

Post- Brexit routes to membership of the EU

The Scottish Government has a clear position that membership of the European Union (EU) is in Scotland's interests; on 23 June 2016, 62% of the votes in Scotland were for the UK to remain within the EU. While recognising the concerns of those who voted to leave, the First Minister has stated her strong desire for Scotland to be a full and active member of the European family of nations. The aim of this paper is to provide an initial overview of potential post Brexit routes for Scotland to re-join the EU. [REDACTED]

From a Scottish perspective, there are substantial contingencies on the options presented below related to the on-going Brexit negotiations between the UK and the EU, in particular in relation to the form of any potential transition period, and also the final form of the EU Withdrawal Bill. There are also further contingencies surrounding political developments in the EU more widely, [REDACTED] and on-going tensions about the future direction of the European Union. Therefore, this paper provides only an initial assessment based on the current situation.

[REDACTED]

[REDACTED] **Accession to the EU as an independent member state**

1. Background:

Since 2014, the circumstances regarding Scotland's potential EU membership have changed significantly. The current Brexit process being undertaken at a UK level means that an independent Scotland would be likely to be negotiating entry to the EU from outside the EU. This is opposed to the situation in 2014 where, if the independence vote had been successful, Scotland would have been transitioning to independence with the security of EU membership [REDACTED]

Acceding countries to the EU have to apply to become members of the EEA arrangement which means that everything that has been agreed with the candidates during the negotiations will concern the three EEA-EFTA states, as far as EEA related matters are concerned. Therefore, the preceding phases relating to EU membership are extremely important and any transitional periods play an increasingly vital role in plotting the trajectory of attempted EU membership. EEA accession of potential candidates is a matter of extending the internal market, which has historically been seen as a prior precedent for countries wanting to join the EU as a full member.

No country has ever left the EU before, or tried to re-enter it subsequently. Thus, it has not been possible to determine the exact procedures involved were an independent Scotland to request re-joining the EU. However, EU Member States are likely to expect Scotland to meet the normal requirements of EU membership. Therefore, as the UK is likely to leave the EU, [REDACTED].

2. EU accession legal basis:

The Treaty on European Union says that any European country may apply for membership of the EU if it respects the democratic values of the EU and is committed to continue promoting them together with other members of the European family. The route to membership is provided for in Article 49:

Any European State which respects the values referred to in Article 2 and is committed to promoting them may apply to become a member of the Union. The European Parliament and national Parliaments shall be notified of this application. The applicant State shall address its application to the Council, which shall act unanimously after consulting the Commission and after receiving the consent of the European Parliament, which shall act by a majority of its component members. The conditions of eligibility agreed upon by the European Council shall be taken into account.

The conditions of admission and the adjustments to the Treaties on which the Union is founded, which such admission entails, shall be the subject of an agreement between the Member States and the applicant State. This agreement shall be submitted for ratification by all the contracting States in accordance with their respective constitutional requirements.¹

3. Eligibility:

In order to be eligible to enter the EU a candidate country must:

- Be a state in its own right within geographical Europe
- Respect and commit to the values set out in Article 2 TEU (**annex**)
- Be able to apply EU law and ensure that EU transposed into national legislation is implemented effectively through appropriate administrative and judicial structures, and
- Satisfy the Copenhagen Criteria (1993) as defined by the European Council, notably:
 - **Political criteria:** “*stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities*”. These criteria focus on democracy, separation of powers between the legislature, executive and judiciary, the independence of the judiciary, efficient public administration, protection of human rights and minorities. As such, we can expect an independent Scotland to meet these criteria.
 - **Economic criteria:** “*a functioning market economy and the ability to cope with competitive pressure and market forces within the union*”. The criteria focus on a country’s macroeconomic policy; public debt/deficits, diversification of country’s economy, growth, inflation, sustainable and balanced growth, competition in the economy, investment climate and foreign direct investment, unemployment, black market economy and

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:12012M049>

labour force. Further clarification on what these criteria mean in practice will be required, [REDACTED]

- The ability to take on the obligations of membership; “*adherence to the aims of political, economic and monetary union, adoption of the EU acquis and the administrative capacity to effectively implement and enforce the EU acquis*”. The criteria focus on a country’s ability to adopt, implement and enforce the rules, standards and policies that make up the body of EU law (the ‘*acquis*’), and adherence to the aims of political, economic and monetary union. (see section 5 below)

[REDACTED] However this was whilst the UK was still a Member State and premised on agreement between the UK Government and Scotland and Mr Barroso stated that ‘*The Committee will understand that it is not the role of the European Commission to express a position on questions of internal organisation related to the constitutional arrangements of a particular Member State.*’

4. EU Accession procedure

The accession procedure timetable outlined below takes into account the variance in timings that may occur as a result of differing start points. The estimated times below cover the expected duration of each step.

