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COMMISSION STAFF WORKING PAPER

EU regionally relevant activities in the Western Balkans 2008/09

"The EU reiterates its unequivocal support to the European perspective of the Western Balkan countries. The future of the Balkans is within the European Union. ... Preparation for integration into European structures and ultimate membership into the European Union, through adoption of European standards, is now the big challenge ahead. ... The speed of movement ahead lies in the hands of the countries of the region." (Thessaloniki Declaration, June 2003)

"The European Council reaffirms its full support for the European perspective of the Western Balkans, as set out in the Thessaloniki Agenda and the Salzburg Declaration. ... The EU perspective remains essential for the stability, reconciliation and the future of the Western Balkans." (European Council, June 2008, Presidency Conclusions)

This Staff Working Paper outlines EU activities of regional relevance to the Western Balkan countries and corresponding regional activities related to the European agenda of the Western Balkans. It is an update of the Annex to the March 2008 Commission Communication on the Western Balkans¹. It covers the activities of the year 2008 and also lists planned activities for the coming period.

¹ Commission Communication on the Western Balkans, COM(2008)127 final, 5.3.2008.

No	Action	State of play (progress achieved and next steps planned)
<p>1. Moving closer towards the EU and enhancing regional cooperation</p> <p><i>“Moving closer towards the EU implies meeting the criteria and conditions for each stage. These relate to the Copenhagen membership criteria and the Stabilisation and Association process, including on regional cooperation, good neighbourly relations and full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY)... The pace of each country's progress is determined by its own achievements.”²</i></p> <p><i>"Good neighbourly relations and regional cooperation remain key in advancing towards EU membership and as such constitute a central element of the Stabilisation and Association Process."³</i></p>		
1.01	<p><u>Stabilisation and Association Agreements (SAAs)</u></p>	<p><i>The Stabilisation and Association Agreements (SAAs) are the main form of contractual relationship between the EU and each Western Balkan country. SAAs with the former Yugoslav Republic of Macedonia and with Croatia have been in force since April 2004 and February 2005, respectively⁴.</i></p> <p><i><u>Albania:</u> The SAA, signed on 12.6.2006, is under ratification⁵. The Interim Agreement⁶ has been in force since 1.12.2006⁷.</i></p> <p><i><u>Montenegro:</u> The SAA, signed on 15.10.2007, is under ratification⁸. The Interim Agreement entered into force on 1.1.2008⁹.</i></p> <p><i><u>Serbia:</u> The SAA was signed on 29.04.2008. The Council of April 2008 decided that the ratification procedure will be launched and implementation of the Interim Agreement will start as soon as the Council decides that Serbia is fully cooperating with the International Criminal Tribunal for the former Yugoslavia (ICTY).</i></p> <p><i><u>Bosnia and Herzegovina:</u> The SAA was signed 16.6.2008¹⁰. The Interim Agreement entered into force on 01.07.2008¹¹.</i></p>

² Commission Communication on the Western Balkans, COM(2008)127 final, 5.3.2008.

³ EU Enlargement Strategy and main challenges 2008-2009, COM(2008) 674 final, 5.11.2008.

⁴ OJ L 84, 20.3.2004 and L26;28.1.2005, respectively.

⁵ To date, 23 countries have notified ratification: Albania (9.11.2006), Latvia (19.12.2006), Slovenia (16.3.2007), Spain (23.5.2007), Hungary (31.5.2007), Sweden (8.6.2007), Ireland (11.6.2007), Slovakia (20.7.2007), Lithuania (25.7.2007), Poland (16.8.2007), Luxembourg (24.9.2007), the United Kingdom (12.10.2007), Estonia (6.12.2007), the Netherlands (10.12.2007), Finland (13.12.2007), Malta (21.04.2008), Italy (24.6.2008), Denmark (25.6.2008), Czech Republic (30.6.2008), Austria (4.7.2008), Cyprus (18.7.2008), Portugal (6.8.2008) and Belgium (22.10.2008). France, Germany and Greece have ratified, but not yet notified the Council.

⁶ Interim Agreements are signed simultaneously with the SAAs. They cover the trade-related parts of the SAAs and enter into force much faster, as they do not need to be ratified by the EU Member States.

⁷ OJ L 239, 1.9.2006.

⁸ To date, 13 countries have notified ratification: Montenegro (14.11.2007), Estonia (22.11.2007), Slovenia (28.4.2008), Hungary (19.5.2008), Bulgaria (19.6.2008), Denmark (25.6.2008), Austria (4.7.2008), Slovakia (29.7.2008), Portugal (23.9.2008), Latvia (17.10.2008), Cyprus (20.11.2008), Malta (11.12.2008) and Romania (15.1.2009)..

⁹ OJ L 345, 28.12.2007.

¹⁰ To date, two countries have notified ratification: Estonia (11.9.2008) and Hungary (22.10.2008). Slovenia adopted the related law on ratification on 16 December 2008.

1.02	<u>Western Balkans: Enhancing the European Perspective</u>	<p>The Commission adopted on 5.3.2008 a <i>Communication "Western Balkans: Enhancing the European Perspective"</i>¹². Following up on the Thessaloniki Agenda and the Salzburg Communication, the Communication reiterated the EU's commitment to the European perspective of the Western Balkans and pointed the way forward for an enhanced progress of the region towards the EU. It set out new initiatives for promoting people-to-people contacts, covering areas such as visa liberalisation and scholarships, for developing civil society and for enhancing the region's economic and social development. The Communication also provided a succinct analysis of the situation of each partner in the light of recent developments. The main regionally relevant EU activities in the Western Balkans in 2006-2007, as well as planned upcoming activities, were presented in a detailed Annex.</p> <p>In April 2008, the (external relations) Council welcomed the Communication as a basis for the discussion it had held on the Western Balkans at its informal 'Gymnich' meeting of 29.3.2008 in Brdo, Slovenia. The European Council of 20.6.2008, with reference to the Commission's Communication, adopted a <i>Declaration on the Western Balkans</i>, underlining the importance of a number of areas covered in the Communication. The full text of this declaration is attached in <i>Annex I</i> of this document.</p>
1.03	<u>EU-WB forum</u> ¹³	<p>A <i>Foreign Affairs EU-Western Balkans (WB) ministerial forum</i> was held on 28-29.3.2008 in Brdo, Slovenia. The next meeting will be held in March 2009.</p> <p>A <i>Justice and Home Affairs EU-WB ministerial forum</i> was held on 6-7.11.2008 in Zagreb. The next meeting will be held at the end of 2009.</p>
1.04	<u>Refugee return: Sarajevo process</u>	<p><i>The Sarajevo Declaration</i> (or "3x4 Initiative") signed in January 2005 by the governments of Bosnia and Herzegovina, Croatia and Serbia and Montenegro provides a policy framework aimed at bringing about a genuine and successful solution to problems faced by refugees in the region. The signatories had agreed to achieve this goal by the end of 2006, but two issues have still to be addressed: compensation claims for lost occupancy and tenancy rights (OTRs) and recognition of pensions and other rights.</p> <p>Some positive developments were registered in the course of 2008, such as the adoption by Croatia in May 2008 of a Rulebook on convalidation, Croatia's starting to process claims, and the implementation, albeit slow, of its housing care programme. The process has not been completed however.</p> <p>Support for the Sarajevo process has been provided from the CARDS 2002/3 regional programme (€0.8 million)¹⁴ and CARDS 2006¹⁵ (€1.0 million). It has been renewed under IPA 2008 (€1 million)¹⁶ and it is planned to extend this assistance again under IPA 2009.</p>

¹¹ OJ L 169, 30.6.2008.

¹² Commission Communication on the Western Balkans COM(2008) 127 final, 5.3.2008.

¹³ Established by the Thessaloniki Agenda.

¹⁴ COM Decision 2002/000-598 and 2003/005-046.

¹⁵ COM Decision 2006/018-474.

<p>1.05</p>	<p><u>Establishment of the Regional Cooperation Council (RCC) (Transition from the Stability Pact)</u></p>	<p>Transition from the Stability Pact to a more regionally-owned cooperation framework has been largely completed. A <u>Regional Cooperation Council (RCC)</u> was established, which operates under the political guidance of the <u>South East European Cooperation Process (SEECP)</u>. It will focus its work on the following priority areas: economic and social development; infrastructure; justice and home affairs; security co-operation; human resources development and parliamentary co-operation.</p> <p>The process of transition, based on a joint proposal by the Commission and the Stability Pact, was launched at the Zagreb SEECP Summit in May 2007. The Summit decided on the RCC mandate and its budgetary resources, appointed Mr. H. Bišćević as Secretary General of the RCC and designated Sarajevo as the seat of the RCC Secretariat. A Host Country Agreement with Bosnia and Herzegovina on the RCC Secretariat was signed in September 2007.</p> <p>The RCC was officially launched on 27.2.2008 in Sofia on the occasion of the last meeting of the Stability Pact Regional Table and the first official meeting of the RCC Board.</p> <p>The RCC annual meeting on 20.5.2008 in Pomorie, Bulgaria, adopted its Strategic Work Programme for 2008-2009. This was subsequently endorsed by the SEECP Summit on 21.5.2008.</p> <p>RCC Board meetings were held on 20.5.2008 in Pomorie, Bulgaria, and on 6.10 and 12.12.2008 in Sarajevo.</p> <p>The RCC Secretariat started operations in January 2008. Its staffing had been largely completed by the end of 2008.</p> <p>An agreement between the RCC Secretariat and Belgium for the establishment of a liaison office in Brussels was signed on 29.8.2008. The liaison office was inaugurated on 20.10.2008.</p> <p>In accordance with the RCC Strategic Work Programme 2008 – 2009 and the Statute of the RCC, the Secretariat has initiated a process of coordination and streamlining of relevant regional initiatives in the six priority areas and has undertaken several initiatives.</p> <p>The Commission is a member of the RCC and its Board, provides financial support for the Secretariat and is continuing to finance some of the initiatives established under the Stability Pact. It also plays an active role in donor coordination and is maintaining close contact with the RCC SG and the RCC liaison office in Brussels. The Commission's</p>
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¹⁶ COM Decision 2008/019-813.

¹⁷ COM Decision 2008/019-735 and 020-423.

		contribution to the RCC budget is €1 million per year ¹⁷ .
1.06	<u>Participation of the Western Balkans in the Union for the Mediterranean</u>	<p>At the Paris Summit for the Mediterranean on 13 .7.2008, three Western Balkan countries became members of the Union for the Mediterranean, namely: Bosnia and Herzegovina, Croatia and Montenegro. They joined Albania, which was already a member of the Euro-Mediterranean Partnership.</p> <p>A mechanism was set up at the end of 2008 under IPA to support the participation of these Western Balkan countries in the Euro-Mediterranean dialogue (ministerial events, thematic meetings involving senior officials and the civil society) for the coming year¹⁸. This mechanism will be extended until 2010 and assistance will be provided in order to familiarise beneficiaries with a selected number of flagship projects of interest to them, particularly in the areas of environmental protection, disaster risk preparedness and transport policy.</p>

¹⁸ COM Decision 2008/020-477.

2. People-to-people contacts; familiarising people with the EU

"Promoting people-to-people contacts between the Western Balkans and the EU is of paramount 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."¹⁹

2.01	<u>Visa facilitation and readmission agreements</u>	<p><i>The Visa facilitation and readmission agreements</i> that were signed between the EU and Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro and Serbia on 18.9.2007 entered into force on 1.1.2008²⁰. The visa facilitation agreements make it easier to issue short-term visas for citizens of the Western Balkan countries and introduce a reduced fee of €35 for visa applications²¹. The agreements set time-limits for issuing a visa (normally 10 days). They simplify the requirements on documents to support visa applications for certain categories of persons and also clarify the criteria for issuing multi-entry visas valid for one or more years.</p> <p>Each visa facilitation and readmission agreement provides for the establishment of a joint committee to monitor implementation. The committee brings together the Commission and representatives of the authorities of the Western Balkans country concerned. The first meetings of the committees were held between April and June 2008 and a second series of meetings took place in November and December 2008.</p> <p>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.</p>
2.02	<u>Visa liberalisation dialogue</u>	<p>In line with the Council conclusions of 18.6.2007²², the Commission's 2007 Enlargement Strategy Paper stated that it was now time to move gradually towards visa liberalisation with the Western Balkans by taking further concrete steps and announced that a dialogue would be opened with each of the countries concerned with a view to establishing a</p>

¹⁹ Commission Communication on the Western Balkans, COM(2008)127 final, 5.3.2008.

²⁰ Text of the agreements: OJ L 334, 19.12.2007. With Albania, only a visa facilitation agreement was signed, since a readmission agreement is already in force since 1.5.2006 (OJ L 124, 17.5.2005). Citizens of Croatia already enjoy visa-free travel to the EU. Citizens of the EU Member States enjoy visa-free travel to all the Western Balkan countries.

²¹ The agreements will thus enable citizens of the Western Balkan countries to pay less than the standard €60 visa fee applicable as of 1.1.2007.

²² In its conclusions of 18.6.2007 the Council recalled the Thessaloniki Agenda, and acknowledged the importance that the people of the Western Balkans attach to the perspective of visa-free movement. In this respect, it welcomed the efforts of the Commission to take these issues forward in concrete terms.

