



euinsight

The European Union: Doing Its Part in the Western Balkans

The European Union is actively engaged with the Western Balkans, helping these countries recover from devastating conflict, supporting major political and economic transformation, and offering them a path to EU membership. The Union's objective is to promote security, stability, and prosperity through the region's progressive integration into the European mainstream.

Ensuring Security and Stability

The EU maintains an active presence in the Western Balkans, deploying thousands of personnel in civilian and military missions for peacekeeping, conflict prevention, and police reform. Through the European Security and Defense Policy (ESDP), the EU has undertaken five operations in the region since 2003 and is preparing for a future presence in Kosovo.

The road to stability for the Western Balkan nations is underpinned by incentives and obligations and the prospect of EU membership, which keeps these countries on the path of peace. Democratic institutions and processes, the rule of law, a functioning market economy, the capacity to cope with competitive market pressures, and respect for human rights and minorities are all components of a stable society as well as core EU values—and all are required of prospective EU Member States. Applicants must also have the capacity to take on the obligations of EU membership and be prepared to adopt and implement the entire body of EU legislation through appropriate administrative and judicial structures. The EU offers inducements, financial support, and tools to help each of the Western Balkan states accomplish these objectives.

Following an initial focus on physical reconstruction and rehabilitation, emphasis shifted to institution building, strengthening of administrative capacity, justice, freedom, and security. The European Union, by far the largest donor

to the region, has provided more than €7 billion in assistance to the countries of the Western Balkans through its various aid programs since 1991—including €4.65 billion between 2000 and 2006. Almost €12 billion is allotted for the next seven years.

The European Agency for Reconstruction (EAR) has led the EU's reconstruction efforts in Kosovo, Serbia, Montenegro, and the former Yugoslav Republic of Macedonia (FYROM), providing €2.86 billion of assistance that helped produce visible results throughout the region: thousands of houses repaired or reconstructed; public utilities back online; roads and bridges rebuilt. As emergent needs were met, EAR shifted its focus to reforming and modernizing public institutions.

EU support for institution building includes modernizing the courts, training judges and court staff; aiding the fight against organized crime and corruption; reforming the police force and the penal system; upgrading administrative capacity; and modernizing and standardizing customs management—all elements of good governance. The TAIEX and Twinning tools support this process by sharing technical assistance, advice, and expertise with beneficiary countries to help them adopt, implement, and enforce EU legislation.

Promoting Economic Prosperity

The EU provides each Balkan partner with an individualized, detailed roadmap focused on key democratic principles and elements that are the core of the EU's single market. Through a free trade area with the EU and associated disciplines (e.g. competition rules, state aid, intellectual property) and benefits (e.g. rights of establishment), the economies of the region will integrate more closely with the EU. The Union is helping to create a solid foundation for economic development and a stable business environment based on efficient and accountable institutions,

investments in education and research, and the rule of law—elements that will attract foreign investment.

Almost all goods originating in the Western Balkans enter the EU duty free and without quotas, trade preferences that have contributed to an average 8 percent annual increase in the region's exports to the EU between 2000 and 2004. The EU is already the Western Balkans' most important trading partner, and when the region's countries meet agreed benchmarks, they will gradually open their markets to EU goods.

Regional cooperation is critical for establishing political stability, security, and economic prosperity by linking the economies of the region. The newly enlarged and amended Central European Free Trade Agreement—CEFTA 2006—entered into force this summer, consolidating the previous patchwork of 32 bilateral agreements into one regional trade agreement that will help the region boost trade, participate in the multilateral trading system, compete globally for much needed investment, and create jobs.

The *Southeast Energy Community Treaty*, in force for more than a year, brings together Albania, BiH, Croatia, FYROM, Serbia, Montenegro, and Kosovo, and extends to them major EU legislation in the field of energy, competition, and environment, creating a stable and predictable legal environment to help promote investments in the energy sector aimed at strengthening energy security and diversification, while boosting rebuilding efforts for war ravaged energy infrastructure.

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“The European Council reaffirms that the future of the Western Balkans lies in the European Union.”

Brussels European Council,
December 14/15, 2006

Road to the European Union

EU enlargement—one of the Union's most potent and successful policy tools, is a carefully managed process that promotes stability, democratic values, and open economies. While neither uniform nor of prescribed duration, the enlargement process is typically lengthy. Demanding requirements are made of prospective members, ultimately driving far-reaching democratic and economic reform. The EU provides “pre-accession” assistance in various forms to help aspiring Member States make the changes necessary to attain EU membership.

Albania. Reform progress in Albania paved the way for the signature in June 2006 of the Stabilization and Association Agreement (SAA) that will promote progress toward EU integration and govern the bilateral relationship until accession.

Bosnia & Herzegovina (BiH). EU military and civilian crisis management missions have provided a deterrent against renewed conflict while enhancing overall security; police officers from EU nations are training

Kosovo

The EU is committed to helping create a democratic, multi-ethnic, and economically viable Kosovo, and is working hard to prepare for deployment of civilian missions to help supervise the implementation of the eventual status settlement. The prospective ESDP Rule of Law mission aims to support and assist Kosovo's judicial authorities and law-enforcement agencies as they progress toward sustainable and accountable practices.

“...our role in Kosovo will be a severe test of the EU's capacity to deal with security challenges on its own continent, ...[in] its own front-yard and future home territory. We are bound to take responsibility....Future stability on our continent is at stake, as well as our own credibility in foreign policy.”—Olli Rehn, EU Enlargement Commissioner

their counterparts in BiH, helping local law enforcement combat organized crime and raise policing standards. Technical talks have been completed on an SAA, although conclusion of the process is contingent on BiH making further progress in areas including police reform, International Criminal Tribunal for the former Yugoslavia (ICTY) cooperation, and public administration reform.

Croatia. Twelve years after the war's end in Croatia and eight years after gaining full sovereignty, Croatia is a stable democracy with a functioning market economy and is a good bet to be the EU's 28th Member State. An SAA has been in force since early 2005, and accession negotiations began in October 2005.

The former Yugoslav Republic of Macedonia (FYROM). FYROM became a candidate country in December 2005, is well on its way to satisfying the political criteria, and has made major strides in fulfilling the economic criteria for EU membership. An SAA has been in force since 2004. Like BiH, FYROM has benefited from EU military and civilian missions dedicated to conflict prevention and improved policing practices and standards.

Montenegro. Following Montenegro's declaration of independence in 2006, negotiations began for an SAA, building

upon efforts begun while the country was still a part of the State Union of Serbia and Montenegro. Accelerated integration into the EU is one of Montenegro's declared strategic priorities and its determination to fulfill the necessary membership conditions led to the initialing of the SAA in March 2007.

Serbia. After almost a year's suspension, negotiations for an SAA resumed in June 2007 thanks to improved Serbian cooperation with the ICTY. By mid-September, Serbia and the EU had reached a technical agreement on the content of the accord. Completion of the process depends on Serbia's full cooperation with the Tribunal.



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*Anthony Smallwood
Spokesperson & Head of
Press and Public Diplomacy
Editor-in-Chief*

*Ben Harrison
Editor*

*Melinda Stevenson
Writer & Assistant Editor*

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2300 M Street, NW
Washington, DC 20037
202.862.9500

www.eurunion.org
email: delegation-usa-info@ec.europa.eu

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“The quest for EU membership has driven democratic and economic reforms forward more effectively than any rod or sword could. An area of peace and freedom has spread out across virtually the whole of Europe thanks to the EU's soft power.”

Olli Rehn, EU Enlargement Commissioner

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