addressing outstanding recommendations by the OSCE Office for Democratic Institutions and Human Rights, sufficiently ahead of the next round of parliamentary elections, to ensure they are conducted in line with the relevant international standards.
55. The Council welcomes Albania's continued constructive engagement in regional cooperation and underlines the importance of ensuring good neighbourly relations, which remain essential. Actions and statements which negatively impact on good neighbourly relations should be avoided. The Council also commends Albania's continued full alignment with the EU Common Foreign and Security Policy.

BOSNIA AND HERZEGOVINA

56. The Council welcomes the significant progress of Bosnia and Herzegovina in 2016 as reflected in the submission of its EU membership application in February 2016 and the Council Conclusions of September 2016 inviting the Commission to submit an Opinion on the country's application for EU membership.
57. The Council calls on Bosnia and Herzegovina to ensure the effective implementation of the Reform Agenda in line with the action plan agreed by the Bosnia and Herzegovina authorities, to the benefit of its citizens and in close cooperation with the European Union, international financial institutions and international partners, as well as civil society.
58. The Council reiterates its unequivocal commitment to Bosnia and Herzegovina's EU perspective as a single, united and sovereign country and encourages all authorities in Bosnia and Herzegovina to increase the focus on sustainable reforms and overcome divisive rhetoric rooted in the past as well as actively promote reconciliation, including through education. The Council reiterates its regret for the unlawful holding of the entity level referendum on the *Republika Srpska* Day.
59. The Council calls on Bosnia and Herzegovina's authorities to continue to pursue socio-economic reforms while also focusing on the reforms in the rule of law field, including strengthening the independence and impartiality, as well as the accountability, professionalism and efficiency, of the judiciary, the fight against corruption and organised crime, the fight against radicalisation and terrorism, as well as public administration reform. The Council encourages Bosnia and Herzegovina to ensure the equality of all citizens, in line with the recently adopted legislation on anti-discrimination and the EU acquis. Furthermore, the Council notes with concern the lack of progress in the freedom of expression and media and expects Bosnia and Herzegovina to intensify efforts to address this issue. The Council also stresses the need for more efforts by Bosnia and Herzegovina authorities on the area of environmental protection.

60. Bosnia and Herzegovina should fully uphold its commitments and obligations under the Stabilisation and Association Agreement. In this context, the Council welcomes the initialling of the Protocol on its adaptation to take account of Croatia's accession to the European Union and looks forward to its signing on 15 December 2016.
61. The Council welcomes the agreement on establishing a coordination mechanism on EU matters. It calls on all levels of government in Bosnia and Herzegovina to ensure its swift and effective implementation, as an important step towards improving functionality and efficiency. The Council invites the Commission to further report on the implementation of the Reform Agenda including the coordination mechanism.
62. The Council welcomes the start of the Commission's technical work on the preparation of the Opinion on the membership application of Bosnia and Herzegovina and encourages Bosnia and Herzegovina authorities at all levels to actively commit to this process and to make good progress in providing their input to the Commission's Opinion. The Council recalls that when preparing its Opinion, the Commission will need to pay particular attention to the implementation of the Sejdić-Finci ruling that will contribute to establishing a democratic and well-functioning society where equality of Bosniaks, Serbs, Croats and all citizens of Bosnia and Herzegovina is warranted.

KOSOVO

63. The Council welcomes the entry into force of the Stabilisation and Association Agreement (SAA) with Kosovo in April and the first SA Council that took place on 25 November 2016. This EU-only agreement, which is without prejudice to Member States' positions on status, provides the contractual framework within which the EU and Kosovo will intensify their cooperation and take stock of developments in their relationship.

64. The Council welcomes Kosovo's significant progress in meeting the requirements of its visa roadmap, which led to a proposal by the Commission, in May 2016, to transfer Kosovo to the Schengen visa-free list. The Council will decide on lifting the Schengen visa obligation as soon as Kosovo meets the two remaining requirements: the ratification of the border/boundary agreement with Montenegro and the continuation of strengthening of its track record in the fight against organised crime and corruption.
65. The Council remains concerned about the protracted political stand-off in Kosovo and incidents of violence in the Assembly throughout 2016. It calls on all political parties and local stakeholders to show responsibility and ownership and re-engage in a constructive dialogue, with parliament as the key forum for political debate. The recent return of opposition members to parliamentary activities is a welcome step. The Council encourages greater efforts to build consensus across the political spectrum to advance Kosovo's European agenda.
66. The Council calls on Kosovo to focus on the implementation of the comprehensive reforms necessary to meet its obligations under the Stabilisation and Association Agreement in order to fully benefit from the opportunities it brings. The Council welcomes the launch of the European Reform Agenda in November 2016, and calls on the Kosovo leadership to ensure its thorough implementation, with the objective of improving the rule of law and socio-economic development in Kosovo and building a track record of SAA implementation and invites the Commission to update on progress. The Council encourages Kosovo to use its 2017 Economic Reform Programme and the joint conclusions of the Economic and Financial Dialogue of May 2016 as a platform for growth and employment. In the important field of energy, Kosovo needs to follow up on its commitment to decommission and rehabilitate the Kosovo A power plant, the single biggest source of pollution in the Western Balkans, also to improve quality of life.