	<p>road-map on the conditions to be met for lifting the visa requirement. In its <i>Conclusions of 28.1.2008</i>, the Council welcomed this intention on the part of the Commission²³.</p> <p>The Commission started the <i>visa liberalisation dialogue</i> with Serbia in January 2008 and with the former Yugoslav Republic of Macedonia and Montenegro in February 2008. The dialogue with Albania started in early March and with Bosnia and Herzegovina in May 2008.</p> <p>Detailed roadmaps for each country were drawn up by the Commission in consultation with the Council. The roadmaps outline conditions for lifting the visa obligation and cover four sets of issues: document security, illegal migration, including readmission, public order and security, as well as external relations and fundamental rights. The speed of movement towards visa liberalisation will depend on each country's progress in fulfilling the benchmarks. For the whole process, the countries' capacity to ensure correct and effective implementation of the visa facilitation and readmission agreements is also an important factor.. The Commission and the Council closely monitor progress in the relevant reforms. Once the conditions for each country have been fulfilled, the Commission will propose to the Council the lifting of the respective visa obligation, by amending Council Regulation 539/2001²⁴. The Commission provides financial and technical assistance to support implementation of the roadmaps.</p> <p>The <i>June 2008 European Council</i> welcomed the significant progress in facilitating people-to-people contacts for the countries of the region and the successful launching of the dialogue on visa liberalisation with these countries. The dialogue is based on roadmaps containing clear and realistic benchmarks²⁵.</p> <p>In response to the roadmaps, all countries concerned presented readiness reports in September 2008, outlining where they stood on the conditions and presented planned measures for meeting these conditions. The Commission has started the assessment on fulfilment of roadmap requirements. This assessment is being deepened via expert missions to the countries concerned, taking place during the first quarter of 2009.</p> <p>In its 2008 Enlargement Strategy paper, the Commission stated that, provided the road-map benchmarks were met by a country, it may propose lifting of the visa obligation, on a country-by-country basis, in the course of 2009²⁶.</p>
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²³ *The Council welcomed the intention of the Commission to launch a visa dialogue with all the countries in the region and expressed its readiness to further discuss this issue, based on the Commission's March 2008 Communication on the Western Balkans, with a view to defining detailed roadmaps setting clear benchmarks to be met by all the countries in the region in order to gradually advance towards visa liberalisation. This would enable the Council and the Commission to closely monitor progress in necessary reforms (Council conclusions (External Relations) of 28.01.08).*

²⁴ *Council Regulation (EC) No 539/2001 of 15.3.2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement (OJ L 81, 21.3.2001).*

²⁵ *Presidency Conclusions of 19/20.6.2008.*

²⁶ *COM(2008) 674 final, 5.11.2008.*

2.03	<u>Improving visa-issuing procedures at local consulates</u>	A <i>Commission proposal for a Regulation</i> establishing a Community Code on Visas was transmitted to the Council and the European Parliament in July 2006 ²⁷ . The Code will increase transparency and legal certainty in visa application procedures. The Regulation is to be adopted in June 2009. Another <i>Commission proposal for a Regulation</i> provides for changes in visa application procedures that will allow Member States to simplify the reception and processing of visa applications. The regulation is due to be adopted in June 2009. ²⁸ .
2.04	<u>Facilitation of entry for studies and pupil exchange</u>	In 2004 the Council issued a directive aiming to facilitate the admission of third-country nationals, thus including nationals from the Western Balkans, for the purpose of studies and pupil exchange ²⁹ . The deadline by which the Member States were to give effect to the directive by passing appropriate implementation measures was 12.1.2007 ³⁰ .
2.05	<u>Admission for purposes of scientific research</u>	In 2005 the Council issued a directive on a specific procedure for admitting third-country nationals, thus including nationals from the Western Balkans, for the purposes of scientific research ³¹ . The deadline for transposition by Member States was 12.10.2007 ³² .
2.06	<u>Local border traffic regime</u>	The <i>Regulation on a local border traffic regime</i> was adopted in 2006 ³³ . It creates a framework for the conclusion of bilateral agreements between bordering Member States and the Western Balkan countries. Bulgaria, Romania and Hungary have expressed a willingness to conclude bilateral local border traffic agreements with Serbia. Bulgaria has expressed a similar willingness to conclude an agreement with the former Yugoslav Republic of Macedonia. Political declarations to that effect were annexed to the relevant visa facilitation agreements.
2.07	<u>Scholarships/Erasmus Mundus</u>	Following the December 2006 <i>European Council</i> ³⁴ , the Commission has been offering an increasing number of scholarships for students from the Western Balkans under the <i>Erasmus Mundus</i> programme. Up to €10 million of Community support has been earmarked annually for these activities.

²⁷ COM(2006) 403 fin/2, 28.7.2006.

²⁸ Proposal for a Regulation of the European Parliament and of the Council amending the Common Consular Instructions on visas for diplomatic missions and consular posts in relation to the introduction of biometrics including provisions on the organisation of the reception and processing of visa applications, COM(2006) 269-1/fin, 31.5.2006.

²⁹ Council Directive 2004/114/EC.

³⁰ OJ L 375, 23.12.2004. Twelve Member States have completed transposition and eleven Member States are in the process of transposition. One Member State has not yet notified the transposition of the Directive. The United Kingdom, Ireland and Denmark are not bound by this Directive.

³¹ Council Directive 2005/71/EC.

³² OJ L 289, 3.11.2005; Twenty-three out of the twenty-five concerned EU Member States had notified what they identified to be measures fully transposing the Directive. For two EU Member States notification procedures are under finalisation.

³³ Regulation (EC) 1931/2006 of 20.12.2006, OJ L 405, 30.12.2006.

³⁴ The European Council of 14-15.12.2006 (Presidency Conclusions, paragraph 13) underlined the desirability of promoting people –to- people contacts by also making available more scholarships available for students of the Western Balkans region. This statement was reiterated by the Council (External Relations) of 18.6.2007.

		<p>Commission funds have been allocated as follows:</p> <p>a) <u>100 scholarships for postgraduate students following master courses as of academic year 2007-2008 (“Western Balkans window”)</u></p> <ul style="list-style-type: none"> o Academic year 2007-08, €4 million (CARDS 2006)³⁵. o Academic year 2008-09, €4 million (IPA 2007)³⁶. o Academic year 2009-2010, €5.5 million (IPA 2008)³⁷. <p>b) <u>Up to 500 scholarships for undergraduate/graduate students, doctoral/post-doctoral candidates and academic staff (under the “external cooperation window”)</u></p> <ul style="list-style-type: none"> o Academic year 2008-09, €6 million (IPA 2007 national programmes)³⁸. o Academic year 2009-2010, €8.5 million (IPA 2008)³⁹. <p>In March 2008, following the Council conclusions of January 2008, the <i>Commission decided to double its annual allocation</i> for scholarships to the Western Balkans (€10 million x 2). This would enable several hundreds additional students to receive a scholarship⁴⁰. The increase will be implemented gradually during the academic years 2009/2010 and 2010/2011.</p> <p>The <i>second phase of Erasmus Mundus</i> (2009-2013), including a broad scholarship scheme, also covering the Western Balkans⁴¹, was adopted in October 2008. The newly adopted programme will be officially opened by a Conference on 16.2.2009 in Brussels.</p>
2.08	<u>Bilateral scholarship programmes</u>	<p>The Czech Presidency plans to hold a meeting in May 2009 to take stock of EU Member States’ efforts in delivering scholarships to students from the Western Balkans and to envisage further actions. This follows an invitation from the Commission to the Member States to increase the number of scholarships granted under their own bilateral scholarship programmes for students from the Western Balkans⁴².</p>

³⁵ COM Decision C(2006)6469 of 14.12.2006. Covers Albania, Bosnia and Herzegovina, Montenegro, Serbia, Kosovo (under UNSCR 1244/99).

³⁶ COM Decision C(2007)5280 of 5.11.2007. Eligibility extended to Croatia and the former Yugoslav Republic of Macedonia.

³⁷ COM Decision C(2008)8472 of 19.12.2008. Eligibility extended to Turkey.

³⁸ COM Decision C(2007)5280 of 5.11.2007.

³⁹ COM Decision C(2008)8472 of 19.12.2008]. Croatia has opted out of this scheme. It will participate in the programme among the category of the "EU countries".

⁴⁰ COM Decision 2008/127, 5.3.2008. This decision followed an invitation by Council to increase the number of Serbian students who study in the EU (External Relations Council of 28.1.2008). The Commission extended the measure to the whole Western Balkan region.

⁴¹ Proposal for a Decision COM(2007) 395/2.

⁴² COM 2008/127, 5.3.2008.

2.09	<u>Community programmes: involvement of Western Balkan countries</u>	<p>Candidate and potential candidate countries are entitled to participate in Community programmes on the basis of Framework Agreements⁴³. Participation in these programmes is an important means of facilitating integration, cooperation and policy development. The Commission provides support and, in some cases, favourable terms for their participation⁴⁴.</p> <p>In the case of Kosovo⁴⁵, exploratory talks have been held on information and possible participation in third-country programmes.</p> <p>The Commission has been working closely with the region to identify the Community programmes for which there is interest and capacity and, where necessary, to prepare the parties for participation. Since 2007, most of the Western Balkan countries are associated to the 7th Framework Programme on research; some of them also participate in the "Culture", "Progress", "Competitiveness and Innovation", "Customs" and "Fiscalis" or "Europe for Citizens " programmes. During 2008 considerable efforts were made by most of the countries to increase their participation. For details on participation in Community programmes, see Annex 3.</p> <p>Following the adoption of the 2008 Enlargement Strategy, potential candidate countries will participate in Community programmes on equal terms with candidate countries, including as regards the Community co-financing rate for their participation, which was raised from 75% to 90%.</p>
2.10	<u>Community agencies: involvement of Western Balkan countries</u>	<p>The Western Balkan countries can participate in Community agencies on a case-by-case basis.</p> <p>Preparations for <i>participation in certain agencies</i> are going ahead, in particular for Croatia and the former Yugoslav Republic of Macedonia.</p>

⁴³ Framework Agreements were signed with Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Montenegro on 22.11.2004 (Council Decisions 2005/524 to 528/EC, OJ L 192, 22.7.2005). These agreements entered into force between June and August 2005, except for the one with Bosnia and Herzegovina that entered into force in January 2007. After Montenegro independence, Protocol 8 annexed to the SAA (signed 15.10.2007) replaced the Framework Agreement with Serbia and Montenegro. Protocol 8 is applied provisionally following the Council Decision of 14.11.2007 and an exchange of letters completed on 16.11.2007 (Council Decision 2008/127/EC, OJ L 43; 19.2.2008).

⁴⁴ Croatia and the former Yugoslav Republic of Macedonia are encouraged to participate in line with the 1999 Commission Communication "Participation of candidate countries in Community programmes, agencies and committees" (COM[99] 710, 20.12.1999). Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo can participate in Community programmes in line with the approach adopted in the 2003 Commission Communication "Preparing for the Participation of Western Balkan countries in Community programmes and agencies (COM[2003]748 final, 3.12.2003).

⁴⁵ Under UNSCR 1244/99.

⁴⁶ COM Decision C(2007)5281 of 5.11.2007.

⁴⁷ This programme, adopted in November 2005, was amended in December 2006, inter alia to increase support to Community agencies from €2 million to €2.5 million; Commission Decision C(2005)4377 of 14.11.05, amended by Decision PH/2005/2354 of 13.12.2005.

⁴⁸ COM Decision 2008/8472 of 19.12.2008

		<p>Croatia is negotiating participation in the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and is discussing ways to be associated with the work of the European Medicines Agency (EMA). Croatia and the former Yugoslav Republic of Macedonia have started negotiations on participation in the work of the European Aviation Safety Agency (EASA). During the course of 2009, the Association Council is expected to decide on the participation of Croatia in the Fundamental Rights Agency. The Western Balkans are co-operating countries of EIONET, the network of the European Environment Agency (EEA).</p> <p>A number of Community agencies receive Commission <i>support to prepare for the participation</i> of the Western Balkans - see Annex 3. The Commission assists the candidate countries in the preparations for participation in a number of Agencies (€2.75 million, IPA 2007)⁴⁶. Certain Agencies received Commission support to prepare the Western Balkans (except Croatia) for participation (€2.5 million, CARDS 2005)⁴⁷. A new programme covering all beneficiaries was adopted under IPA 2008 (€7.8 million)⁴⁸.</p>
2.11	<p><u>7th EC Research Framework Programme (FP7)</u></p>	<p>The Commission encouraged <i>association to FP7</i> as a means to facilitate the process of integration of the Western Balkans into the European Research Area and into the EU (<i>see item 2.13</i>)⁴⁹. All Western Balkan countries are now associated to FP7. Cooperation under FP7 (2007-8) has increased with respect to that under FP6. Research entities from Western Balkan countries have been forming consortia with counterparts from EU Member States.</p> <p>In 2007-2008 several <i>Information days on FP7</i>, were held in Croatia, Serbia, the former Yugoslav Republic of Macedonia and Albania. In April 2008 the Commission had a first exploratory meeting with Kosovo.</p> <p>A <i>new International Cooperation Instrument</i>, developed under the project Coordination of Research Policies with the Western Balkan Countries (WBC-Inco.net),⁵⁰ was launched under FP7 on 1.2.2008 in Ljubljana. Its aim is to improve institutional capacity-building and to share information on research strengths and weaknesses in the region and to make recommendations on how to address the issues identified.</p> <p>Convergence regions were identified in Croatia, the former Yugoslav Republic of Macedonia, Albania, Montenegro and Serbia to ensure the eligibility of Western Balkan countries for the activity "Research Potential".</p> <p>In 2008, <i>Commissioner Potočnik</i> visited Montenegro and Albania, thus completing the visits to Western Balkan countries he had started in 2007. He met with the respective Ministers of Science and the research community presenting FP7.</p>

⁴⁹ *Association to FP7 allows representatives from the Western Balkans to be observers in the FP7 programme committees and in CREST (Scientific and Technical Research Committee of the European Union). Moreover, research entities established in the Western Balkans have the right to participate as equal partners in FP7 calls for proposals and projects just like entities established in the EU Member States.*

⁵⁰ *For details see: http://www.wbc-inco.net/about/index_en.html.*

2.12	<u>7th Euratom Framework Programme</u>	The Commission intends to launch the procedure to associate Croatia and Serbia to the 7 th Euratom FP, following exploratory talks initiated in 2007 and progress achieved.
2.13	<u>Integration into the European Research Area</u>	<p>The Western Balkans have <i>started designing an integrated research policy</i>, as recommended by the Action Plans under their respective Accession and European Partnerships. This requires, among others, actions to stimulate investment in research, by both the public and private sectors, making the scientific careers more attractive and ensuring that there are enough scientists to contribute to the knowledge-based society. The Commission intends to assist the Western Balkans to this end with workshops to take place in early 2009.</p> <p>During 2008, Croatia, the former Yugoslav Republic of Macedonia, Albania and Serbia have each nominated an observer in the European Strategy Forum on Research Infrastructures (ESFRI), which seeks to strengthen research infrastructure at European level. The nomination by Montenegro is awaited. Bosnia and Herzegovina, now being associated to FP7, will be invited to nominate their delegate.</p> <p>The Commission is supporting the participation of the Western Balkans in the EURAXESS Services Network (assisting researchers to settle in a new country within the European Research Area) in order to set up national EURAXESS Portals and a support structure for researchers. The overall aim is to facilitate the mobility of scientists in the European Research Area. For Croatia, the former Yugoslav Republic of Macedonia and Serbia this support was launched in 2008, and for Albania, Bosnia and Herzegovina and Montenegro it will be launched in 2009.</p> <p>The Commission will assist the Western Balkans to make use of IPA in synergy with FP7.</p> <p>Fact-finding visits by the Commission will examine the possibility of supporting regional research centres of excellence.</p>
2.14	<u>“Steering platform on research for the Western Balkans”</u>	<p>A <i>“steering platform on research for the Western Balkans”</i> was launched in 2006, with the participation of Member States, the Western Balkans and other countries associated with FP7. The purpose of this platform is to bring together all stakeholders who are committed to assisting the Western Balkans to increase their research capacity and to steer this process in a coherent way in order to avoid fragmentation and overlap. Among other priorities, it aims to create better synergies between FP7 and IPA and eliminate obstacles to the mobility of researchers.</p> <p>The platform meets at regular intervals and is co-chaired by the European Commission, the EU Presidency and a representative from the Western Balkans. The Platform met in Ljubljana on 13.6. 2008 and in Paris on 19.12. 2008. The next meeting is scheduled for 29.5.2009 in Prague.</p> <p>A quarterly <i>e-Newsletter</i> published by the information office of the steering platform provides information (country profiles) on the research landscape in the Western Balkans, addresses issues of specific interest and concern (e.g. obstacles to mobility and innovation measures) and shares information on research activities in the region.</p>
2.15	<u>Joint Research Centre (JRC)</u>	The <i>opening of JRC activities to the Western Balkans</i> since October 2004 has enabled experts from the region to participate in a number of workshops and advanced training dealing with the scientific and technical bases of EU

