

The road to integration

The European Union
and the Western Balkans





Based on the success of over fifty years of European regional and political co-operation, the European Union is actively assisting the countries of the Western Balkans to foster democracy and closer co-operation whilst promoting sustained economic growth in the region.

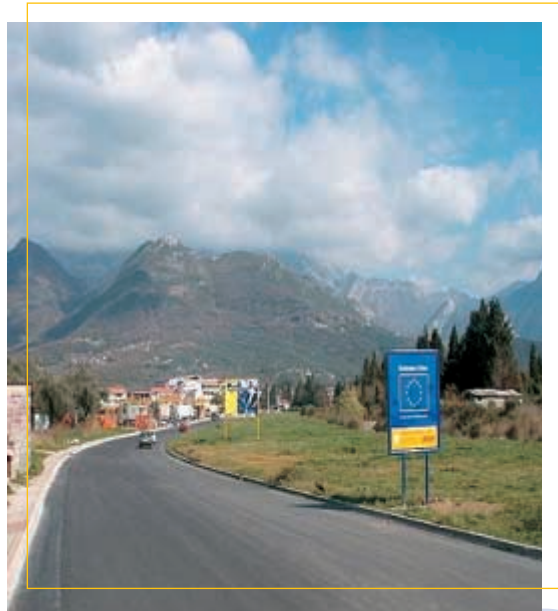
Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Montenegro are all committed to the concept of lasting economic, social and political stability guaranteed through closer ties to Europe.

Recognising this, the European Commission launched in May 1999 the Stabilisation and Association process (SAP) which marks out the principles by which the countries and people of the region move towards integration and eventual membership of the Union. These priorities include the establishment of democracy based on the rule of law, development of a market economy and combating organised crime

The Stabilisation and Association process

The process aims to equip the countries of the Western Balkans with the means to maintain stable democratic institutions; to ensure that the rule of law prevails; and to sustain open, prosperous economies based on European practice and standards.

Strong links are created between each country in the region and the European Union through three main mechanisms: trade, financial assistance and contractual relations. Closer co-operation is also encouraged between the countries in the region, in particular through the conclusion of free trade agreements and stronger collaboration in customs and refugee return.

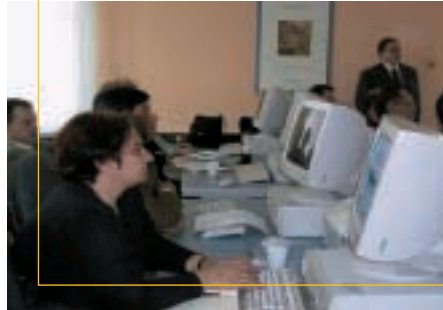


Western

Towards European integration

An important pillar in the process is the conclusion of individual Stabilisation and Association Agreements (SAA). These set out the common values and principles governing the relationship between the European Union and each country in the region. The main elements of the agreements are:

- Promoting the free movement of goods
- Creating efficient institutions
- Developing a market economy
- Reducing crime and corruption
- Promoting higher education reform
- Developing democracy, human rights, and an independent media
- Improving the region's transport infrastructure

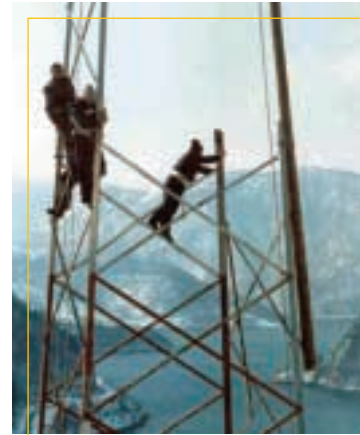


Agreements have been signed with the former Yugoslav Republic of Macedonia in April 2001, and Croatia in October 2001. Negotiations on the signing of an Agreement were opened with Albania in January 2003. Feasibility studies are also under discussion as a prelude to negotiations with Bosnia and Herzegovina and Serbia and Montenegro.