4.1. Application [REDACTED]

A formal application is lodged with the Council of the EU by the European country fulfilling criteria contained in Art. 2 TEU. The Council of the EU informs the European Parliament, the European Commission and national parliaments of the application. There is no reason to believe that Scotland, as a current member of the EU through the UK, would not continue to meet the conditions of Article 2 TEU.

4.2. Candidate status [REDACTED]

A country’s status as a candidate country is granted by the Council of the EU following a favourable opinion from the Commission and subject to the endorsement by the European Council.

Countries wishing to accede usually precede this stage by issuing a declaration of intent. The Commission will dissuade countries from entering into formal accession if it feels they are not sufficiently ready. In more recent years candidate countries have engaged in bilateral agreements (i.e. Europe Agreements, Association Agreements, Stability and Association Agreements’) with the EU prior to making a formal application under Art. 49. For example, Western Balkan countries were and some still are ‘potential’ candidate countries. These countries are part of a special framework known as ‘stabilisation and association’ which has three aims: 1) political stabilisation and economic development, 2) promotion of regional cooperation, and 3) eventual membership of the EU. During this phase these potential candidate countries are given financial assistance, trade concessions etc.

[REDACTED]

Croatia formally applied for EU candidacy in 2003 but did not receive formal candidate status until 2004. A slight delay seems to have been caused by a change in government. Serbia submitted its application for EU membership in 2009 but was not given candidate status until 2012 after it reached an agreement on Kosovo's regional representation. Albania made its request in 2009 but was not given candidate status until 2014 after sufficient reforms had been made to its judicial and public administrations.

4.3. Negotiations [REDACTED]

Negotiations are opened following a unanimous decision of the Council of the EU.

Negotiations take place in intergovernmental conferences between the governments of the EU countries and of the candidate country. The body of EU law is divided into policy areas each to be negotiated separately. (There are currently 35 policy areas or 'chapters'. See section 5 below)

During the negotiations, the Commission monitors the candidate country's efforts to implement the *acquis*. It also assists the candidate countries during the process with pre-accession funding instruments, such as TAIEX. TAIEX is the Technical Assistance and Information Exchange instrument of the European Commission. TAIEX supports public administrations with regard to the approximation, application and enforcement of EU legislation as well as facilitating the sharing of EU best practices.

Transitional arrangements - the parties also discuss whether (and how) some rules can be introduced gradually to allow the new member or existing EU countries time to adapt. This is mainly discussed during the final stages of the negotiations.

4.4. Screening process [parallel to negotiations phase]

Running in parallel with the negotiations is the so-called screening stage. This consists of verifying whether individual items of the *acquis* listed in a given chapter have been transposed into the law of the candidate country. Only when the candidate country shows that it has already implemented a chapter, or that it will implement it by the date of accession, can that chapter be provisionally closed. The exception is where a candidate country agrees special arrangements with respect to a part of the *acquis*.(see section 5 below)

The Commission informs the Council of the EU and European Parliament throughout the process, in particular by means of annual progress reports. These reports are discussed in the European Parliament which submits its observations in resolutions adopted by plenary. So, although not party to the negotiations, the European Parliament plays an influential role in several aspects of the process. The candidate country also draws up annual national programmes in which it assesses its own progress in implementing the different chapters of the *acquis*.

In addition, it has been suggested that the European Court of Auditors will be more involved in the decision making regarding future EU enlargement and will write country reports two years before the Commission's intended date of accession.