		<p>legislation. In 2008, 50 workshops were organised in areas such as food, chemicals, the environment, metrology, agriculture, energy, nuclear safety and foresight with the participation of experts from the Western Balkans. Another 50 workshops are planned for 2009.</p> <p>Research institutes from the Western Balkans participate in the JRC projects on metrology in chemistry, monitoring of agriculture with remote sensing (MARS), assessment of the potential of renewable energy sources, food quality and safety, prevention of natural disasters, etc.</p> <p>Association with FP7 allows researchers from the Western Balkans to apply for posts as non statutory staff (experts, visiting researchers, grant holders) at the JRC institute laboratories. The posts to be published under the JRC Enlargement and Integration Action in 2009 will be targeted at applicants from the enlargement countries associated with FP7.</p> <p>During 2008 the JRC organised the following <i>Research Information Days</i> in the region with ministerial-level participation and which were attended by 200 to 250 persons: Croatia, April 2008; Albania, May 2008. Research Information Days are planned in Serbia and Bosnia and Herzegovina in 2009. Similar events had been organised in 2007 in Serbia and in the former Yugoslav Republic of Macedonia.</p> <p>Representatives from Croatia, the former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina Montenegro,, and Serbia have been nominated and have attended the JRC Board of Governors meetings since 2008.</p>
2.16	<p><u>Education and culture – meetings and conferences</u></p>	<p>A conference of <i>Ministers of Education, "Inter-ministerial Conference on Institutional Foundations for Dialogue and Respect"</i>, organised jointly by Norway and Slovenia with support from the Commission, took place on 5-6 June 2008 in Oslo. Ministers of Education from the Western Balkans presented a statement asserting the importance they attach to education and their interest in cooperation with the EU during a side meeting of the ERI SEE (Education Regional Initiative for Southern East Europe – <i>see item 2.17</i>).</p> <p>A conference <i>"New Paradigms, New Models – Culture in the EU External Relations"</i> was organised by the Slovenian Presidency on 13-14 May 2008 in Ljubljana. This conference (co-financed by the Commission) covered the Western Balkans and the European Neighbourhood Policy region, and outlined the role of cultural cooperation in promoting mutual understanding and fostering dialogue between countries. The conference also provided the framework for the launching of the "Ljubljana Process" (<i>see item 2.20</i>). Ahead of the conference, the Commission organised a workshop in December 2007 on the role of cultural cooperation in the EU's overall policy goals with regard to the Western Balkans and the ENP region. Based on a common understanding of the value of culture for human and social development, the event provided impetus for further reflecting and incorporating culture in policies and instruments, also taking into account the contribution by civil society.</p> <p>As part of the 2008 European Year of Intercultural Dialogue, the first Global <i>Jean Monnet Conference</i> was held in Zagreb on 23-24 June 2008 bringing together some 150 high-level representatives from the Western Balkans and the EU. Discussions focused on: 1) Peace and reconciliation between nations and cultures; 2) Reintegration of the Balkans:</p>

		<p>Europe and solidarity; 3) Role of academics in the Intercultural Dialogue in the enlarged Europe. The encounters between opinion-makers, academics and religious and cultural actors resulted in several collaborative projects.</p> <p>A high-level conference on "Fostering and Building Human Capital for Sustainable Knowledge Societies in South Eastern Europe" will take place on 6-7 March 2009 in Bucharest. The conference is organised by Romania in close cooperation with their counterparts in Austria and Croatia and will bring together some 150 participants representing decision-makers from European institutions and international organisations, Ministries of Education, Science and Research, Labour and Social Affairs from South Eastern Europe, non-governmental organisations active in the field of human capital building, local public authorities, education experts, students and representatives from the media.</p>
2.17	<u>Education Reform Initiative in South East Europe (ERI-SEE)</u>	<p>ERI-SEE is an initiative established in May 2007 by the Ministers of Education from South East Europe through a Memorandum of Understanding. It provides a framework for cooperation and thereby supports implementation of the priority "building human capital" set by the Regional Cooperation Council.</p> <p>During 2007 and 2008, ERI-SEE supported national reforms in education through regional capacity building and transfer of know-how, as well as through linking these efforts to the EU and the international education dialogue (the EU "Education and Training 2010" Work Programme and the Bologna and Copenhagen processes).</p>
2.18	<u>European Training Foundation (ETF) activities for the Western Balkans</u>	<p>The ETF assists countries in the region with policy advice, capacity building, analyses of human capital development and dissemination of information, inter alia on the EU's Education and Training 2010 work programme and its potential relevance to national modernisation strategies. National and regional policy capacity in the areas of qualification frameworks, adult learning, quality assurance, post-secondary technical education, social partnership, teacher training, entrepreneurship learning and employment will continue to be reinforced over the period 2008-2011 by strengthening regional networks, information exchange and dialogue with and between the stakeholders. A regional policy platform on social inclusion through education and training is being set up to promote dialogue.</p> <p>The ETF provides input to the national authorities for developing the countries' strategic and technical expertise in maximising IPA support and assesses the impact of EU interventions on policy and policy implementation in the area of human resources development. In 2008 the ETF prepared Human Resources Development country analyses outlining</p>

		the main progress and challenges, including potential areas of particular relevance for future IPA support.
2.19	<u>Cooperation in higher education – Bologna process - Tempus programme</u>	<p>The <i>Tempus programme</i> aims to contribute to cooperation in the field of higher education involving the EU and partner countries in the surrounding area, in particular to promote voluntary convergence with developments in the EU. With regard to the Western Balkans, Tempus contributes to preparing the candidate and potential candidate countries for participation in the Integrated Lifelong Learning programme. Co-operation among higher education institutions focuses on new curricula, teaching methods or materials, quality assurance and modernising the management of the institutions. <i>Tempus 2006</i>: €12.7 million for the Western Balkans (except Croatia) under CARDS⁵¹. €4.5 million for Croatia under PHARE⁵².</p> <p><i>Tempus IV (2007-2013)</i>: Stronger emphasis is being placed on promoting reforms in convergence with the Bologna process and the Lisbon Agenda, with regional priorities structured around the main components of the EU higher education modernisation agenda, a stronger policy dialogue with national authorities and a new focus on partnerships between universities and enterprises. €19.55 million for the whole of the Western Balkans was allocated under IPA 2007⁵³ and an additional amount of €19.7 million has been allocated under IPA 2008⁵⁴.</p> <p>A meeting was held in September 2008 in Brussels in order to update Ministries of Education of the EU Member States and Tempus partners, including the Western Balkans, on the latest Tempus developments and to discuss strategic issues regarding the implementation of the programme in the coming years.</p>
2.20	<u>Cultural heritage in South East Europe</u>	<p>Since 2003, an <i>Integrated Rehabilitation Project Plan/Survey of the Architectural and Archaeological Heritage (IRPP/SAAH)</i> in the countries of South East Europe is has been implemented by the Commission jointly with the Council of Europe. A needs assessment has been carried out for 177 buildings and sites in the region, with a view to conservation, restoration, appropriate rehabilitation and long-term sustainability.</p> <p>In May 2008, the Commission and the Council of Europe launched the "Ljubljana Process" aimed at raising funds and developing long-term and country-based comprehensive funding strategies. This will provide an operational framework to fund rehabilitation, build institutional capacities and promote the beneficiaries' development strategies. This process involves the IFIs, as well as local institutions and non-governmental stakeholders, in promoting reconciliation across the region. The Commission will provide financial support for the preparatory and implementing phases of the Ljubljana process through the IPA national programmes and the Infrastructure Projects Facility (<i>see item 7.05</i>).</p> <p>In December 2007, the European Parliament decided to allocate €3 million to support <i>cultural heritage in the region targeting war-affected areas</i>. Two pilot-projects in Bosnia and Herzegovina and Kosovo focused on reconstruction works, development of a regional training facility and stimulation of tourism activities. An additional amount of €3 million was allocated in 2008 by the European Parliament to further support these actions in the region.</p>

⁵¹ COM Decision C(2006)6469 of 14.12.2006.

⁵² COM Decision PHARE(2006)18114 of 26.7.2006.

⁵³ COM Decision C(2007)5280 of 5.11.2007.

⁵⁴ COM Decision C(2008)8393 of 18.12.2008.

2.21	<u>History books</u>	<p>Some steps have been taken to promote reconciliation through alternative approaches to history teaching in line with recommendations from the Council of Europe⁵⁵ and the Thessaloniki agenda⁵⁶, and following the commitment undertaken by the countries of the South-East Europe Cooperation Process.</p> <p>In Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Kosovo, activities have focused on reconciliation of ethnic groups at national level.</p> <p>A non-governmental organisation has developed a comprehensive project with the support of the Stability Pact and the involvement of associations of history teachers from all the countries of the region. A regional conference was held in Bled on 29-30 May 2008. The sustainability of these initiatives depends on further support by the authorities.</p>
2.22	<u>Initiative on media and electronic communications reform</u>	<p>Since 2003 the Commission and the Council of Europe have been supporting an initiative to raise the level of information on European audiovisual standards in the region and to support policy reform. Seminars are organised for the exchange of information on European standards and the state-of-play of media policy in each of the Western Balkan countries, as well as for the exchange of experience among regulatory authorities and representatives of the governments of the region. Similar support at regional level has been provided since 2004 to prepare for alignment with the EU framework in the field of electronic communications. A monitoring report of the degree of compliance of the region with main EU rules is delivered regularly and yearly seminars supported by TAIEX have been organised to exchange experiences on different aspects of the EU regulatory framework.</p> <p>The 5th seminar under this initiative took place in Istanbul on 1-2 December 2008, with IPA support. It dealt with the Audiovisual Media Services Directive in the context of digitalisation and brought together some 100 participants representing media stakeholders from the Western Balkans and Turkey.</p> <p>As a result of this initiative, the Western Balkans will be on track in the process of alignment with the European Audiovisual Media Services Directive (AVMSD) by 2010, which is in line with the timeline for EU Member States.</p>
2.23	<u>Youth in Action programme</u>	<p>The <i>Western Balkans window</i>, opened in 2007, provides support for projects submitted by young people, youth organisations and civil society organisations from the Western Balkans under the Youth in Action programme. Activities include youth exchanges, European Voluntary Service projects, and training and networking projects. They are based on partnerships between organisations from the region and their counterparts from the EU.</p> <p>The Commission support amounted to €1.0 million under IPA 2007⁵⁷; additional support of €1.5 million is provided for under IPA 2008⁵⁸</p>

⁵⁵ Council of Europe Recommendation Rec (2001)15 to Member States on history teaching in twenty-first-century Europe, adopted by the CoE Committee of Ministers on 31.10.2001.

⁵⁶ Council conclusions (External Relations) of 6.6.2003.

		<p>→ <i>For details of participation of Western Balkan countries in the Youth in Action programme, see Annex 2.</i></p>
2.24	<p><u>Cross-border programmes</u></p>	<p>IPA supports cross-border cooperation (CBC) among the Western Balkan countries and between the Western Balkan countries and the Member States (at their terrestrial and maritime border regions). CBC programmes mainly support people-to-people contacts by financing joint activities involving the local stakeholders (NGOs, economic and social actors, local and regional administrations, etc.) from both sides of the border. Programmes also include small scale investments and preparatory activities for large scale infrastructure (to be financed through other instruments), which in turn encourage contacts and exchanges between people.</p> <p>For 2007–11, funds have been increased to around €50 million per year (around €30 million per year for CBC with the Member States, and the remaining €20 million per year for CBC among the Western Balkan countries). Eight bilateral cross-border programmes at "intra" Western Balkan borders and 10 programmes at borders with the Member States have been jointly prepared by the authorities of the participating countries and submitted to the Commission for IPA financing.</p> <p>Since 2006 a Cross Border Institution Building (CBIB) Project has been preparing the public authorities of the beneficiaries in the Western Balkans to develop, manage and implement IPA CBC programmes. It has provided the opportunity for raising the awareness of potential final beneficiaries and applicants to benefit from training and awareness raising events on CBC, project preparation and management of grants.</p> <p>The Western Balkan countries also participate, with IPA support, in the "South East Europe trans-national cooperation programme", which covers 16 countries across the region and is mainly funded by the EU Cohesion policy. The programme places particular emphasis on cooperation in the Danube area.</p>

⁵⁷ COM Decision C(2007)5280 of 5.11.2007.
⁵⁸ COM Decision C(2008)8472 of 19.12.2008.

3. Civil society development and dialogue

"Civil society is an essential element of democratic public life. Its active involvement in the process of political, social and economic reform in the Western Balkans strengthens democracy and reconciliation. Despite some positive steps, civil society organisations remain weak and need training to adapt to present circumstances. It is, therefore, important to create conditions conducive to further growth of their activities"⁵⁹.

3.01	<u>Civil society development and dialogue</u>	In June 2005, the Commission adopted a <i>Communication</i> containing proposals to promote civil society dialogue with Croatia and Turkey, involving, in particular, social partners and NGOs ⁶⁰ . In its <i>2007 Strategy Paper</i> , the Commission identified civil society development and dialogue as a core priority for the Western Balkans and announced that it would set up a civil society facility (see item 3.2). The <i>December 2007 Council (external relations)</i> invited the Commission to further explore possibilities to promote civil society development.
3.02.	<u>Civil society facility</u>	<p>In its November 2007 Strategy Paper, the Commission announced its intention to establish a <i>new facility to promote civil society</i> development and dialogue. The facility was launched in April 2008.</p> <p>The facility covers three areas of activity:</p> <ul style="list-style-type: none"> • support for local civil society initiatives and capacity-building, reinforcing the role of civil society • programmes to bring journalists, young politicians, trade union leaders, teachers, etc. into contact with EU institutions (people-to-people) • support for building partnerships and developing networks between the civil society organisations, businesses, trade unions and other social partners and professional organisations in the beneficiary countries and their counterparts in the EU to promote transfers of knowledge and experience <p>Cooperation will embrace sectors such as human rights, gender equality, social inclusion, health, environment, business advocacy and representation, media, culture and consumer policy. The Civil Society Facility will receive funding from the multi-beneficiary programme and the national programmes.</p>
3.03	<u>Community support for civil society</u>	<p>Funding of civil society activities in the Western Balkans over the period 2008-10 will approximately triple compared to the period 2005-07⁶¹. For 2008, the funding from the multi-beneficiary IPA programme is €16.5 million. Another €15.1 million have been allocated from national IPA programmes.</p> <p><u>Multi-beneficiary programmes</u></p> <p><i>Strengthening local civil society organisations:</i> The goal is to increase capacities and promote networks of civil society</p>

⁵⁹ COM(2008) 127 final, 5.3.2008

⁶⁰ COM(2005) 290 final, 29.6.2005.