Financial assistance

Since 1991, the European Union has been the largest donor to the region, having provided almost € 6 billion in assistance. When humanitarian and bilateral assistance is included this figure amounts to more than € 20 billion.

In May 2000, the European Commission made a proposal to simplify and accelerate assistance to the five countries of the region by replacing all previous mechanisms of European Union assistance (such as OBNOVA and Phare) with a single, new instrument: Community Assistance for Reconstruction Development and Stabilisation (CARDS), aimed at underpinning the European Union's political objectives in the region and supporting stability and growth.



Under the Council regulation on CARDS for the period 2000-2006, adopted in December 2000, more than € 5 billion has been allocated to the region with assistance focusing on reconstruction and infrastructure, promotion of democracy, economic and social development and regional co-operation in the following five priority sectors:

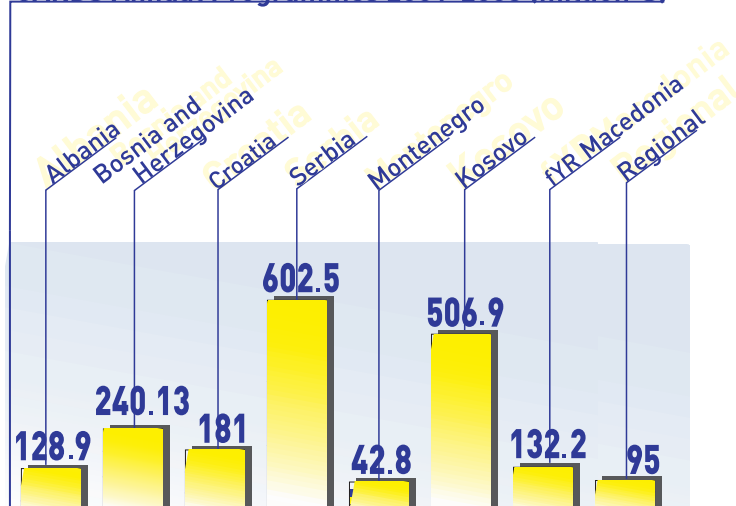
- **Justice and home affairs:** reform of the judiciary and police, migration and asylum, integrated border management, the fight against organised crime
- **Administrative capacity building:** public administration reform, taxation and customs
- **Economic and social development:** economic reform, social cohesion, local infrastructure development, education
- **Democratic stabilisation:** civil society development, refugee return, media reform
- **Environment and natural resources:** institution strengthening, monitoring and planning

Balkans

Country Strategy Papers (CSP) provide the strategic framework in which assistance is given. The papers set out co-operation objectives, policy responses and priority fields based upon an assessment of the partner country's policy agenda and political and economical situation.

CARDS assistance is managed in a number of ways: The Delegations of the European Commission in Albania, Bosnia and Herzegovina and Croatia directly manage most national programmes and projects. In Serbia and Montenegro and the former Yugoslav Republic of Macedonia a special agency, the European Agency for Reconstruction (EAR), based in Thessaloniki, is responsible for the delivery of assistance. The European Union headquarters then manage all regional programmes, as well as the Tempus programme for higher education and the Customs and Fiscal Assistance Office (CAFAO).

CARDS Annual Programmes 2001-2003 (million €)



Regional assistance is provided under the CARDS regional programme, outlined in the current Regional Strategy Paper, which devotes around 10% of total CARDS assistance for the period 2002-2004 to regional co-operation projects for the management of international borders, regional infrastructure development, institution building and democratic consolidation.

Regional co-operation

At the Zagreb Summit held in Croatia in November 2000, European leaders stated that "Rapprochement will go hand in hand with this process of developing regional co-operation". This is based on the premise that deeper regional co-operation is a route to national as well as regional stability and growth, serving the mutual interests of all countries concerned. Closer regional co-operation involves:

- Creating a network of bilateral free trade agreements
- Reintegrating the region into infrastructure networks
- Encouraging authorities to work together to respond to common threats to security





Trade

The European Union established a free trade area with the countries of the Western Balkans in 1999 to support economic reform and private sector development. In 2000, a single market regime was introduced for most industrial goods and a range of agricultural products.

