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# DIRECTORATE-GENERAL FOR EXTERNAL POLICIES OF THE UNION DIRECTORATE B - POLICY DEPARTMENT -

## **BRIEFING NOTE**

"COOPERATION BETWEEN THE EUROPEAN UNION AND THE WESTERN BALKANS"

BRIEFING NOTE FOR THE JOINT PARLIAMENTARY MEETING ON THE WESTERN BALKANS CO-ORGANISED BY THE EUROPEAN PARLIAMENT AND THE PARLIAMENT OF SLOVENIA

BRUSSELS, 26-27 MAY 2008

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## "COOPERATION BETWEEN THE EUROPEAN UNION AND THE WESTERN BALKANS"

# BRIEFING NOTE FOR THE JOINT PARLIAMENTARY MEETING ON THE WESTERN BALKANS CO-ORGANISED BY THE EUROPEAN PARLIAMENT AND THE PARLIAMENT OF SLOVENIA

#### BRUSSELS, 26-27 MAY 2008

At present there are **two Western Balkan countries candidates to EU membership**, Croatia and the Former Yugoslav Republic of Macedonia. Turkey is also candidate to EU membership.

The other countries of the Western Balkans - Albania, Bosnia and Herzegovina, Montenegro, and Serbia including Kosovo under United Nations Security Council Resolution 1244 - have all been promised the prospect of EU membership as and when they are ready. They are known as potential candidate countries.

With all the countries of the Western Balkans the EU has established a process – known as the Stabilisation and Association process - that aims to bring them progressively closer to the EU. Thanks to this process, these countries already enjoy free access to the EU's single market for practically all their exports, as well as EU financial support for their reform efforts. The centrepiece of the process is a Stabilisation and Association Agreement that represents a contractual relationship between the EU and each Western Balkan country, entailing mutual rights and obligations. The Stabilisation and Association Agreements focus on respect for key democratic principles and the core elements which are at the heart of the EU single Through a free trade area with the EU and the associated disciplines (competition and state aid rules, intellectual property etc) and benefits (e.g. rights of establishment), and through reforms designed to achieve the adoption of EU standards this process will allow the economies of the region to begin to integrate with the Provided the conditions are fulfilled, the Stabilisation and Association Agreements can be completed with all Western Balkan countries in 2008, with agreements either signed or in force<sup>1</sup>.

Enlargement process can be considered as one of the EU's most powerful policy tools which serves also its strategic interests in stability, security, and conflict prevention. It is in the interest of the European Union, and of Europe as a whole, that the Western Balkans region should go ahead as rapidly as possible with political and economic reform, reconciliation among peoples and progress towards the EU.

<sup>&</sup>lt;sup>1</sup> The EU is expected to sign the Stabilization and Association Agreement (SAA) with **Bosnia and Herzegovina (BiH)** at the end of May 2008.

On the 29 April 2008 EU foreign ministers agreed to sign the Stabilization and Association Agreement (SAA) with **Serbia**, on condition that Belgrade proves it is fully cooperating in the hunt for war crime suspects

As confirmed by the Thessaloniki Summit in June 2003, **Kosovo** is firmly anchored in the framework of the Stabilisation and Association Process. Following to the resolution of 17 February 2008 when the Kosovo Assembly declared the Kosovo independence, the EU Council noted that Member States will decide, in accordance with national practice and international law, on their relations with Kosovo. Most of EU member states (19) have recognised Kosovo.

Accordingly the EU is mobilising all available policy instruments to support the achievement of these goals, giving in particular priority to support for strengthening the rule of law, good governance, judicial and administrative reform and the development of civil society.

In December 2007, the European Council reaffirmed that "the future of the Western Balkans lies within the European Union". It declared its willingness to move forward in the pre-accession process and even to accelerate it where justified by the efforts of a particular partner country. In February 2008, the Council reiterated its commitment to fully and effectively support the European perspective<sup>2</sup> for the Western Balkans. It asked the Commission to use community instruments to promote economic and political development and to propose to the broader region concrete measures in order to advance in that direction.