⁶¹ Support for civil society in the Western Balkans in 2005-2007 under CARDS and pre-accession instruments (Phare and IPA) totalled €27.4 million.. It covered in particular the areas of inter-ethnic relations, protection of minority rights, including Roma, poverty reduction, environmental protection and social development. Additional funding of civil society activities took place under cross-border cooperation programmes, in particular in Croatia (€12 million over the same period). Civil society organisations were also often contractors for managing Community assistance to third parties in the region.

	<p>organisations across regional borders. To this end, technical assistance desks will be established or incorporated into existing initiatives in all countries. Community support will be €8 million under IPA 2008.</p> <p><i>People-to-people contacts:</i> From July until December 2008, ten study tours and conferences with 240 participants were organised from existing TAIEX funds (€0.5 million IPA 2007). The main topics covered were: the role of civil society in EU policy making, EU institutions and the decision making process explained to young branches of political parties, women in business, social dialogue and employment policy. Further people-to-people projects will receive IPA 2008 support of € 4 million. The activities are intended to involve more than 800 persons and will be organised through study visits, conferences and workshops in the EU and the region.</p> <p><i>Networking and building partnerships between civil society organisations:</i> In 2008 support for these activities totalled € 4.5 million and focused on the environment, energy efficiency, health and safety at work and the fight against corruption, organised crime and trafficking. Support is to be trebled to €10-15 million under IPA 2009. Activities will extend to socio-economic topics, culture, minorities and vulnerable groups.</p> <p><u><i>National programmes</i></u></p> <p><i>Croatia:</i> In 2008, €2.4 million (Phare 2006) were used for projects in the field of environmental protection and sustainable development, democratisation, human rights and youth work. In 2009, €3 million (IPA 2008) are earmarked for projects fostering a structured dialogue and formalised consultations between Croatian civil society organisations and administration and EU institutions.</p> <p><i>The former Yugoslav Republic of Macedonia:</i> In 2008, €1.2 million under IPA 2008 were allocated to support the development and capacity building of civil society through its improved involvement in the process of drafting legislation and regulations, particularly those connected to the EU integration process, as well as public awareness raising. Implementation will start in 2010. An amount of €1.5 million is earmarked for civil society development under IPA 2009.</p> <p><i>Albania:</i> In 2008, civil society received support of €2.09 (CARDS 2005/6) million with projects focused on strengthening the role of NGOs, media development, promotion of citizens' rights, gender equality, assistance to marginalised groups and trafficking in human beings. An amount of €1.5 million is earmarked for civil society development under IPA 2009.</p> <p><i>Bosnia and Herzegovina:</i> In 2008, CARDS 2005/6 support to civil society initiatives in Bosnia and Herzegovina amounted to approximately €1 million. CARDS projects focused on support to the integration of returnees within the country in order to foster sustainable return. In 2009, €6.5 million under IPA 2007/2008 is earmarked for reinforcement of local democracy, development of youth policy and support to organisations active in the fight against corruption.</p>
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		<p><i>Montenegro:</i> In 2008, a strategy for cooperation between the governmental and non-governmental sector with the support of €0.2 million (CARDS 2006) was developed. For 2009, €1 million is earmarked under IPA 2007 to facilitate the dialogue with EU-based organisations and to strengthen NGO's capacities to influence policy and lawmaking. Another €2.2 million (IPA 2009) will be used to support organisations active in the field of transparency and accountability of the public administration, the judiciary and parliament.</p> <p><i>Serbia:</i> In 2008, civil society initiatives have been supported under EIDHR only (<i>see item 3.04</i>). In 2009, €2 million (IPA 2007) will be allocated to develop a sustainable dialogue between civil society and EU member states. Under IPA 2008 €2.5 million will be used to support projects aimed at enhancing participation in the accession process through improvement of the understanding of the consequences of Serbia's eventual EU integration. Another €2 million will be used to develop exchanges between EU and Serbian counterparts in areas such as the judiciary, health, education, research and culture.</p> <p><i>Kosovo:</i> In 2008 support to Civil society was provided only through the European Instrument for Democracy and Human Rights (EIDHR – <i>see item 3.04</i>). In 2009 €1.7 million (IPA 2008) will be used to improve civil society participation in policy dialogue and formulation. Topics such as environment and equal opportunities (anti-discrimination measures and inclusion of the most vulnerable groups into Kosovo's society) will receive special attention. Under IPA 2009, it is planned to allocate €1.125 million to in particular facilitate a high-level informal dialogue between all communities in Kosovo.</p>
3.04	<p><u>European Instrument for Democracy and Human Rights (EIDHR)</u></p>	<p>Support given under the <i>European Instrument for Democracy and Human Rights (EIDHR)</i>, totalled in 2008 €6.1 million, focused on strengthening the role of civil society in promoting human rights and democratic reform, in supporting conflict prevention and in consolidating political participation and representation.</p> <ul style="list-style-type: none"> ○ Croatia: (2008) €1 million for war crimes monitoring; and actions aimed at reconciliation in the war affected areas. ○ The former Yugoslav Republic of Macedonia: (2008) €0.6 million for civil society, the reconciliation process and social rights, in particular minorities and Roma. Same amount foreseen for 2009. ○ Albania: (2008) €0.6million for human rights, local democracy and rights of minorities. Same amount foreseen for 2009. ○ Bosnia and Herzegovina: (2008) €1.2 million for social inclusion, human rights and local democracy ○ Montenegro: (2008) €0.3million for human and children's and minority rights, anti-discrimination and equal opportunities. Same amount foreseen for 2009. ○ Serbia: (2008) €1.5 million children rights, involvement of religious organisations in civil society actions, labour rights advocacy and prison reforms will be supported. ○ Kosovo: (2008) € 0.9 million for fostering institutional accountability through media activities,

		protection of minority rights and empowerment of disadvantaged groups of society, promoting respect for human rights in detention centres and the prevention of trafficking of human beings.
3.05	<u>Civil Society Development Conference</u>	A <i>Civil Society Development Conference</i> , organised by the Commission, was held in Brussels on 17-18.4.2008. Besides the launching of the civil society facility (<i>see item 3.02</i>) it provided a platform for NGOs from the enlargement area and from EU Member States to network, exchange best practices and establish partnerships with a view to benefiting from the facility. The conference brought together some 600 participants from the EU and from candidate and potential candidate countries. As a follow-up to the conference, a virtual space for NGOs from the enlargement area and the EU Member States will be created under the Technical Assistance part of the new civil society facility.
3.06	<u>Social dialogue</u>	<p>The Commission will organise a <i>peer review</i> exercise for the region in cooperation with the regional centres of employers and trade union organisations.</p> <p>The Commission is preparing a <i>study</i> on social dialogue in the Western Balkans. It will analyse cross-industry social partner organisations and social dialogue institutions and mechanisms in the region. In addition, sectoral organisations active in the electricity, gas and railways sectors will be covered.</p>
3.07	<u>European Economic and Social Committee (EESC): activities with the Western Balkans</u>	<p>In its relations with civil society organisations in the Western Balkans, the EESC aims to establish <i>civil society networks</i> at regional and national levels, to develop structures for social and civil dialogue and to exchange experience and best practices.</p> <p>A second <i>Western Balkans Civil Society Forum</i> was held on 4-5.6.2008 in Ljubljana, Slovenia, and focused on the following topics: "What role for civil society organisations in the monitoring of the implementation of the new Central European Free Trade Agreement and of the Treaty establishing the Energy Community?" and "How to develop institutions for civil dialogue?".</p> <p>At bilateral level the <i>Joint Consultative Committee</i> with Croatia, established in 2007, met for the 4th time in Opatija on 16.10.2008 and focused on "Consumer and Health Protection". Another such committee with the former Yugoslav Republic of Macedonia will come into operation in 2009. Establishment of similar committees with other countries of the region will be considered, provided they have signed the SAA and depending on the pace of its ratification.</p> <p>The EESC adopted two Opinions on the role of civil society in Serbia in May 2008 (on request of the Commission) and Albania in July 2008. The Opinion on Serbia was presented to the main local stakeholders at a hearing in Belgrade on 15-16.12.2008. A similar event will be organised in Albania during the first half of 2009. An opinion on civil society in Bosnia and Herzegovina will be adopted in 2009 and a study visit to that end will take place in February 2009.</p>

4. Good governance

“The EU has taken steps to improve the quality of the enlargement process. Based on the analysis set out in the 2007 enlargement strategy paper, greater focus is being given at an early stage to the rule of law and good governance, including the fight against corruption and organised crime, administrative and judicial reforms, and civil society development”⁶².

4.01	<u>Border Security and Integrated Border Management (IBM)</u>	<p>The <i>Ohrid Process on Border Security and Management</i>, sponsored by the Commission, the Organisation for Security and Co-operation in Europe (OSCE), NATO and the Stability Pact, was aimed at demilitarisation of borders, integrated border management strategy and cross-border cooperation. The Ohrid Process was terminated in the summer of 2008 as most of its commitments, in particular demilitarisation, had been achieved and its outstanding agenda was taken over by the RCC.</p> <p>The EU agency coordinating work on border security (FRONTEX) is deepening cooperation with the region on the basis of working arrangements.</p> <p><i>Community assistance</i> for integrated border management currently includes: a regional project (€1.5 million, IPA 2007) supporting the update, implementation and monitoring of the IBM strategies and related Action Plans and development of regional and cross border initiatives⁶³; and technical assistance for Bosnia and Herzegovina for implementation of a national IBM action plan (€1 million, CARDS 2005)⁶⁴. The 2008-2010 Multi-annual indicative planning documents (MIPDs) for Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro and Serbia give priority to implementation of the IBM strategy.</p>
4.02	<u>Cooperation with Europol</u>	<p>The Western Balkans is a priority area for <i>Europol</i>, the EU law enforcement organisation that handles criminal intelligence and whose mission it is to assist the law enforcement authorities of Member States in their fight against serious forms of organised crime.</p> <p>An operational cooperation agreement between Croatia and Europol has been in place since 2006 and strategic cooperation agreements with Bosnia and Herzegovina and Albania took effect in early 2007. A strategic cooperation agreement with the former Yugoslav Republic of Macedonia, signed in 2007, entered into force in March 2008. Similar agreements were signed with Montenegro and Serbia in September 2008. Europol has started to assess the personal data protection regime in Albania, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia in order to prepare future operational cooperation agreements.</p>
4.03	<u>Cooperation with Eurojust</u>	<p><i>Eurojust</i> is an EU body whose aim is to enhance the effectiveness of authorities in Member States when dealing with investigation and prosecution of serious cross-border and organised crime. A cooperation agreement between Croatia</p>

⁶² EU Enlargement Strategy and main challenges, COM(2008) 674 final, 5.11.2008. For civil society, see section 3 above.

⁶³ COM Decision 2007/19274.

⁶⁴ COM Decision 2005/1930.

		<p>and Eurojust was signed on 9.11.2007 in Brussels. The purpose of this agreement is to produce a more effective response to combat serious forms of international, cross-border and organised crime.</p> <p>Eurojust has designated contact points in the Western Balkans. Contact points exist in Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia.</p>
4.04	<p><u>South East European Cooperation Initiative (SECI) Centre for Combating Transborder Crime</u></p>	<p><i>The SECI Centre for Combating Trans-border Crime</i> is a regional organisation bringing together law enforcement authorities from its 13 member countries in Southeast Europe⁶⁵, plus an array of EU and non-European (in particular, the US) observers. The EU supports closer cooperation between Europol and the SECI Centre.</p> <p>In December 2006, the Council welcomed the development of the SECI Centre as an important regional contribution towards fighting organised crime, while stressing that it should not duplicate EU mechanisms such as Europol. Furthermore, it welcomed SECI's intention to develop a new legal basis as a basic requirement for full cooperation with Europol.</p> <ul style="list-style-type: none"> ○ Negotiations on a new legal framework to replace SECI, the <i>Convention on the South East Europe Law Enforcement Centre (SELEC Convention)</i>, started in April 2007 and are ongoing. An expert working group – which helped in the drafting process - met several times in 2007 and 2008, most recently in November 2008. This activity was funded by CARDS 2005 with an amount of €0.2 million⁶⁶. ○ An EU <i>SECI Centre Support Group</i> consisting of the EU Presidency, the Council Secretariat, the Commission, Europol and several Member States assists the SECI Centre, in particular on aspects relating to cooperation with Europol and personal data protection. <p>The Justice and Home Affairs Council of June 2008 stressed the need for the driving role of Europol, as the EU body for the fight against serious crime, to be reflected in the SELEC Convention, and invited Member States participating in the SECI Centre to ensure compatibility between the draft SELEC Convention and Europol's legal framework, in particular to avoid a possible duplication of roles⁶⁷. A cooperation agreement between SECI/SELEC and Europol should be concluded once the new SELEC Convention is adopted. The detailed arrangements for this close cooperation are still being discussed. In November 2008, a Roadmap for the development of relations between Europol and the SECI Centre/SELEC was subsequently presented to the non-EU SECI members. The main objective is the establishment of close cooperation between the future SELEC and Europol through a Europol liaison bureau at the</p>

⁶⁵ SECI Member States are Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Croatia, Montenegro, Serbia, Bulgaria, Greece, Hungary, Romania, Slovenia, Turkey and Moldova.

⁶⁶ Commission Decision C(2005)4377 of 14.11.2005, as amended by Decision PH/2005/2354 of 13.12.2005.

⁶⁷ Council conclusions (Justice and Home Affairs), 5-6.6.2008.