4.5. Accession [REDACTED]

When negotiations on all the chapters are completed, the terms and conditions – including possible safeguard clauses and transitional arrangements – are incorporated into an accession treaty. The accession treaty must be approved unanimously by the Council of the EU and must receive the consent of the European Parliament. The treaty is then signed by each of the EU countries and by the acceding country and ratified by each EU country and by the acceding country, each according to its own constitutional procedures.²

5. Membership criteria

The *acquis communautaire*, often shortened to *acquis*, consists of the EU's treaties and laws, declarations and resolutions, international agreements on EU affairs and the judgments given by the Court of Justice. The EU *acquis* currently consists of 35 chapters, although the number of chapters changes with each membership negotiation. Also known as the Copenhagen Criteria, these chapters have to be successfully opened, negotiated and closed. [REDACTED].

[REDACTED]

Prior to the 2014 referendum a scoping exercise was conducted to identify what administrative structures would be required in order for an independent Scotland to implement the EU *acquis*. This involved an assessment of the obligations that would accrue from EU membership in respect of areas that are currently reserved (such as regulation of Financial Services) and also devolved areas where there are shared obligations and structures (such as Transport). [REDACTED].

[REDACTED].

6. Proposed Timeline

Each candidate's case is unique, moving forward at varying speeds. Whilst the section below pulls out examples from recent accession by other countries, an independent Scotland would be in a distinctive position having already been part of the EU through the UK's membership. [REDACTED]
[REDACTED].

There are also a number of key dates to bear in mind when projecting these timelines:

'Brexit Day': March 2019

² <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:114536>

EU European Parliament Elections: May 2019
Scottish Parliament Elections: May 2021

[REDACTED]

The EU needs to ensure that its institutions and decision-making processes remain effective and accountable; it needs to be in a position, as it enlarges, to continue developing and implementing common policies in all areas; and it needs to be in a position to continue financing its policies in a sustainable manner.

[REDACTED] Traditionally, Member States acceding the EU have done so in groups so it maybe that the timing of the next accession phase is contingent on other countries concluding their negotiation agreements. [REDACTED].

7. Previous examples of accession

7.1 Overview

Over the course of 34 years, 21 Member States have joined what is now the EU in six separate enlargements. The Treaty provides little clear cut guidance on the main principles or the various steps of the enlargement process between application and accession. It can be described as "vague" and "imperfect" whilst some people see Article 49 as simply an "outline" and thus deliberately short on detail. Therefore it is important to remember that there is a degree of flexibility in acceding to the EU and that each case is unique.

It should be noted that when Iceland applied to join the EU in 2010, the Commission took account of Iceland's EEA membership and closed many negotiating chapters quickly (before Iceland withdrew its application in 2013). By contrast, only one out of 35 negotiating chapters has been closed with Turkey, after many years of talks.

The fastest EU accession was that of Finland, which was completed in just two years and nine months. Others have taken much longer for example for Bulgaria and Romania it took 12 years from the date they applied for membership until they formally acceded to the EU.

7.2 Recent historical accession processes³:

The length of time in the following table was calculated from the date EU negotiations began until the date the country formally acceded to the EU. The exception to this is the unique case of East Germany which has been described as 'EU enlargement without accession'.

The accession negotiations for the 2004 enlargement were based on the principle of "differentiation", i.e. each country progresses at its own pace according to its level of preparation for accession. The length of the negotiations therefore varied according to each country's progress.'

³ Dates of application for candidature <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:e50017>

| Acceding country | Timespan Accession Negotiations/Reforms | Length |
|---|--|---------------|
| East Germany | Measures started to be put in place on 21 August 1990, Joined 3 October 1990 | 1.5 months |
| Sweden, Finland Austria | 1 February 1993 – 1 January 1995 <u>Application for EU membership submitted</u> Austria – July 7 1989 Sweden – July 1991 Finland – March 1992 | 2 years |
| Poland, Lithuania, Latvia, Estonia, Czech Republic, Slovenia, Slovakia, Hungary, Malta, Cyprus | 31 March 1998 (negotiations began for 6 best prepared countries – 1 May 2004 <u>Application for EU membership submitted</u> Poland – April 1994 Lithuania – December 1995 Latvia – October 1995 Estonia – November 1995 Czech Republic – January 1996 Slovenia – June 1996 Slovakia – June 1995 Hungary – March 1994 Malta – July 1990 Cyprus – July 1990 | 6 years |
| Romania, Bulgaria | 15 February 2000 – 1 January 2007 <u>Application for EU membership submitted</u> Bulgaria – December 1995 Romania – June 1995 | 7 years |
| Croatia | October 2005 – July 2013 <u>Application for EU membership submitted</u> February 2003 - | 8 years |