The Commission supports the efforts of the Western Balkan countries for reform and regional cooperation through its **Instrument for Pre-accession Assistance**<sup>3</sup> (IPA). It has taken a new initiative in the area of donor coordination, involving the international financial institutions and bilateral donors.

#### RECENT DEVELOPMENTS IN THE REGION

As regards *Serbia*, the President of European Parliament said with reference to the recent election results in Serbia that they clearly show the desire of the Serbian people to follow the path towards a European future. He also invited the EU to "extend a hand" to Serbia in an offer of close cooperation.

Previously, on April 29th, Serbia signed a Stabilisation and Association Agreement with the European Union, usually the first step towards membership. A positive step was also taken by 17 European Member States: they would no longer charge Serbs for visas.

According to last information, it seems that the Serbian Radical Party (SRS), the Democratic Party-New Serbia (DSS-NS) and the Socialist Party of Serbia (SPS) agreed in principle on the formation of a government. The three parties have teamed up to challenge pro-EU President Boris Tadic's coalition, which won the most votes in the general elections last 11 May - but not enough to govern alone. President Tadic had recently urged the Socialist party to join his party in a coalition, "but his call seems to give no result". The nationalists, however, want to halt Serbia's integration into the EU because more than half of the EU Member States have recognized the independence of Kosovo.

Concerning the co-operation with the *International Criminal Tribunal for the former Yugoslavia* (ICTY), the new ICTY Chief Prosecutor Serge Brammertz was on 17-18 April in his first visit to Belgrade since his appointment in January 2008.

The ratification and entry into force of the SAA will be contingent upon full cooperation with the Tribunal. Serbian President Tadic highlighted cooperation with ICTY as one of five priorities of the future Government in case his party should take part to it. On the contrary, DSS party leaders have dropped it from their list.

<sup>2</sup> "Communication from the Commission to the European Parliament and the Council", 5 March 2008

<sup>&</sup>lt;sup>3</sup> Since 2007, EU pre-accession funding is channelled through a single, unified instrument - (Instrument for pre-accession assistance (IPA) - designed to deliver focussed support to both candidate and potential candidate countries. The Western Balkans will receive around €4 billion under IPA for the period 2007-2011. This is the equivalent of € 30 per capita per year, by far the highest amount provided by the EC to any region in the world.

On *Kosovo*, European Parliament President Hans-Gert Pöttering opened the February plenary session by saying that Kosovo's declaration of independence reflects the "will of the people to take their fate into their own hands." He told MEPs that the case of Kosovo is not a precedent and it represents a special case "which cannot be compared with others". The EP President welcomed the Council's decision to send a police and administrative mission to Kosovo to help with a smooth transition in the region.

On 16 February 2008, the Council approved the sending of the EU Rule of Law Mission to Kosovo, known as **EULEX Kosovo**. EULEX Kosovo has a **broad mandate ranging** from the maintenance and promotion of the rule of law, public order and security to ensuring that cases of war crimes terrorism, organised crime are investigated and prosecuted.

**EULEX has four components**: police; justice; customs and a specialised police. EU officials and national seconded EU staff will work together with Kosovo officials in the Kosovo Police Service (including at the border crossing points), the Kosovo judiciary, the Kosovo Property Agency, the Kosovo Correctional Service and the Kosovo Customs Service.

It is foreseen that the EU Rule of Law Mission in Kosovo will begin its **operational phase after a 120-day transition period** from the decision to launch.

EULEX has an initial mandate for **two years** and for the **first 16 months** it will cost **EUR 205 million**.

The President *Former Yugoslav Republic of Macedonia (FYROM)* Crvenkovski appealed for fair and democratic elections, to be held in the country on 1<sup>st</sup> June. He added that the country must continue integration efforts towards NATO and the EU with faster pace since there is "no other serious alternative" for that process. However, the election campaign which officially started 10 May has been marred by incidents and violence since the very beginning. The international community unanimously condemned the violence. The OSCE, the major international organization in charge of election monitoring, joined the chorus of concerns, especially for the worsening of the security in the north-west part of the country.