		Centre in Bucharest, and the provision of Europol analytical capacity to the SECI Centre. Financial support of €1.5 million to the strengthening of SECI/SELEC's capacities is provided for under IPA 2008 ⁶⁸ , subject to finalisation and approval of the legal framework for SECI/SELEC.
4.05	<u>Common Threat Assessment on Organised crime for South East Europe</u>	<p>The SECI Centre will draw up a <i>Common Threat Assessment on Organised crime for South East Europe</i> for the Western Balkans, complementing a similar threat assessment of current and expected trends in organised crime prepared by Europol for the EU Member States. To that end, a conference was held on 26.-27.3.2008 in Vienna, and Europol has supported a number of trainings and expert meetings for national and SECI Centre analytical staff. The June 2008 European Council recommended that a threat assessment be prepared⁶⁹. In October 2008 the SECI Centre circulated questionnaires to participants, on the basis of which national crime threat assessments are being prepared at the end of 2008 and beginning of 2009.</p> <p>The SECI Centre is expected to prepare the final common threat assessment by March 2009. The Commission supports this initiative as part of its overall support to SECI (<i>see item 4.04</i>).</p>
4.06	<u>Counter-terrorism</u>	<p>The EU Council approved on 8 July 2008 Conclusions on the cooperation with Western Balkan countries in the fight against crime and terrorism. The Council proposed to share recommendations with the Western Balkans resulting from the first round of peer evaluation on national counter-terrorism arrangements and familiarise them with the EU efforts in combating terrorism with the view to increase the security standards of both the EU and Western Balkans. In the field of nuclear terrorism, the EU/IAEA (International Atomic Energy Agency) Joint Action⁷⁰ identified the Western Balkans as a vulnerable region. Under this Joint Action equipment and technical assistance are provided in order to secure locations at risk. Support under IPA 2007 for an amount of € 0.5 million is given to complementary activities involving a survey on the regional infrastructure for the prevention of illegal trafficking of nuclear materials and on civil radiation sources⁷¹. Moreover, a regional IPA 2008 project is providing €2.5 million in support of international cooperation in the fight against terrorism⁷².</p>
4.07	<u>Fight against drug trafficking and trafficking in human beings</u>	<p>Cooperation between the EU and the Western Balkans in the area of <i>combating drug trafficking and trafficking in human beings</i> is expanding. It will include implementation of the action-oriented paper, adopted in 2006, on improving cooperation on organised crime, corruption, illegal immigration and counter-terrorism between the EU, the Western Balkans and relevant European Neighbourhood Policy (ENP) countries.</p> <p>A meeting between the EU Horizontal Working Party on Drugs (HDG) troika and representatives from the region was held on 02.04.2008.</p> <p>The SECI Centre has been coordinating several cross border operations directed against drug trafficking. A Croatian</p>

⁶⁸ COM Decision 2008/8393.

⁶⁹ European Council 19-20.6.2008, Annex to Presidency Conclusions: Declaration on the Western Balkans.

⁷⁰ Council Joint Action 2004/495/CFSP of 17.5.2004 on support for IAEA (International Atomic Energy Agency) activities under its Nuclear Security Programme and in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction, OJ L 182, 19.5.2004.

⁷¹ COM Decision 2007/5493.

⁷² COM Decision 2008/8393.

		<p>initiative on regional drugs coordination, the South East European Drugs Co-ordination (SEEDC), which so far has been supported by the Commission through TAIEX, was submitted to the RCC for future support.</p> <p>The assessment of the capacity of the Western Balkans to establish a drug information system compatible with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), was supported since September 2007 (€0.5 million under CARDS) and will have a follow-up under IPA 2009.</p>
4.08	<u>Regional judicial, police and prosecutor cooperation in the fight against organised crime and corruption</u>	<p><i>Community support</i> for a prosecutors' network in the Western Balkans for serious crime is provided under CARDS 2006 (€1.5 million)⁷³. Several countries in the region have signed bilateral memoranda on cooperation between public prosecutors' offices.</p> <p>The ongoing regional CARDS 2005 project International Law Enforcement Co-ordination Units or ILECU (€2 million) aims to strengthen national platforms for international police cooperation⁷⁴.</p>
4.09	<u>Asylum, migration and visa policies</u>	<p>Further development of approximation with EU standards for visa, asylum and migration policies is a priority for Commission assistance: the IPA multi-beneficiary MIPD and the MIPDs for Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro and Serbia support this goal.</p> <p>An <i>Aeneas 2005</i>⁷⁵ regional project (€1.5 million) in the field of visa, asylum and migration policies for the Western Balkans, which started in December 2006, was completed in the autumn of 2008. Several national Aeneas 2004, 2005 and 2006 projects provide support for asylum and migration management capacity and the capacity to implement readmission agreements.</p> <p>A <i>joint meeting</i> of experts from the Centre for Information, Discussion and Exchange on the Crossing of Frontiers and Immigration (CIREFI) with representatives from the Western Balkans was held in Brussels on 29.4.2008.</p>
4.10	<u>Regional School of Public Administration (ReSPA)</u>	<p>The <i>Regional School of Public Administration (ReSPA)</i> was created on the initiative of the Commission. Its aims are to boost regional cooperation in the field of public administration, to strengthen administrative capacity and to develop human resources in this field.</p> <p>The Protocol establishing ReSPA was signed in Brussels on 2.5.2006 by the beneficiary countries (Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and UNMIK/Kosovo). On 1.1.2009, the project will enter Phase II, in which it will develop into a <i>fully fledged school</i> with a seat in Danilovgrad (Montenegro). In June 2008, a Letter of Intent to that effect was signed by all parties.</p> <p>The signing of the International Agreement which provides for the establishment of the School in Montenegro was initiated on 21.11.2008 in Podgorica. It shall enter into force when five of the seven signatories have deposited their instruments of ratification, acceptance or approval with the Depository, in this case, the government of Montenegro.</p> <p>As of 2009, ReSPA will operate with the technical support of the European Institute of Public Administration (EIPA,</p>

⁷³ COM Decision 2006/18474.

⁷⁴ COM Decision 2005/17628.

⁷⁵ Programme launched in 2004 by the European Commission providing technical and financial assistance for third countries in the field of migration.

		<p>Maastricht).</p> <p>The <i>Steering Committee</i> met four times in the course of 2008: on 31.01 in Paris, 23.04 in Maastricht, 08.05 in Danilovgrad and 05.11 in Sarajevo. Most recently, it met in Zagreb on 27.1.2009. The working language of the Steering Committee is English.</p> <p><u>Training activities in 2008</u>⁷⁶:</p> <ul style="list-style-type: none"> ○ Training in policy advisory techniques in cooperation with NISPAcee (February 2008 in Zagreb); ○ A seminar for a training programme on “the European Senior Civil Servant” was organised on 3-7.3.2008 in Caserta in cooperation with the Italian Scuola Superiore della Pubblica Amministrazione (SSPA); ○ An event on training management was organised in June 2008 in Athens, in cooperation with EKKDA (Greek National Centre for Public Administration and Local Government); ○ The Summer School on European Integration was held in June-July 2008 in Bruges, in cooperation with the College of Europe; ○ The third annual conference of ReSPA on managing the stock of legislation was held in September 2008 in Belgrade; ○ Public finance for non budget specialists, October 2008, Ljubljana, in cooperation with the Centre of Excellence in Finance (CEF). ○ Law drafting seminars were held in October and November 2008, in Bonn and Berlin, respectively. <p><u>Cooperation with national schools of public administration:</u></p> <p>A second meeting between the members of the Steering Committee and representatives of the EU Schools and Institutes of Public Administration took place on 23.4.2008 in Maastricht. A second meeting of Heads of Schools of Public Administration in the Western Balkans was held in Albania in June 2008 and focused on "Training Needs Assessment Techniques and Skills".</p> <p><u>Commission support:</u></p> <p>The Commission cooperates with the Organisation for Economic Cooperation and Development (OECD) on implementing the ReSPA project. A one-year contract was signed to that effect in October 2006 and was extended for a further 18 months in November 2007. Commission support totalling € 2.5 million has been provided for this cooperation (under the CARDS 2005 and the CARDS 2006 regional programmes)⁷⁷. A further amount of € 3 million has been allocated under IPA 2008 for ReSPA activities (contract with EIPA) and purchase of equipment.⁷⁸ Under IPA 2009 a further € 4.4 million will be provided in support of ReSPA activities and for strengthening the capacities of the institution.</p>
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⁷⁶ The ReSPA website (<http://www.respaweb.eu/activities/activities/training-programmes.html>) provides detailed information on training activities, which started in November 2006.

⁷⁷ COM Decision PH/2006/1448 of 3.8.2006, COM Decisions C(2005)4377 of 14.11.2005 and PH/2006/2112 of 25.10.2006.

⁷⁸ Decision C(2008) 3642 of 18/07/2008.

4.11	<u>Twinning</u>	<p>The <i>twinning</i> instrument was launched by the Commission in the context of enlargement to help the administrations of potential candidate and candidate countries with the introduction and proper application of Community law. Twinning has evolved as an instrument for administrative peer assistance, involving experts from EU Member States. Twinning is available in the Western Balkans for all <i>acquis</i> sectors. 47 new twinning projects have been initiated in the region since March 2006 with a total budget of 48,5mio € , covering justice and liberty (16 projects), public finance and internal market including customs and taxation (9 projects), the social sector (4 projects) , environment (5 projects) , transport (2 projects), institutional capacity for European integration (6 projects) and agriculture (4 projects). From these 47 twinning projects, 25 twinning projects were launched in 2008 with a total budget of €29.15 million. Approximately 40 new twinning projects will be launched in 2009.</p> <p><u>Extension to Kosovo:</u> Twinning and a specific TAIEX instrument were introduced for Kosovo in November 2007 (under IPA 2007)⁷⁹. Two twinning projects are currently being prepared (IBM and the Food Safety Agency, totalling €4.6 million, IPA 2007). Under IPA 2008, eight additional twinning projects were initiated, with a total budget of €14 million⁸⁰. Support totalling €5 million will be given to the Agency for European Integration for legal and policy advice via a specific TAIEX instrument (“twinning super-light”).</p>
4.12	<u>TAIEX activities</u>	<p><u>TAIEX⁸¹ activities</u> covered all areas of EU legislation. Since March 2006 the number of events (including workshops, expert missions and study visits) has totalled over 1,000 and the demand-driven trend is upwards: over 200 in 2006 , around 350 in 2007 and almost 500 in 2008. 280 events (of which 140 in 2008) were in the area of the internal market; 260 (120) in agriculture; 200 (85) in justice and home affairs; 175 (70) in transport, energy and the environment. Over the whole period more than 22,500 officials from administrative bodies of the Western Balkan countries have benefited directly from TAIEX assistance (9,500 in 2008 only). The total number of participants in TAIEX events by country is as follows: Croatia over 10,000 (3,600 in 2008); Albania 2,300 (1,300); Bosnia and Herzegovina 1,500 (600); the former Yugoslav Republic of Macedonia 2,100 (1,100); Kosovo 1,100 (340); Montenegro 1,200 (480); and Serbia 3,300 (1,900). The high level of interest in the TAIEX Instrument is reflected in the growing number of applications received: 500 in 2008 against 365 in 2007 and 200 in 2006.</p>

⁷⁹ COM Decision PE/2007/2584 of 28.11.2007.

⁸⁰ COM Decision C/2008/729 of 27/02/2008.

⁸¹ TAIEX: Technical Assistance and Information Exchange Instrument.

4.13	<u>TAIEX awareness sessions</u>	<i>A series of tailor-made seminars</i> on topics covering general issues concerning EU policies, procedures and accession criteria, plus a series of specific technical sessions covering selected key areas of the <i>acquis</i> , took place in Albania and Montenegro. Similar sessions will be carried out in the other potential candidate countries as required.
4.14	<u>SIGMA instrument</u>	The Commission provides assistance under the <i>SIGMA (Support for Improvement in Governance and Management)</i> institution building instrument covering horizontal areas of public management (public administrative reform, public procurement, public sector ethics, and external and internal financial control). It is a joint initiative implemented in co-operation with the OECD and principally financed by the EU through a series of contribution agreements totalling around €5 million annually. The latest SIGMA contribution agreement for 2008-2009 was signed in November 2008 and entered into force on 1 January 2009. It will cover all candidate and potential candidate countries with an increased IPA budget of €10.5 million ⁸² .
4.15	<u>Trainings on economic policy</u>	The Commission cooperates with the Joint Vienna Institute ⁸³ in providing <i>training to officials</i> from the Western Balkans <i>on principles of policy making in a market economy setting</i> . Initiated in 2007, this cooperation continued in 2008. In November, a one-week seminar on the European Monetary Union policies and economic aspects of enlargement was organised, with 30 officials from the central banks and ministries of finance of candidate and potential candidate countries. The seminar was financed by TAIEX.
4.16	<u>TACTA (Technical Assistance to Customs and Taxation Administrations), former CAFAO</u>	From March 2006 to February 2008, the CAFAO (Customs And Fiscal Assistance Office) project gave support to Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo to increase their authorities' capacity to manage border posts and to increase customs revenues and excise duties, with a budget of €34.5 million (CARDS and IPA 2007). As of February 2008, a new multi-beneficiary project, TACTA (Technical Assistance to Customs and Taxation Administrations), is in operation covering Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo. It is funded from the national IPA 2007 budgets of the beneficiaries for a total of €7.1 million ⁸⁴ . A <i>conference</i> on Customs Cooperation in South-East Europe was held in March 2008. The European Commission and the Member States customs administrations announced plans to continue to provide expertise and technical assistance to the Western Balkans.

⁸² This figure includes Turkey.

⁸³ The Joint Vienna Institute (JVI) is an international training institute established in 1992 by five international organisations and the Austrian authorities to respond to demand from economies in transition to train officials in market economics and the free enterprise system. JVI provides training to officials and managers from countries that have made or are making the transition from centrally planned to market economies. JVI sponsors include: IMF, EBRD, IBRD, OECD, WTO, Austrian authorities and bilateral donors.

⁸⁴ COM Decision C(2007)3083 of 27.6.2007.

5. Parliamentary cooperation

*"Active involvement of parliaments in the countries' preparations for the EU is a key determinant of progress."*⁸⁵

5.01	<u>Joint Parliamentary Committee and inter-parliamentary meetings</u>	<p><i>Joint Parliamentary Committees</i> between the European Parliament (EP) and Croatia and the former Yugoslav Republic of Macedonia have been operating since 2004, with bi-annual meetings. In 2008, two meetings were held with Croatia, in April in Opatija and in October in Brussels. One meeting took place with the former Yugoslav Republic of Macedonia on 27-28.11.2008 in Skopje. The next meeting of the Joint Parliamentary Committee with Croatia is due on 23.2.2009 and with the former Yugoslav Republic of Macedonia on 31.3.2009. .</p> <p><i>Inter-parliamentary meetings</i> were held during 2008 with the other Western Balkan parties: with Bosnia and Herzegovina in February, with Kosovo in May, with Albania in June, with Montenegro and with Serbia in November and, most recently, with Bosnia and Herzegovina on 21.1.2009. An informal meeting with Kosovo is scheduled for 6-7.4.2009. The European Parliament is represented at these meetings by the Delegation for relations with the countries of South East Europe.</p>
5.02	<u>Regional Cooperation</u>	<p>Regional parliamentary cooperation has developed through the annual meetings of the Conference of the parliamentary committees on European integration of the States participating in the Stabilisation and Association Process in South East Europe (<i>COSAP</i>): The next meeting is scheduled for April 2009 in Podgorica (Montenegro).</p> <p>The <i>Cetinje Parliamentary Forum</i>, hosted by Montenegro, has pursued its activities by holding a number of regional meetings. In 2009 the institutionalisation of this initiative is foreseen.</p> <p><i>A Regional Secretariat for Parliamentary Cooperation</i> in South East Europe, hosted by the Bulgarian Parliament, was established in 2007. A Memorandum of Understanding on Inter-parliamentary Cooperation in South East Europe was signed on 14.4.2008 in Sofia. The initiative has been welcomed by the President of the European Parliament.</p> <p><i>A Joint Parliamentary Meeting on the Western Balkans</i> was co-organised by the European Parliament and the National Assembly of the Republic of Slovenia on 26 - 27.5.2008 in the European Parliament in Brussels. The meeting was co-chaired by the Presidents of the European Parliament and of the National Assembly of the Republic of Slovenia. The meeting was attended by MEPs, as well as MPs from Member States and from Western Balkan countries. A wide range of issues were discussed, from the parliamentary role in the integration process to economic development and visa immigration issues.</p>

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COM (2008) 127 final, 5.3.2008.