7.3 Current candidate countries

Presently there are five candidate countries going through the process of negotiating membership into the EU (Albania, Macedonia, Montenegro, Serbia and Turkey) and two potential future candidates (Kosovo and Bosnia and Herzegovina).

| Candidate country | Year membership application submitted | Number of chapters closed | Main reasons for delays/lack of progress |
|--------------------------|--|----------------------------------|---|
| Albania | 2009 | 0 | Candidate status granted in 2014. Critical reform of the judicial system is required before |

| | | | |
|------------------------|------|---------------------------------|--|
| | | | negotiations can begin and this is being blocked by the Albanian parliament. |
| Macedonia | 2004 | 0 | Candidate status granted in 2005. Since 2009 the European Commission has recommended that negotiations commence. [REDACTED] Judiciary and fundamental rights and Justice, freedom and security are also foreseen to be difficult. |
| Montenegro | 2008 | 3 'provisionally' closed. | Negotiations began in June 2012. As of 2017 28 negotiating Chapters, including the rule of law Chapters have been opened, out of which 3 chapters have been provisionally closed. Progress on the fight against corruption and organised crime are key to determining the pace of negotiations. Concerning the economy, it needs to reduce rising public debt levels and improve revenue collection. |
| Serbia | 2009 | 2 'provisionally' closed, | Negotiations began in January 2014. Main challenges are fight against corruption and its refusal to recognise Kosovo unless given EU membership. |
| Turkey | 1987 | 1 'provisionally' closed | Negotiations opened in October 2005. [REDACTED] Deterioration of democracy and human rights. |
| Kosovo | n/a | 0 | Potential Candidate. Stabilisation and Association Agreement entered into force. Its unilaterally declared independence in 2008 is not recognised by Spain, Slovakia, Greece, Romania and Cyprus. |
| Bosnia and Herzegovina | 2016 | 0 | Potential Candidate. Stabilisation and Association Agreement entered into force in June 2015. Bosnia and Herzegovina applied for EU membership in February 2016, Delays as a result of its complex political system, lack of recognition of rights of ethnic minorities, reforms still required in relation to the rule of law. |

8. Special arrangements

It is possible for transitional arrangements which permit derogations from the EU *acquis* to be put in place for acceding countries. For example, in some areas of *acquis* the EU and Croatia negotiated specific arrangements to enable the country's smooth integration into the EU. The most important of these relate to freedom of movement for workers, free movement of capital, competition policy, financial services, transport and internal borders. Where transitional periods were agreed, they were limited in time and scope. The duration of these arrangements can be different for different policy areas.

[REDACTED]

Presently, the UK has specific opt-outs relating to the Economic and Monetary Union (currency), the Schengen Area, the Charter of Fundamental Human Rights, the Area of Freedom, Justice and Security (AFJS) and also a historic rebate on EU budget contributions and the ability to apply a zero rate of VAT to a number of specific products.

The political situation regarding the shared opt-outs negotiated by the UK has significantly changed. [REDACTED]

The following paragraphs briefly present the opt-outs [REDACTED]

8.1 The UK's opt-out of the Economic and Monetary Union

The UK's opt-out of third stage of the Economic and Monetary Union (EMU) is the reason that the UK has not adopted the 'euro' as its national currency. Art. 119 TFEU obliges all Member States to adopt the euro and only Denmark and the UK have formal opt-outs; all newer members have been required to join the EMU. [REDACTED]

8.2 Schengen

The Schengen area includes most EU Member States as well as the four EFTA states: Switzerland, Norway, Lichtenstein, and Iceland. The UK's opt-outs in Schengen means it does not participate in the border free travel area and it does not adopt the common rules for visas, asylum and border controls at the external borders of the participating states.