67. Kosovo should further intensify its efforts to improve the rule of law, including judicial independence. Kosovo also needs to further intensify its fight against organised crime and corruption. In this respect, the Council welcomes the positive steps Kosovo has taken to increase the number of high-level corruption and organised crime cases being investigated and prosecuted and encourages further progress in strengthening its solid track record of convictions. The Council notes progress in fighting radicalisation, extremism and terrorism and encourages further efforts. In this context, the Council particularly underlines the need for effective and intense regional and international cooperation, including with EUROPOL and EUROJUST, without prejudice to Member States' positions on status.
68. With regard to public administration reform, merit-based recruitment, promotions and dismissals based on objective criteria need to be implemented, particularly in the case of independent institutions and agencies to ensure the independent functioning and effective management of these bodies. Effective promotion and protection of human rights throughout Kosovo should be pursued, including the full protection of cultural and religious heritage. The inclusion and protection of persons belonging to minorities, including additional efforts to ensure a safe environment and safeguarding of their property rights should be addressed, as well as the strengthening of social cohesion.
69. As regards the EU facilitated Dialogue, the Council welcomes the recent agreements on the implementation of Freedom of Movement and Telecoms, which constitute a substantial step forward in this work. The Council looks forward to a swift appointment of judicial personnel into the Kosovo system in order to ensure the functioning of an integrated judiciary by January 2017. The Council also looks forward to the opening of the Mitrovica Bridge in January 2017 as agreed between the two sides. The Council notes that progress in the EU facilitated Dialogue, in particular in implementing the August 2015 agreements, has been slow in the first half of 2016. The Council urges Kosovo to swiftly implement in good faith its

part of all past agreements, in particular the establishment of the Association/Community of Serb majority municipalities and to engage constructively with Serbia in formulating and implementing future agreements. The Council will continue to monitor closely Kosovo's continued engagement towards visible and sustainable progress in the normalisation of relations with Serbia, so that Kosovo and Serbia can continue on their respective European paths, while avoiding that either can block the other in these efforts and with the prospect of both being able to fully exercise their rights and fulfil their responsibilities. The Council expresses its appreciation for the key role played by the High Representative in promoting additional progress in the Dialogue and looks forward to the continued engagement of all involved.

70. The Council recalls that progress in the process of normalisation of relations with Serbia is an essential principle of the SAA and underpins the development of relations and cooperation between the EU and Kosovo.
71. The Council welcomes that Kosovo met its remaining obligation on the establishment of the Specialist Chambers and Specialist Prosecution Office to investigate allegations of international crimes committed during and after the 1999 conflict. All authorities in Kosovo should comply with their requests for assistance.
72. The Council welcomes the agreement reached over the extension of the EULEX mission until June 2018. It urges Kosovo to continue to cooperate closely and effectively with EULEX and contribute actively to the full and unhindered execution by EULEX of its mandate. Strengthening of institutions, judicial authorities and law enforcement agencies should increase in order to ensure an independent multi-ethnic justice and police service and to allow for a smooth transfer of residual tasks from EULEX to the competent rule of law authorities.
73. The Council welcomes the signature of the Framework Agreement between the European Union and Kosovo on the general principles for the participation of Kosovo in Union programmes and stresses the importance for Kosovo to take full advantage of these programmes."

Preparation for the December European Council

The Council examined draft conclusions for the European Council meeting to be held on 15 December, prepared by the President of the European Council, Donald Tusk, in cooperation with the Slovak presidency and the Commission.

The European Council will focus on:

- **migration:** it will 1) follow up on the EU-Turkey Statement; 2) assess progress on the compacts with Ethiopia, Mali, Niger, Nigeria and Senegal and discuss the possible extension of the approach to other countries; 3) assess progress on the reform of the common European asylum system, including on how to apply the principles of responsibility and solidarity in future
- **security:** it will review progress in the implementation of the security agenda and discuss the strengthening of EU cooperation on external security and defence
- **economic and social development, youth:** it will take stock of progress on the European fund for strategic investments, the single market strategies, the youth-related initiatives and the fight against youth unemployment
- **external relations:** it will address the ratification of the EU-Ukraine association agreement in the Netherlands

An [annotated draft agenda](#) was discussed by the Council on 15 November 2016.

Implementation of the better law-making agreement

The Council approved a [draft joint declaration](#) agreed with the European Parliament and the Commission setting out the EU's legislative priorities for 2017.

For details, [see press release](#).

[The presidency informed ministers](#) on the implementation of other elements of the better law-making agreement.

The presidency also updated ministers (15097/16) on the negotiations on cooperation and information-sharing regarding the negotiation and conclusion of international agreements.

Annual growth survey for 2017

The Commission presented to the Council its [annual growth survey for 2017](#), in which it outlines the most pressing economic and social priorities on which the EU and its member states should focus their attention in the coming months.

The adoption of the annual growth survey kicks off the European semester of economic and budgetary policy coordination.

OTHER ITEMS APPROVED

EUROPEAN FREE TRADE ASSOCIATION

Extended single market and EU relations with Non-EU Western European countries

The Council adopted conclusions on a homogeneous extended single market and EU relations with Non-EU Western European countries (15043/16).

DEVELOPMENT

European fund for sustainable development

The Council agreed its negotiating position on the regulation on the European fund for sustainable development (EFSD) and establishing the EFSD guarantee and the EFSD guarantee fund. The EFSD will be composed of two regional investment platforms which will support investments and increase access to financing, primarily in Africa and the European neighbourhood.

Partial general approach - proposal for a regulation on the European fund for sustainable development (EFSD) and establishing the EFSD guarantee and the EFSD guarantee fund.

ENERGY

The Council adopted conclusions on the European Court of Auditors' Special Report No 22/2016 "EU nuclear decommissioning assistance programmes in Lithuania, Bulgaria and Slovakia" ([15074/16](#)).

The report points out that although some progress has been made since 2011, there are still critical challenges ahead.

EMPLOYMENT

Occupational exposure limit values

The Council decided not to oppose the adoption of a Commission directive establishing a fourth list of indicative occupational exposure limit values ([12392/16](#) + [ADD 1](#)).