5.03	<u>Inter-Parliamentary colloquia and Parliamentary seminars</u>	<p>The basic aim of parliamentary cooperation between the European Parliament and the Parliaments of the Western Balkans - at the level of both parliamentarians and civil servants - is to strengthen parliamentary cooperation and the exchange of best practices.</p> <p>In 2008, four <i>parliamentary seminars</i> were held: on parliaments' communication policy and transparency in the context of the EU integration (14-15.5.2008 for MPs and 30.6 – 1.7.2008 for civil servants); on the <i>acquis communautaire</i> and "How can parliaments meet the challenge of the EU <i>acquis communautaire</i>" (1-2.10.2008 for MPs and 10-11.11.2008 for civil servants). At the parliamentary seminar in Sofia on 1-2.10.2008 the parliamentarians adopted conclusions about the role of parliaments in the accession process of the Western Balkans.</p> <p>In 2009, parliamentary seminars are scheduled on visa issues, parliamentary budget and budgetary legislation, internal market and free trade.</p>
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6. Trade integration

“Establishment of free trade area in the Western Balkans through the CEFTA agreement contributes to attracting foreign direct investment, fostering intra-regional trade and integrating the region into the global trading environment. The CEFTA agreement complements trade integration between the countries and the EU under the Stabilisation and Association Agreements (SAA) and Autonomous Trade Measures (ATM).”⁸⁶

6.01	<u>Regional Free Trade Agreement (CEFTA)</u>	<p>The <u>Central European Free Trade Agreement (CEFTA)</u>, establishing a free trade area among the participant parties, was signed on 19.12.2006 in Bucharest and entered into force on 21.11.2007⁸⁷.</p> <p>The CEFTA secretariat, provided for by the agreement, has been fully operational since September 2008. The Secretariat supports the rotating chairmanship in implementing the agreement. For the first three years, it will be hosted by the EFTA Secretariat in Brussels. CEFTA Parties will decide about its future location.</p> <p>The second meeting of the CEFTA <u>Joint Committee</u> was held on 8.10.2008 in Chisinau under the Moldovan chair-in-office. It endorsed the Outline Strategic Work Programme 2008-2011. The Parties agreed to:</p> <ul style="list-style-type: none"> ○ discuss the abolition of all import duties on agricultural products, including tariff quotas, except for a list of very sensitive agricultural products to be agreed on a bilateral basis; ○ identify and eliminate non-trade barriers and update quarterly the matrix on specific activities/measures affecting trade; ○ undertake all necessary measures to facilitate the application of the diagonal cumulation of origin; ○ promote cooperation among customs administrations; ○ identify and take on further action on the possible conclusion of multilateral or bilateral agreements on harmonisation of technical regulations and standards and mutual recognition of conformity assessment procedures. <p>The priorities of the incoming Montenegrin Chairmanship for 2009 include: further liberalisation in agriculture, co-operation in the field of sanitary and phytosanitary measures, elimination of technical barriers to trade, achieving the full benefits of implementing the diagonal cumulation implementation and improving the trade statistics of the Parties. The Deputy ministers' meeting of the CEFTA Parties is scheduled for June 2009, while the third Joint Committee meeting at the ministerial level could be held in October/November 2009.</p> <p>The OECD Investment Compact project will prepare a monitoring study of the investment-related clauses of the CEFTA in 2009.</p>
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⁸⁶ COM(2008) 127 final, 5.3.2008.

⁸⁷ Agreement on Amendment of and Accession to the Central European Free Trade Agreement, signed by Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Moldova, Montenegro, Romania, Serbia and UNMIK/Kosovo. Text of the Agreement: <http://www.stabilitypact.org/wt2/TradeCEFTA2006.asp>. The Agreement entered into force on 26.7.2007 for Albania, the Former Yugoslav Republic of Macedonia, Moldova, Montenegro and UNMIK/Kosovo. It entered into force for Croatia on 22.8.2007, for Serbia on 24.10.2007 and for Bosnia and Herzegovina on 22.11.2007.

		<p>The CEFTA agreement was implemented smoothly in 2008 and trade volumes exchanged appear to be increasing. However, problems related to Kosovo status have arisen recently, in particular concerning acceptance of products originating in the customs territory of Kosovo.</p> <p><i>CEFTA sub-committees</i></p> <p>Subcommittee on <u>Agriculture and Sanitary and Phytosanitary issues</u>: the first meeting was held in Chisinau in April 2008. It acknowledged that significant differences among parties regarding the level of harmonisation of sanitary, veterinary and phytosanitary legislation with the EU requirements are impeding agricultural trade. The Parties agreed, to initiate consultations among sanitary and phytosanitary services in order to identify feasible solutions for concluding a mutual recognition agreement.</p> <p>Subcommittee on <u>Customs and Rules of Origin</u>: the first meeting was held in Podgorica in May 2008. It was decided to introduce a more selective approach to the request for post-verification of the proofs of origin. Cases of application of diagonal cumulation with the EU were examined.</p> <p>Subcommittee on <u>Technical Barriers to Trade and Non-Tariff Barriers</u>: the first meeting was held in Belgrade in June 2008. Negative impact of TBT and NTB on the regional trade was assessed, including reports on specific problems identified in the respective business communities. A methodology to monitor the situation was proposed.</p> <p>The second meetings of the Subcommittees have been scheduled for March 2009 (agriculture), April 2009 (customs) and May 2009 (NTBs) respectively.</p> <p><i>Commission involvement</i></p> <p>The Commission provides financial assistance to the CEFTA Secretariat. To that end, it signed a Contribution Agreement with the Secretariat on 19.9.2008. In the first year, the Commission finances €475,000 out of total costs of €650,000. In the second year, the Commission contribution will be reduced to 50% of total costs and in the third and final year the Commission will contribute only 20%.</p> <p>The Commission supports the work of the CEFTA Sub-Committees with technical assistance (€325,000, planned for 2009).</p> <p>The Commission participates in the informal steering committee of the CEFTA secretariat. It follows closely the developments in the implementation of the agreement.</p>
<p>6.02</p>	<p><u>Diagonal cumulation of rules of origin</u></p>	<p>Diagonal cumulation of rules of origin is a system that facilitates regional trade integration. It enables a country to process and export a product under preferential trade treatment to the EU by using materials originating in other countries of the region which can be considered as their own materials.</p> <p><i>First stage: EU/Western Balkans cumulation:</i> Bilateral EU/Western Balkans cumulation, including Turkey for the products covered by the Customs Union, is now in</p>

		<p>force for Montenegro (as of 1.1.2008), Bosnia and Herzegovina (1.7.2008) and the former Yugoslav Republic of Macedonia (8.11.2008). It has also been agreed for Albania (19.11.2008) and Serbia (29.4.2008)⁸⁸. Croatia has opted not to participate in the scheme.</p> <p>In the first quarter of 2009 the Commission will publish a “Notice concerning preferential agreements providing for diagonal cumulation of origin between the Community and Western Balkan countries” which (retroactively) translates bilateral relations into a multilateral relation. Separately, the CEFTA agreement already now provides a diagonal cumulation scheme for exports to the Western Balkan markets. Croatia and Kosovo are part of this scheme.</p> <p><i>Second stage: inclusion of the Western Balkans in the Pan-Euro-Med scheme:</i></p> <p>In 2007, the Euro-Mediterranean Trade Ministers endorsed the extension of the Pan-Euro-Mediterranean diagonal cumulation scheme to include the Western Balkan countries, as proposed by the Commission. They gave the Pan-Euro-Med working group a mandate to prepare technical amendments to the relevant origin protocols. A preliminary draft proposal for such an extension was presented at the meeting of the Pan-Euro-Med working group in November 2007, to which the Western Balkan countries were invited as observers. The working group reached a consensus on the substance of the amendments. However, the Commission is looking for a way to take into account the impact of the specific problem with sugar and high-sugar-content products, which are currently excluded from the diagonal cumulation with the Western Balkans.</p>
6.03	<u>WTO accession</u>	<p>The endorsement of the WTO rules is fundamental for the integration the Western Balkans in the multilateral trading system. This deepens the economic relation between the CEFTA Parties, it stimulates the implementation of economic reforms and, ultimately, raises the attractiveness of the whole region for foreign direct investment.</p> <p>Albania, Croatia and the former Yugoslav Republic of Macedonia are WTO members⁸⁹. Bosnia and Herzegovina, Montenegro and Serbia are advancing in their <i>accession negotiations to the WTO</i>. The Commission has continued to support this process by providing <i>technical assistance</i> to those three countries: The Policy and Legal Advice Centre (PLAC), a CARDS-financed project covering <i>Serbia and Montenegro</i>, was extended until April 2009. A twinning project for <i>Serbia</i> on trade issues (covering the WTO and SAA) was launched on 18.12.2007 with a budget of €1.5 million. A CARDS 2006 programme (€2.07 million) supports the legal and institutional reform of trade and internal market structures in <i>Montenegro</i>⁹⁰ and complementary projects are planned under IPA 2007.⁹¹ In <i>Bosnia and Herzegovina</i>, similar assistance is provided under the CARDS 2006 project for an amount of €1.5 million.</p>

⁸⁸ *Bilateral EU/Western Balkans cumulation has been included in the SAAs with Montenegro, Serbia and Bosnia and Herzegovina and thus bilaterally comes into force when the corresponding Interim Agreements enter into force. For the former Yugoslav Republic of Macedonia and Albania, EU/Western Balkans cumulation has been included in the Additional Protocols to the relevant SAAs to cover the EU’s enlargement to Romania and Bulgaria and comes into force when these Protocols enter into force.*

⁸⁹ *Dates of membership: Albania 8.9.2000, Croatia 30.11.2000, the Former Yugoslav Republic of Macedonia 4.4.2003.*

⁹⁰ *TRIM I Project - 2.067.090 EUR - CARDS 2006 - C(2006)2932, 23 June 2006.*

⁹¹ *IPA 2007 - C(2007)5559 of 21/11/2007.*

6.04	<u>Alignment on the main trade-related areas of the <i>acquis</i></u>	<p>The Stabilisation and Association Agreements provide for a gradual process of alignment to the <i>acquis</i>, in particular on <u><i>main trade-related areas of the acquis</i></u>, especially on customs, statistics, agricultural issues (incl. geographical indications), quality policy, industrial, and also sanitary, phytosanitary and veterinary standards. The alignment to the <i>acquis</i> contributes <u>achieving a common rule book on trade in the region</u>.</p> <p>These areas are supported by various projects in national IPA programmes. In addition, most of the <u><i>technical assistance provided by TAIEX</i></u> concerns alignment with the main trade-related areas of the <i>acquis</i> (seminars, expert assessments and study visits)⁹². Nine TAIEX workshops with regional participation were organised in the area of veterinary and phytosanitary protection.⁹³ There were also two regional workshops on challenges of REACH⁹⁴ and three on competition rules, including public procurement and State aid.⁹⁵</p>
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⁹² *In the case of Croatia, work on alignment with the acquis continues in the context of the accession negotiations (in particular in Chapters 1, 12 and 29).*

⁹³ *Working group on animal disease notification system, Brussels, 23.01.2008, Cosmetic products legislation, Sofia, 25.01.2008, Veterinary Pharmaceutical legislation, Zagreb, 18.03.2008, Workshop on swine fever, Hanover, 07.04.2008 and 05.05.2008, Conference on Methicillin Staphylococcus (MRSA), Brussels, 08.04.2008, Veterinary and Medicinal products, Brno, 09.04.2008, TLOs for agricultural, veterinary, phytosanitary and food policies, Brussels, 18.06.2008, Avian influenza Conference, Tirana, 19.09.2008, Veterinary Week, Brussels, 10.11.2008.*

⁹⁴ *REACH (Registration, Evaluation and Authorisation of Chemicals) training, Krakow, 06/03/2008, Istanbul, 22/09/2008.*

⁹⁵ *Public Procurement, Brussels, 17/10/2008, State Aid, Brussels, 17/11/2008, Workshop on abuse of a dominant position, Brussels, 03/06/2008.*

7. Investment and economic and social development

"Increasing competitiveness, reducing high levels of unemployment, fostering human development and labour market participation, building infrastructure and ensuring social cohesion are major challenges throughout the Western Balkans. The Commission supports efforts to promote sustainable development and to become acquainted with the objectives of the Lisbon strategy."⁹⁶ The Western Balkans countries work towards fulfilling the Copenhagen economic criteria, which require the existence of a functioning market economy and capacity to cope with competitive pressure and market forces in the EU.

7.01	<u>Economic Recovery Plan (for the Western Balkans)</u>	<p>In its response to the global economic crisis, the Commission adopted an Economic Recovery Plan on 26.11.2008⁹⁷. In this plan, it commits to continuing to support the economic and social consolidation of the candidate countries and the Western Balkans in the mutual interest of the EU and the region. To this end, the Commission intends to allocate €120 million under IPA 2009 for the purpose of "Crisis Response Package." The package is expected to leverage an amount of €500 million in loans from International Financial Institutions (IFIs).</p> <p>The individual measures of the package are as follows:</p> <ul style="list-style-type: none"> • €10 million for micro credits via the European Fund for South East Europe (EFSE) (<i>see item 7.07</i>), • €10 million for SME loans via a new EC-EBRD SME finance facility, • €30 million for lending to increase energy efficiency via the energy efficiency facility (<i>see item 7.17</i>), • €60 million for municipal investments, • €6 million for a Regional Competitiveness Programme, • €2 million for strengthening the co-operation between financial sector supervisors/regulators in the region and the EU.
7.02	<u>Lisbon agenda/strategy</u>	<p><i>The Lisbon strategy</i> aims at creating more growth and jobs by reforming the European economy. The guidelines on how the Lisbon strategy should be implemented through national reforms are concentrated in three pillars – macroeconomic, microeconomic and employment.</p> <p>The Lisbon strategy objectives and commitments do not constitute additional criteria or economic objectives for the candidates or potential candidates. However, the Commission has undertaken to ensure that its policies towards the region reflect Lisbon activities and are considered as priorities under the European/Accession Partnerships. The Western Balkan countries should thus start taking the Union's Lisbon objectives into account in their reforms.⁹⁸</p> <p>Pre-accession economic programmes as well as economic and fiscal programmes (<i>see item 7.03</i>) - submitted annually - follow a similar logic to that of the <i>macro-economic pillar</i> of the Lisbon national reform programmes. They also have similar governance procedures involving discussion in groups and peer review.</p>

⁹⁶ COM(2008) 127 final, 5.3.2008.