Ireland has a similar opt-out to the UK's given the Common Travel Area (CTA) between the two Member States. [REDACTED]

8.3 EU Charter of Fundamental Rights

This opt-out, which the UK shares with Poland, is widely seen as not having any real effect and is considered as a simple clarification that the Charter does not extend the EU's or consequently the European Court of Justice's competence. [REDACTED]

8.4 Area of Freedom, Security and Justice (AFSJ)

The UK has two protocols in this area: the first protocol allows the UK to choose whether or not to participate in forthcoming legislation concerning the area of freedom, security and justice. It shares this protocol with Ireland and Denmark also has a similar protocol. The UK has 3 months to decide whether or not to opt-in to new legislation in AFSJ. It was important for Ireland to negotiate this opt-out given its CTA with the UK. [REDACTED]

The second protocol the UK has in this area allowed the UK to cease to apply a large majority of EU legislation in the fields of police and judicial cooperation which were adopted before the entry into force of the Lisbon treaty. [REDACTED]

8.5. Historic Rebate on EU budget contributions

The rebate is an annual reduction which is 66% of the UK's contribution in the previous year and was agreed in 1984. [REDACTED] Poland was the main beneficiary of the EU budget in 2013. It received from the EU budget more than three times its national contribution.

8.6 The ability to apply a zero rate of VAT to a number of specific products

This is different to 'VAT exemptions' under the VAT Directive which prescribes both supplies that EU countries must exempt and supplies that they may choose to exempt. Zero rated items means that the VAT paid on the inputs can be deducted. There are certain groups of goods or services on which some EU countries are still allowed to apply a reduced rate of zero to certain groups of goods. The list is available in Section V of European Commission document in the footnote.⁴ Member States which apply a zero rate to specific items are Belgium, Denmark, Ireland, Malta, Finland, Sweden, UK.

8.7 Examples of other Member States' special arrangements

Croatia has a transitional period of 7 years (2013-2020) during which it is permitted to retain pre-existing restrictions on the acquisition of agricultural land by non-Croatians from the EU and EEA area. Similar arrangements were applied to the Member States acceding in 2004. A possible 3 year extension of this period will be decided in 2020. The 7 year transitional period was granted to allow Croatia the chance to tackle agricultural and market challenges and experience convergence in agricultural land prices before full exposure to the single market.

Accession negotiations with Central and Eastern countries were officially closed in November 2002 and these countries acceded to the EU on 1 May 2004. These countries were not required to implement EU legislation adopted in this interim period. It was at the time of accession that these Member States were required to

⁴https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf.

implement the legislation (mainly concerning climate change) that had been passed in the interim period.

Furthermore, specific arrangements limited in time and scope were agreed between the new Member States and the Commission in respect of certain legislation . For instance, in respect of the Directive on integrated pollution and prevention control (IPPC), transitional periods were granted to specific installations in Latvia and Poland (by 2010) and Slovenia and the Slovak Republic (by 2011), while 2007 was the deadline for the other Member States. In addition, a transitional period was granted to a few new Member States as regards the Large Combustion Plants Directive (LCP).⁵

⁵http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=10&ved=0ahUKEwiflsGW4fDXAhVEwBQKH2nAcwQFghSMAk&url=http%3A%2F%2Fwww.springer.com%2Fcda%2Fcontent%2Fdocument%2Fcda_downloaddocument%2F9789067043236-c1.pdf%3FSGWID%3D0-0-45-1113984-p174058399&usg=AOvVaw3rpE17WipeOJO9oXamlza

Annex 1.**KEY SECTIONS FROM THE TREATY ON EUROPEAN UNION***Article 2*

The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

Article 3
(ex Article 2 TEU)

1. The Union's aim is to promote peace, its values and the well-being of its peoples.

2. The Union shall offer its citizens an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime.

3. The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment.

It shall promote scientific and technological advance.

It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.

It shall promote economic, social and territorial cohesion, and solidarity among Member States. It shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced.

4. The Union shall establish an economic and monetary union whose currency is the euro.

5. In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict

observance and the development of international law, including respect for the principles of the United Nations Charter.

6. The Union shall pursue its objectives by appropriate means commensurate with the competences which are conferred upon it in the Treaties.