The European Commission condemned the pre-election violence in FYROM and urged the authorities to investigate the incidents and punish the perpetrators. Such incidents could seriously undermine the country's plan to get a date for the start of EU accession talks by the end of the year.

With regard to *Bosnia and Herzegovina*, the Council welcomed the conclusion of the first phase of the police reform by the recent adoption of the two police laws. It recalled that agreement on police reform is one of the necessary conditions for further progress towards the conclusion of the SAA, which is the essential framework of the relations between EU and BiH, as well as an important element to ensure stability and strengthen dialogue within BiH. All political forces of BiH should unite their efforts to pursue with strong determination its reform agenda.

Accession negotiations with *Croatia* are progressing: following the completion of the screening process in October 2006, sixteen negotiation chapters have been opened and two provisionally closed by February 2008. Croatia's progress sends a signal to the other Western Balkan countries on their own membership prospects, once they fulfil the necessary conditions. For Croatia to make 2008 a decisive year in its accession

process, the country needs to make further progress with, among others, judicial and administrative reforms, fighting corruption, minority rights, and refugee return.

Albania has continued to make progress in reforms and approximation to EU standards. However, Albania must still work on reforms in order to fulfil the necessary conditions for entering membership talks with the EU. All 27 Member States must ratify the pre-entry deal of Stabilization and Association Agreement (SAA) before Albania can apply for EU membership. So far 17 of them have done so. Political leaders in Albania have pledged to engage in a constructive relationship on key reforms. Electoral reform, particularly in view of the 2009 parliamentary elections, strengthening the rule of law, reform of the judicial system and the fight against corruption and organised crime are central.

The adoption of a new constitution, broadly in line with European standards, and the signing of the SAA were major steps for *Montenegro* and its relations with the EU. The constitution provides a satisfactory general framework for the judiciary, human rights and minority rights. However, Montenegro is expected to step up preparations to ensure implementation. Judicial independence and accountability need to be fully respected and efforts to fight corruption and organised crime need to be enhanced.

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The EU enlargement process contributes to peace and stability, reforms, and the promotion of European values. However, the effectiveness of conditionality in driving reforms depends on maintaining a credible prospect of eventual integration into the Union, which has to be even more visible to the people of the countries concerned. Promoting people-to-people contacts between the Western Balkans and the EU is of utmost importance: citizens from the region acquire a better knowledge of the European Union, its values and its rules, and way of life. Contacts between the people of the Western Balkan countries help reconciliation.

The European Council has emphasised the importance of people-to-people contacts and invited the Commission to take initiatives to promote them, in particular in the areas of visas and scholarships.

#### Towards visa-free travel

The Commission is starting a dialogue with all western Balkan countries concerned for lifting the visa requirement in order to move towards visa-free travel to the EU for citizens of the Western Balkans. To this end, the European Parliament and the Council welcomed the launch of the dialogue on visa liberalisation and looked forward to discuss roadmaps for all the countries in the region.

<u>Visa facilitation and readmission agreements</u> were signed between the EU and Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro and Serbia on 18/9/2007 and entered into force on 1/1/2008.

The readmission agreements set out the reciprocal rules and procedures under which nationals of the contracting parties as well as (under certain conditions) third country nationals who illegally stay on the territory of one contracting party may be readmitted to the territory of the other contracting party. The agreements regulate also the issue of transit for readmission purposes through the territory of contracting parties.

#### More scholarship for students from the Western Balkans

Up to € 10 million of Community support has been earmarked annually to students from the Western Balkans to study in the EU. Following the Council meeting of 28.1.2008, the Commission intends to double this annual allocation, which would enable several hundreds additional students to receive a scholarship as of the academic year 2009/2010.

More EU programmes and agencies are also being opened to the countries of the Western Balkans, enabling contacts and cooperation between scientific and educational institutions. The Commission will continue its support to a more intensive cooperation in the areas of science and research, education, culture, youth, employment policy and social issues, environment protection.

## Cooperation in the field of justice, freedom and security

Cooperation and reforms in the field of justice, freedom and security, notably in combating organised crime and corruption, reforming the judiciary and police, as well as strengthening border management, are of particular importance for the Western Balkans and a core priority for their European agenda. A substantial share of overall Community assistance to the region will continue to be earmarked for this area.