⁹⁷ Communication from the Commission to the European Council: A European Economic Recovery Plan, COM(2008) 800 final, 26.11.2008.

⁹⁸ COM (2006) 27 final, 27.1.2006.

		<p>With regard to the <i>micro-economic pillar</i>, efforts are focused on enhancing national competitiveness. The process is supported by participation in the Competitiveness and Innovation Programme and the 7th Research Framework Programme (see items 7.08 and 2.11). Within these two programmes, countries attend policy groups where best practices are discussed. Serbia, for example, established its National Competitiveness Council and presented its activities to Commissioner Verheugen, responsible for the Lisbon strategy, on his visit to Belgrade in autumn 2008. Croatia is taking part in two benchmarking exercises, namely ERAWATCH⁹⁹ and Innovation Trendchart.¹⁰⁰ Ensuring competitive markets through the enforcement of competition rules in the region is being supported by State aid inventory exercises and TAIEX seminars (see item 6.04).</p> <p>With regard to the <i>employment pillar</i>, a Joint Assessment of Employment Policy Priorities (JAP) and a Joint Inclusion Memorandum (JIM) are exercises which outline the principal challenges which the candidate country faces in tackling respectively employment issues (JAP) and poverty and social exclusion (JIM). They assess the strengths and weaknesses of existing policies and identify future challenges and policy priorities. The process of drafting the JAM and the JIM has proved to be an important means of preparing candidate countries for full participation in the Open Method of Coordination of Employment and in the Open Method of Coordination on social inclusion.</p> <p>A JIM with Croatia was signed in March 2007. A second JIM follow-up seminar was held in March 2008 in Zagreb. A National Implementation Plan for Social Inclusion (2007-2008) was adopted by the Croatian Government in April 2008 and the National Implementation Report on the JIM follow-up process 2007–2008 was adopted in July 2008. A strategy on decentralisation of social services has been developed and some activities have been undertaken in the first phase of a process of securing de-institutionalisation for particular target groups, such as the elderly.</p> <p>A <i>Joint Assessment of Employment Policy Priorities</i> (JAP) was signed with Croatia in May 2008. The aim of the JAP process is to support candidate countries in developing a strategic approach to employment policies and preparing for their full participation in EU policy coordination in the area. A first JAP follow-up seminar took place in December 2008.</p> <p>Preparatory work has been launched to strengthen capacity and ownership of all relevant stakeholders with regard to future JAP and JIM processes with the former Yugoslav Republic of Macedonia. A first seminar was held in November 2007, focusing on the role of the Public Employment Service.</p>
7.03	<p><u>Pre-accession Economic Programmes (PEP) and Economic and Fiscal Programmes (EFP)</u></p>	<p>The Pre-Accession Economic Programmes (PEPs) and the Economic and Fiscal Programmes (EFPs) are part of the pre-accession fiscal surveillance procedure, which aims at preparing the candidate and potential countries for the participation in the multilateral surveillance and economic policy co-ordination procedures currently in place in the EU as part of the Economic and Monetary Union and the Lisbon Strategy.</p>

⁹⁹ For report and more about the project, see website: <http://cordis.europa.eu/erawatch/index.cfm>.

¹⁰⁰ For report and more about the project, see website: <http://www.proinno-europe.eu/index.cfm?fuseaction=page.display&topicID=52&parentID=48>.

		<p>The candidate countries prepare <i>Pre-Accession Economic Programme (PEP)</i>¹⁰¹ and potential candidates prepare <i>Economic and Fiscal Programme (EFP)</i>. EFPs are similar in structure and purpose to the PEPs, although more limited in scope.</p> <p>The objectives of these programmes are to outline the appropriate medium-term policy framework, including public finance objectives and structural reform priorities, needed for EU accession. The Commission examines the PEP and EFP and produces an evaluation. This offers an opportunity to deepen and focus the policy dialogue with the Commission on economic and fiscal issues and to develop the institutional and analytical capacity necessary to participate in EMU with derogation from the adoption of the euro upon accession, particularly in the areas of multilateral surveillance and co-ordination of economic policies.</p> <p>The evaluation of the PEPs is discussed by the Economic and Financial Committee (EFC) with counterparts from the candidate countries. Joint Council conclusions on the PEPs are then adopted by the finance ministers at a ministerial meeting between the EU (ECOFIN) and ministers from the candidate countries. The EFPs are discussed in an experts' meeting with EU Member States and representatives from the potential candidate countries. Both the PEPs and EFPs are posted on the web, as is the Commission's assessment.¹⁰²</p> <p>The present generation of PEPs and EFPs were submitted to the Commission on 31.1.2009.</p>
7.04	<u>IFI Advisory Group</u>	<p>The <i>IFI advisory group</i>¹⁰³ is to support and improve the overall co-operation between the International Financial Institutions and the European Commission. The group was established in 2007 with the aim of optimising the coordination of financial assistance in the areas of regional transport, energy and environmental projects, municipalities and public-private partnerships, as well as social issues including health, education, employment, and labour market. Four working groups have been set up in the areas of transport, energy, environment and social issues. The third meeting of the Group was held in June 2008 to discuss the infrastructure project facility (<i>see item 7.05</i>). The fourth and the fifth meetings, of December 2008 and January 2009 respectively, were devoted to finding a coordinated approach to the economic crisis.</p>
7.05	<u>Western Balkans Infrastructure Projects Facility (IPF)</u>	<p>An <i>Infrastructure Projects Facility (IPF)</i> for the Western Balkans was established in November 2007 by the Commission, the EIB, the EBRD and the Council of Europe Development Bank. A steering committee, which involves the beneficiary countries, the EBRD, the EIB and the CoE Development Bank, supports the implementation of the IPF. A Memorandum of Understanding was signed in May 2008.</p>

¹⁰¹ As requested by the ECOFIN Council of 26/27 November 2000.

¹⁰² For assessment see: http://ec.europa.eu/economy_finance/int_economic_issues/enlargement9274_en.htm.

¹⁰³ Membership of the group: European Commission, European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Nordic Environment Finance Corporation, Council of Europe Development Bank, Black Sea Trade and Development Bank, Kreditanstalt für Wiederaufbau (KfW), Regional Co-operation Council. For more information see: http://ec.europa.eu/enlargement/projects-in-focus/cooperation_with_the_international_financial_institutions/index_en.htm.

		<p>The main objective of the IPF is to support the development and upgrading of infrastructures in four sectors: transport, energy, environment and social issues, by preparing projects that may be financed by grants and loans provided by the beneficiaries themselves and by international donors.</p> <p>The facility includes two windows: one for <i>technical assistance (TA)</i> and one <i>municipal (MW)</i>. For the TA window, the team of experts has started defining the type of assistance required to improve the preparation of an initial list of 18 selected infrastructure projects. The TA window was launched with a budget of €16 million provided by CARDS¹⁰⁴ and will be replenished with an additional €16 million from IPA 2008. In coordination with the beneficiaries and the partner IFIs, the MW has set up a grant co-financing mechanism aimed at facilitating infrastructure projects (ready-to-be-financed) in the municipalities of the Western Balkans. €24 million are provided under IPA 2008.</p>
7.06	<u>Western Balkans Investment Framework</u>	<p>In March 2008, the Commission announced that, together with the European Investment Bank, the European Bank for Reconstruction and Development and the Council of Europe Development Bank, it would establish a comprehensive <i>Western Balkans Investment Framework</i> by 2010. Its goal is to further enhance harmonisation and co-operation in investments for socio-economic development in the region. The ECOFIN Council and the European Council welcomed the initiative and called for its swift implementation¹⁰⁵.</p> <p>The Western Balkans Investment Framework will coordinate the following aspects:</p> <ul style="list-style-type: none"> • The Infrastructure Projects Facility for mobilising IPA-related grant resources for the preparation of infrastructure investments (<i>see item 7.05</i>); • A complementary grant financing mechanism for pooling grant resources from the Commission, the three IFIs and Member States to support the implementation of projects identified and prepared through the IPF; • A Lending Facility, jointly coordinated by the three partner banks, to finance implementation of investments. <p>The ECOFIN Council of January 2009 welcomed the work carried so far and called for more rapid and substantial progress.¹⁰⁶</p>
7.07	<u>European Fund for South East Europe (EFSE)</u>	<p>The objective of EFSE is to provide micro-enterprises with access to finance by enhancing the role of financial intermediaries (particularly banks) in the region. The Commission, Member States and International Financial Institutions are its main shareholders.</p> <p>The EFSE operates through some 50 partner lending institutions. The average loan size is about €4 000 and 78 000 borrowers have been reached so far. The total portfolio invested amounted to €455 million (as of June 2008, the latest date for which figures were available).</p>

¹⁰⁴ COM Decision PE/2005/1891 of 14.11.2005, as amended by Commission Decision DL/2007/3811 of 18.12.2007, and Commission Decision PH/2006/2112 of 25.10.2006, as amended by Commission Decision DL/2007/3809 of 18.12.2007.

¹⁰⁵ Economic and Financial Affairs Council 14.5.2008, and European Council 19/20.6.2008.

¹⁰⁶ Economic and Financial Affairs Council 20.01.2008.

		<p>A special <i>EFSE Development Facility</i> allows for tailor-made technical assistance to selected financial intermediaries. This Facility is mainly funded by EFSE income, with some contributions from donors (€3.18 million since 2006).</p> <p>The results of EFSE's activities can be summarised as follows:</p> <p>(1) <i>Access to credit for micro-enterprises</i> has substantially increased in the region. The number of loans to micro-enterprises and households has grown from 11,546 in December 2005 - when the EFSE started - to 90,624 in November 2008.</p> <p>(2) The European Commission's participation in EFSE has made it possible to <i>leverage more private investments</i> into EFSE.</p> <p>(3) EFSE provides a <i>platform for donor coordination</i> for supporting micro-enterprises. Major IFIs have become shareholders in EFSE: these include the EIB, the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), Kreditanstalt für Wiederaufbau (KfW) and FMO (Netherlands Development Finance Company).</p> <p>(4) <i>Central Bank governors</i> from the beneficiary countries meet annually in the framework of EFSE.</p> <p>A Commission contribution of €8 million to EFSE will be made in the first quarter of 2009 (under IPA 2008). In 2009, an additional contribution of €10 million is envisaged from the crisis package (<i>see item 7.01</i>), which will reach the fund in the second half of 2009. The Commission contribution will have an estimated seven-fold leverage effect as a result of loans to SMEs.</p>
7.08	<p><u>European Charter for Small Enterprises</u></p>	<p>The aim of the <i>European Charter for Small Enterprises</i> is to contribute to improving the EU's business environment for SMEs. It is structured along action lines for government policies, ranging from entrepreneurship education to access to finance, from e-business and better regulation to business advocacy. The Western Balkan countries joined the charter at the Thessaloniki summit of June 2003. The Charter process for the Western Balkans was prolonged for a 3-year period in March 2006¹⁰⁷.</p> <p>A second exercise for drawing up the Report on the Implementation of the European Charter for Small Enterprises started in 2008. National coordinators of the Charter process met in Pržno, Montenegro, on 5-6.05.2008, to discuss the reporting methodology for the Charter report. National self-assessments were drawn up by every country concerned in September 2008 based on a set of indicators devised by the Commission and OECD. Bilateral meetings with each country took place in October 2008 and a regional meeting with the National Charter Coordinators was held on 1-2.12.2008, in Belgrade. A joint European Commission/OECD <i>report</i> (with inputs from the European Training Foundation and the EBRD) will be published in May 2009.</p> <p>Representatives of Albania, Croatia, Kosovo, Montenegro and Serbia attended the annual Conference on the European Charter which was held in Bled, Slovenia, in June 2008.</p>

¹⁰⁷ The intention to extend the Charter in 2006 by at least three years was announced in the Commission Communication on the Western Balkans COM(2006) 27 final, 27.1.2006) and welcomed by the Council conclusions of 20.3.2006.

		<p>The work on establishing the Regional Centre for Entrepreneurship Education for South East European countries continued. The regional centre initiative comes out of the Charter evaluations, which show the countries that score badly in the human capital chapters (1 and 4). The centre is planned to be financed by Croatia and the IPA Multi-Beneficiary Programme. When established, the Centre is intended to be a regional hub for cooperation and excellence in entrepreneurship education.</p> <p>Partners are also assessing the possibility of moving on from the European Charter for Small Enterprises process towards the more advanced framework of the Small Business Act.¹⁰⁸</p>
7.09	<u>Enterprise Europe Network</u>	<p><i>Enterprise Europe Network</i> is the EU's network of SME support services, established in 2008. It has been developed as a "one-stop-shop" to meet the information needs of SMEs and companies in Europe. Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia are now being integrated into this network. Bosnia and Herzegovina's participation is under preparation.</p>
7.10.	<u>Regional Rural Development Standing Working Group (SWG) in South-East Europe</u>	<p>The Regional Rural Development Standing Working Group was established in 2005 as an informal forum of Ministries of Agriculture in South-East Europe¹⁰⁹. Its objective is to facilitate the identification of mutual needs and interests in the field of regional rural development of the members, support joint planning of cross-border rural development projects as well as different institutions in fulfilling needs of the countries. The SWG is viewed as a platform for networking and regional co-operation among the Balkan countries. The Commission participates in the activities of the group. A joint TAIEX – SWG training on the rural development-component of IPA took place in Bar (Montenegro) on 4-5.9.2008. The yearly Agricultural Policy Forum took place in Kolasin (Montenegro) on 1-4.10.2008. In 2009 the SWG shall become institutionalised and an increase of activities is foreseen.</p>
7.11	<u>Regional employment and social policy network ("Bucharest process")</u>	<p>The purpose of the initiative, started in Bucharest in 2003, is to incorporate the social dimension of economic development and reconstruction efforts in the region.</p> <p>High level officials from the Ministries for Employment and Social Affairs and Public Employment Services (former Permanent High-Level Committee of the "Bucharest Process") met in June 2008 in Sarajevo to prepare the continuation of regional cooperation with the newly established RCC and on the basis of the conclusions of the 3rd ministerial meeting held in Montenegro in October 2007.</p> <p>At these meetings, country reviews of employment policies (CREPs) with Montenegro, the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina were discussed. The reviews were prepared by the International Labour Organisation (ILO), the Council of Europe and Belgium (donor for the Bucharest Process) in cooperation with the countries' authorities. CREPs have so far been carried out for all Western Balkans countries.</p>

¹⁰⁸ Communication from the Commission: Think Small First - A Small Business Act for Europe COM (2008) 394 final, 25.06.2008.

¹⁰⁹ Members are: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo, as well as Bulgaria, Romania and Slovenia.