Annex 2. Overview of EU Acquis

[REDACTED]

| Chapter | Title | Reserved or devolved? | What is needed for Scotland to meet the chapter? | Timeframe |
|----------------|--|------------------------------|---|------------------|
| Chapter 1 | Free movement of Goods | Reserved | [REDACTED] | [REDACTED] |
| Chapter 2 | Freedom of movement for workers | Reserved | [REDACTED] | [REDACTED] |
| Chapter 3 | Right of establishment and freedom to provide services | Reserved | [REDACTED] | |
| Chapter 4 | Free movement of capital | Reserved | [REDACTED] | [REDACTED] |
| Chapter 5 | Public procurement | Devolved | [REDACTED] | |
| Chapter 6 | Company law | Reserved | [REDACTED] | [REDACTED] |
| Chapter 7 | Intellectual property law | Reserved | [REDACTED] | [REDACTED] |
| Chapter 8 | Competition policy | Reserved | [REDACTED] | [REDACTED] |
| Chapter 9 | Financial services | Reserved | [REDACTED] | [REDACTED] |
| Chapter 10 | Information society and media | Reserved | [REDACTED] | [REDACTED] |
| Chapter 11 | Agriculture and rural development | Devolved | [REDACTED] | |
| Chapter 12 | Food safety, veterinary and phytosanitary policy | Devolved | [REDACTED] | |
| Chapter 13 | Fisheries | Devolved | [REDACTED] | |
| Chapter 14 | Transport Policy | Devolved (mostly) | [REDACTED] | |
| Chapter 15 | Energy | Reserved (some) | [REDACTED] | [REDACTED] |
| Chapter 16 | Taxation | Devolved (some) | [REDACTED] | |
| Chapter 17 | Economic and monetary policy | Reserved | [REDACTED] | |
| Chapter 18 | Statistics | | [REDACTED] | [REDACTED] |

| | | | | |
|------------|---|----------|------------|------------|
| Chapter 19 | Social policy and employment | Reserved | [REDACTED] | |
| Chapter 20 | Enterprise and industrial policy | Reserved | [REDACTED] | |
| Chapter 21 | Trans-European networks | | [REDACTED] | [REDACTED] |
| Chapter 22 | Regional policy and coordination of structural instruments | Devolved | [REDACTED] | [REDACTED] |
| Chapter 23 | Judiciary and fundamental rights | Devolved | [REDACTED] | |
| Chapter 24 | Justice, freedom and security | Reserved | [REDACTED] | |
| Chapter 25 | Science and research | Devolved | [REDACTED] | |
| Chapter 26 | Education and culture | Devolved | [REDACTED] | [REDACTED] |
| Chapter 27 | Environment | Devolved | [REDACTED] | |
| Chapter 28 | Consumer and health protection | Devolved | [REDACTED] | |
| Chapter 29 | Customs union | Reserved | [REDACTED] | |
| Chapter 30 | External relations | Reserved | [REDACTED] | [REDACTED] |
| Chapter 31 | Foreign, security and defence policy | Reserved | [REDACTED] | [REDACTED] |
| Chapter 32 | Financial control | Devolved | [REDACTED] | |
| Chapter 33 | Financial and budgetary provisions | Reserved | [REDACTED] | |
| Chapter 34 | Institutions | | [REDACTED] | |
| Chapter 35 | Other issues:(i.e. for Serbia it was identified that there has to be a normalisation of relations between Serbia and Kosovo). | | | |

Annex 3 [to be added]

Annex 4. Further Information on Accession Processes

Balkans

Slovenia blocked Croatia's accession talks in 2008 because of a maritime border issue: Croatia had prevented Slovenia from accessing international waters off Croatia's coast. The two sides eventually agreed to hand the matter over to the international tribunal in The Hague and this agreement allowed Croatia to resume membership talks and join the bloc in 2013. In June 2017 Croatia said it would not follow The Hague ruling issued in 2017 which granted Slovenia a 10 mile long sea corridor. Serbia, Montenegro and Bosnia still have unresolved border issues with Croatia and this issue could further delay EU accession for these countries.

It might be worthwhile looking more at Montenegro's accession. It declared independence from the State Union of Serbia and Montenegro in 2006. In 2008, the new country applied for EU membership and negotiations were opened in June 2012.

European Commission President Jean-Claude Juncker sent a "Letter of Intent" to the President of the European Parliament and to the chairperson of the Council of the EU in September 2017 announcing that the European Commission plans to create the **Strategy for the successful accession of Serbia and Montenegro to the European Union** by the end of next (2018) year, with a perspective of accession to the EU in 2025.

[REDACTED]