Full cooperation with the International Criminal Tribunal for former Yugoslavia (ICTY) remains a condition on the way towards the EU for the countries concerned

#### Civil society

Civil society active involvement in the process of political, social and economic reform in the Western Balkans strengthens democracy and reconciliation, therefore, it is important to create conditions conducive to further growth of their activities. EU assistance for civil society development and dialogue in the Western Balkans has been provided under previous instruments and will be given special attention under IPA. Overall support to civil society under national and regional programmes totalled € 27 million in the period 2005-2007. Over the period 2008-10, funding of civil society activities will approximately triple compared to the period 2005-07.

#### Regional cooperation

Enhanced regional cooperation is essential for the political, economic and social development of the western Balkans. Transition from the *Stability Pact* to a more regionally-owned cooperation framework has been largely completed. The cooperation will continue under the political guidance of the *South East European Cooperation Process* (SEECP). The EU will continue to support the *Regional Cooperation Council* (RCC)<sup>4</sup> and other cooperation frameworks such as the new Central European Free Trade Agreement, the Energy Community Treaty and the Agreement on a European Common Aviation Area.

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<sup>&</sup>lt;sup>4</sup> The newly established Regional Cooperation Council (RCC) will pursue work in the following areas: economic and social development; infrastructure; justice and home affairs; security co-operation; human resources development, and parliamentary co-operation. The RCC Secretary-General has been appointed and the Sarajevo-based Secretariat started operations in January 2008. The Secretariat is co-financed by the countries in the region, the Commission and other international donors. The EU is represented on the RCC Board.

#### Parliamentary cooperation

Active involvement of parliaments in the countries' preparations for the EU is a key determinant of progress. Cooperation between the European Parliament and the parliaments of the Western Balkan countries has continued through the *Joint Parliamentary Committees* with Croatia and the former Yugoslav Republic of Macedonia and *Inter-parliamentary meetings* with Albania, Bosnia and Herzegovina, Montenegro and Serbia. *Informal meetings* of this kind have also been held with Kosovo. The European Parliament is considering supporting the RCC in its activities in the area of parliamentary cooperation.

A Regional Secretariat for Parliamentary Cooperation in South East Europe, hosted by the Bulgarian Parliament, was established in 2007. To that end, a Memorandum of Understanding on Inter-parliamentary Cooperation in South East Europe, initialled in December 2007, will be signed in spring 2008. Regional parliamentary cooperation has also continued in the annual meetings of the Conference of the Committees on European Integration of the States participating in the Stabilisation and Association Process (Western Balkans **COSAP**) and in the Cetinje Parliamentary Forum.

SDA - GG DG EXPO - Policy Department

#### EP relevant documents on the Western Balkan countries

- Report on the Commission's Communication on the Enlargement Strategy and Main Challenges 2006–2007 (2006/2252(INI))

  The version 2007–2008 of the above Report will be probably adopted by June 2008
- European Parliament resolution of 10 April 2008 on **Croatia**'s 2007 progress report (2007/2267(INI))
- European Parliament resolution of 23 April 2008 on the 2007 Progress Report on the **former Yugoslav Republic of Macedonia** (2007/2268(INI))
- European Parliament legislative resolution of 13 December 2007 on the proposal for a Council and Commission decision on the conclusion of the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the **Republic of Montenegro**, of the other part (COM(2007)0350 C6-0463/2007 2007/0123(AVC))
- European Parliament recommendation to the Council of 25 October 2007 on relations between the European Union and **Serbia** (2007/2126(INI))
- European Parliament resolution of 29 March 2007 on the future of **Kosovo** and the role of the EU (2006/2267(INI))
- European Parliament recommendation to the Council of 15 March 2007 on **Bosnia-Herzegovina** (2006/2290(INI))
- European Parliament legislative resolution on the proposal for a Council and Commission decision concerning the conclusion of the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the **Republic of Albania**, of the other part (8161/2006 C6-0197/2006 2006/0044(AVC))