The European Union is now the region's largest trading partner, with over half of all exports going to the European market. Today more than 80 percent of all goods from the region enter Europe with no customs restrictions.

Institution building and the rule of law

Among the priorities of the Stabilisation and Association process, institution building takes a prominent role. On 1st January 2003 around 600 police officers and civilian consultants from the fifteen Member States and eighteen partner countries were lined up under one flag - that of the European Union Police Mission (EUPM) - launching the first civilian crisis management operation under the European Security and Defence Policy.



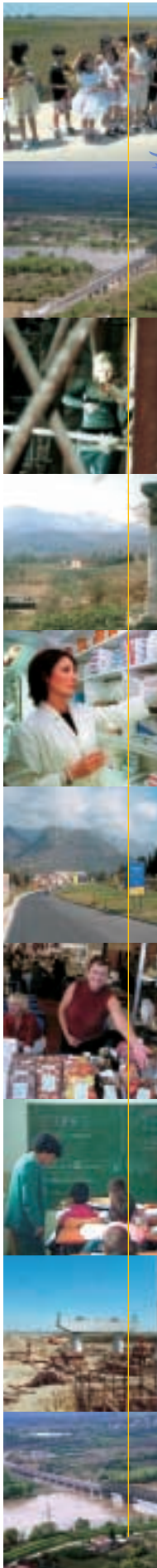
The Mission continues the seven years' successful work of the UN International Police Task Force (IPTF) in Bosnia and Herzegovina. The mission monitors the work of local police structures and provides training in controlling the illegal activities which endanger the successful operation of the state, such as organised crime, terrorism and trafficking in humans, drugs and arms.

Clearly, despite having a turbulent past the region has a stable and prosperous future. That future lies in closer integration with Europe. This involves creating a situation where the peace, stability, prosperity and freedom which has been established over the past fifty years within the European Union is extended to the Western Balkans.

Any map of the continent shows that the region is firmly a part of Europe. The people of the Western Balkans have never doubted their identity as Europeans with shared common principles and values and deep cultural and historic ties.

The European Union is committed to the region as a long-term investment in peace, stability and growth to support continuing efforts to deal with the political, economic and social challenges facing the region today.

Balkans



Contacts

EuropeAid Co-operation Office

European Commission
B-1049 Brussels
Fax: (+32 2) 296 74 82
http://www.europa.eu.int/comm/europeaid/projects/cards/index_en.htm

Directorate General for External Relations

European Commission
B-1049 Brussels
Fax: (+32 2) 299 21 98
http://europa.eu.int/comm/external_relations/see/index.htm

Delegation of the European Commission to Albania

Tirana, Rruga Donika Kastrioti - Villa n°42
Tel: (+355) 42 28 320 / Fax: (+355) 42 30 752
<http://www.delalb.cec.eu.int>

Delegation of the European Commission to Bosnia and Herzegovina

71000 Sarajevo, Dubrovacka 6
Tel: (+387 33) 66 60 44 / Fax: (+387 33) 66 60 37
<http://www.delbih.cec.eu.int>

Delegation of the European Commission to the Republic of Croatia

10000 Zagreb, Masarykova 1
Tel: (+385 1) 48 96 500 / Fax: (+385 1) 48 96 555
<http://www.delhrv.cec.eu.int>

Delegation of the European Commission to the former Yugoslav Republic of Macedonia

1000 Skopje, Marsal Tito 12
Tel: (+389 2) 312 20 32 / Fax: (+389 2) 312 62 13
<http://www.delmkd.cec.eu.int>

Delegation of the European Commission to Serbia and Montenegro

11050 Belgrade, Paje Adamova 4
Tel: (+381 11) 367 24 11 / Fax: (+381 11) 367 11 43
<http://www.delscg.cec.eu.int>

European Agency for Reconstruction Headquarters

54626 Thessaloniki - Egnatia 4, Greece
Tel: (+30 2310) 505 100 / Fax: (+30 2310) 505 172
<http://www.ear.eu.int>