7.12	<u>Social Security Co-ordination and Social Security Reforms programme</u>	Following the Declaration on enhancing social security coordination in the Western Balkans signed by the countries of the region at a ministerial conference in Tirana in October 2007, a cooperation programme began in March 2008 and was officially entitled <i>Social Security Coordination and Social Protection Reforms</i> . Its aim is to find structural solutions for cross-country social security issues. For this purpose a sum of €2 million was allocated under IPA 2007 ¹¹⁰ for a period of three years. The project involves all IPA Beneficiaries.
7.13	<u>Public Health policy</u>	<p>The South-East Europe Health Network (SEEHN) was established in 2001 under the Stability Pact. It is presently being transformed into a cooperation scheme owned by its partners. The Commission participates as an observer and supports the process with political advocacy and expertise. The Network takes part in Commission open consultations and contributes to a discussion on EU health policies.</p> <p>In October 2009, the Commission hosted a workshop on regional cooperation in health in Bad-Gastein, with participation of the SEEHN, together with its Northern Dimension counterpart. The next SEEHN Ministerial Forum will take place in 2009 in Bosnia and Herzegovina.</p> <p>In 2008, three TAIEX events were organised for candidate and potential candidate countries in the field of public health: a workshop on health workforce needs and mobility (Brussels, 30.6-1.7), a workshop on education and certification of tissue processing professionals (Brussels, 21-24.10) and a seminar on challenges in the implementation of EU blood Directives (Romania, 20-21 November).</p>
7.14	<u>Consumer policy</u>	<p>A TAIEX seminar on consumer protection issues was held in Sofia on 23.6.2008. It was attended by Commissioner Kuneva and participants from the region. The aim of the seminar was to exchange views and to help Western Balkans countries develop their consumer protection policies.</p> <p>The European Economic and Social Committee also organised a meeting on the topic of consumer policy in Opatija, Croatia, in October 2008 (<i>see item 3.07</i>).</p>
7.15	<u>Energy Community Treaty</u>	<p>The <i>Energy Community Treaty</i> entered into force in 2006.¹¹¹ Under the Treaty, the key parts of the energy <i>acquis</i> are fully applicable to the Western Balkan countries, in particular electricity and gas directives, key environment directives, key directives on renewables and biofuels, and the relevant principles of EU competition policy.</p> <p>Institutions operating under the Treaty include the Ministerial Council, the Board of Regulators and the Secretariat. The seat of the Secretariat is in Vienna. The <i>Ministerial Council</i> meets twice a year. In 2008, it met in June and December.</p> <p>The Energy Community and the Commission organised a first social forum in Tirana, Albania, on 18-19.11.2008, which reviewed progress made in addressing social challenges resulting from the reforms in the energy sector and in particular the preparation and implementation of Social Action Plans. Gas fora were organised on two occasions (in</p>

¹¹⁰ COM Decision C/2007/019-279.

¹¹¹ Council Decision 2006/500/EC of 29.5.2006 on the conclusion and text of the Treaty: OJ L 198, 20.7.2006. The Treaty entered into force on 1.7.2006 and ratification by all the signatories was completed on 15.12.2006. Parties to the Treaty are the European Community, Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Croatia, Montenegro, Serbia and UNMIK.

		<p>April and November 2008). An investment conference took place in Pristina on 07.10.2008. The Government Training Module on Energy began on 12.11.2008. This training focuses on the role of governments in the process of the electricity market liberalisation.</p> <p>In February 2008, the Energy Community set up an <i>Energy Efficiency Task Force</i> for an 18-month period aimed at helping the Contracting Parties to draft their National Energy Efficiency Action Plan as required by the Energy Services Directive, and to assess the extent of implementation of the EU Directives in the field of energy efficiency (<i>see item 7.15</i>).</p> <p><i>The Community contribution</i> to the budget of the Energy Community Treaty in 2008 was €2.5 million¹¹².</p>
7.16	<u>Interconnection of energy networks</u>	<p>The Western Balkans have been further integrated into the trans-European energy networks: <i>revised lists</i> adopted in September 2006 included 13 projects of common interest and two priority projects involving Western Balkan countries¹¹³. The <i>Priority Interconnection Plan</i> adopted on 10.1.2007 includes the Western Balkan projects.¹¹⁴ Moreover, gas and electricity interconnections within Central and South-East Europe were also included as one of the six priority projects by the Commission's Communication on the Second Strategic energy review "An EU energy security and solidarity action plan" adopted in November 2008. The Energy Community Ministerial Council adopted in December 2007 and updated in December 2008 a list of Priority Investment Projects.¹¹⁵</p>
7.17	<u>Energy Efficiency Facility</u>	<p>An <i>Energy Efficiency Programme</i>, prepared together with the IFIs, was launched in 2007, with €34.7 million from the Commission (under IPA 2007)¹¹⁶. The facility will promote investments in energy efficiency and in the generation of renewable energy, and will lead to higher energy savings and lower CO₂ emissions. Contribution agreements with the EIB, EBRD and CEB/KfW were signed in November 2008. Co-ordination with the beneficiaries is ensured by the Energy Community Secretariat.</p> <p>The EBRD already runs a programme of investment incentives to enhance the cost-effectiveness of the energy efficiency and renewable energy investments. The EIB, together with KfW and CEB, will set up a revolving fund to provide financing to financial intermediaries, Energy Service Companies (ESCOs) and end-users on a sustainable basis. The Commission will participate in this fund and will also provide grants for the purpose of Technical Assistance. The revolving fund will start in 2009 as a pilot project.</p>

¹¹² COM Decision 2008/148-620 and 2006/018-474.

¹¹³ Decision 1364/2006/EC of 6.9.2006 (OJ L 262, 22.9.2006); previous lists dating from 2003 included 11 projects of common interest and one priority project (Decision 1229/2003/EC of 26.6.2003, OJ L 176, 15.7.2003).

¹¹⁴ COM (2006) 846 final, 10.1.2007.

¹¹⁵ List is available at: http://www.energy-community.org/portal/page/portal/ENC_HOME/INST_AND_MEETINGS/Ministerial_Council/2008/11_Dec.

¹¹⁶ COM Decision C(2007)6376 of 18.12.2007.

7.18	<p><u>Western Balkans Transport Community Treaty</u></p>	<p>In March 2008 the Commission adopted a package of measures aimed at improving transport connections between the European Union and its neighbours.¹¹⁷ This followed the adoption of the "Guidelines for transport in Europe and neighbouring regions" in January 2007.¹¹⁸ The March 2008 package included a proposal to Council for a mandate to negotiate a Transport Community Treaty with the Western Balkans. In June 2008 the Council authorised the Commission to open negotiations¹¹⁹. Negotiations were opened on 24.06.2008 and the first round of negotiations at regional level was held on 18.11.2008. A further round of bilateral discussions with the 7 partners (Serbia, Montenegro, Bosnia-Herzegovina, Albania, Croatia, the former Yugoslav Republic of Macedonia and Kosovo/UNMIK) shall be carried in February/March 2009.</p> <p>The objective of the Treaty is to establish an integrated market for infrastructure and land, inland waterways and maritime transport and to align the relevant legislation in the Western Balkans region with Community legislation.</p> <p>The Transport Community is to be endowed with the following institutions:</p> <ul style="list-style-type: none"> • Ministerial Council to take strategic decisions, • Regional Steering Committee to monitor the implementation of the Core Regional Transport Network and all relevant measures at a technical level, • Technical Joint Committees which are responsible for the proper implementation by transport mode (including a Technical Committee for environment and social matters), • Permanent Secretariat. <p>The final multilateral meeting is planned in Brussels in mid-July 2009. The negotiations are due to be completed by the end of 2009.</p>
7.19	<p><u>Core transport network/South East Europe Transport Observatory (SEETO)</u></p>	<p>The <i>South East Europe Core Regional Transport Network</i>, established in 2004, seeks to promote regional cooperation on the development of transport networks. It focuses on promoting the development of transport infrastructure and supports horizontal measures to facilitate border crossings and the gradual establishment of a regulatory space aligned with the EU legislation. The project also includes a railway auditing component and a road safety auditing component. The <i>SEETO Steering Committee group</i> has been meeting on a regular basis since 2005.</p> <p>The Commission currently provides support to the SEETO Secretariat (€1 million from the CARDS 2006 regional programme)¹²⁰. The current phase began in June 2008 and is due to be completed by the end of 2009.</p>

¹¹⁷ COM(2008) 125 final, 05.03.2008.

¹¹⁸ COM(2007) 32 final, 31.1.2007.

¹¹⁹ Transport, Communications and Energy Council of 12-13.6.2008.

¹²⁰ COM Decision SEC/2006/1396/3 of 25.10.2006.

7.20	<u>Agreement on the European Common Aviation Area (ECAA)</u>	<p>The aim of the agreement on the <i>European Common Aviation Area (ECAA)</i> is to integrate the Western Balkans into the EU's internal aviation market, in particular to ensure high standards of safety and security. This will open up access for the Western Balkan airlines to the European single market in aviation. The <i>Agreement was opened for signature</i> on 9.6.2006¹²¹. To date, it has been <i>ratified</i> by 13 EU Member States, Iceland, Norway, Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and UNMIK¹²². Ratification by the remaining Member States and Serbia is scheduled for 2009. Meanwhile, all parties are provisionally applying the Agreement at an administrative level.</p> <p>The <i>Joint Committee</i> under the Agreement held its third meeting on 10.12.2008 in Oslo.</p> <p><i>Visits</i> by independent experts to assess progress in the areas of aviation safety, security and air traffic management were made to all countries in 2008. The ECAA contributed to the rapid growth in the number of passengers and airlines flying on new routes in the Western Balkans and to the modernisation and increases in the capacity of airports in the region.</p> <p>Starting in 2008, the Commission is providing <i>technical assistance</i> for implementation of the agreement (€1 million under the CARDS 2006 regional programme)¹²³. Support through several national programmes is in preparation under IPA 2008.</p>
7.21	<u>Cooperation in Civil Protection and Disaster Preparedness</u>	<p>In its March 2008 Communication on the Western Balkans¹²⁴, the Commission proposed to involve candidate countries closely and fully associate the potential candidate countries in the Community's activities in the field of civil protection. It announced the launching of a Disaster Risk Reduction Initiative (<i>see item 7.22</i>) and proposed the involvement of Western Balkan countries in the Community Civil Protection Mechanism and Instrument (<i>see item 7.23</i>). The April 2008 Council (General Affairs and External Relations) expressed support to these proposals¹²⁵.</p> <p>On 5.6.2008 the Council (Justice and Home Affairs) adopted extensive <i>conclusions on cooperation with the Western Balkan countries in the field of civil protection</i>¹²⁶. The Council assessed that such cooperation should be developed and strengthened. It encouraged the candidate and the potential countries of the region to fully participate in and cooperate with, respectively, the Civil Protection Mechanism and Instrument. It underlined the importance of support through IPA to strengthen capacities of the region in this area, but also of ensuring complementarities and avoiding duplication with existing initiatives.</p>

¹²¹ OJ L 285, 16.10.2006. To date, the agreement has been signed by all the Western Balkan states and UNMIK, the 27 EU Member States and the EC, plus Iceland and Norway.

¹²² For details on ratifications see:

http://www.consilium.europa.eu/cms3_Applications/applications/Accords/details.asp?cmsid=297&id=2006052&lang=EN&doclang=EN.

¹²³ COM Decision PH/2006/2112 of 25.10.2006, as amended by Commission Decision DL/2007/3809 of 18.12.2007.

¹²⁴ COM(2008)127 final, 5.3.2008

¹²⁵ Council Conclusions (General Affairs and External Relations), 29.04.2008

¹²⁶ Council Conclusions (Justice and Home Affairs), 5-6.6.2008

		The Council invited the Commission to enhance cooperation with the Western Balkan countries, in particular by identifying contact points, contributing to the enhancement of capacities, raising awareness, enhancing early-warning systems and supporting regional cooperation. It also invited the Commission to establish a comprehensive EU programme for cooperation with candidate and potential candidate countries in the field of civil protection and to report regularly to the European Parliament and the Council.
7.22	<u>Disaster Risk Reduction Initiative</u>	A Disaster Risk Reduction Initiative is being set up by the Commission, aimed at preparing a regional strategy and developing the capacity of the Western Balkans for the collection, processing and sharing of data. Activities within this framework will start in early 2009 and will be based on the conclusions of a UN-World Bank study. The programme will be implemented in close cooperation with other stakeholders in this field: the World Bank, the UN and the Disaster Preparedness and Prevention Initiative for South East Europe (DPPI SEE, <i>see also 7.21</i>). The Commission will be looking in particular for synergy with the World Bank's "Disaster Risk Mitigation and Adaptation Initiative" supporting the Western Balkans in building local capacity, developing a monitoring network (weather forecasting and early-warning systems), investing in infrastructure and disaster mitigation measures and establishing a regional disaster insurance scheme. The IPA multi-beneficiary MIPD (2008-2010) has earmarked €2 million in support of this initiative.
7.23	<u>Community Civil Protection Mechanism and Financial Instrument</u>	<p><i>Community Civil Protection Mechanism (recast)</i></p> <p>The Community Civil Protection Mechanism facilitates preparedness for and response to major emergencies. A recast Council Decision establishing the Mechanism was adopted on 8.11.2007¹²⁷. Participation in the Mechanism is open to candidate countries. Other third countries including potential candidate countries may cooperate in activities under the Mechanism on the condition that such agreements are regulated between these countries and the Community. The Commission encourages the candidate countries to participate fully in the Mechanism and the potential candidate countries to become involved in cooperation.</p> <p>The European Council of 19-20.6.2008 welcomed the progress made in associating the Western Balkans with the Community Civil Protection Mechanism, such as the preparatory work towards the development of a comprehensive programme for cooperation with the Western Balkans in the field of Civil Protection (<i>see item 7.21</i>). The European Council also underlined the Commission's intention to further strengthen cooperation, including by launching a Disaster Risk Reduction Initiative¹²⁸. Preparations for full participation by Croatia and the former Yugoslav Republic of Macedonia are under way.</p> <p><i>Civil Protection Financial Instrument</i></p> <p>The Civil Protection Financial Instrument provides the legal basis for financing EU activities in the field of civil protection. A Council Decision establishing the Instrument was adopted in 2007¹²⁹. Participation in the Instrument is open to candidate countries. Other third countries, including potential candidate countries, may cooperate in activities</p>

¹²⁷ Council Decision 2007/779/EC, Euratom of 8.11.2007, OJ L 314, 1.12.2007.

¹²⁸ European Council, 19-20.6.2008, Annex to the Presidency Conclusions: Declaration on the Western Balkans.

¹²⁹ Council Decision 2007/162/EC, Euratom of 5.3.(OJ L 71, 10.3.2007. The Decision applies for the period 2007-2013.

		<p>under the Instrument subject to agreements to that effect between these and the Community. As of May 2008, Croatia can take part in all Community activities covered by the Instrument, including calls for proposals, training sessions and exercises (a MoU was signed to that effect). Preparations for the participation of the former Yugoslav Republic of Macedonia in the Instrument are under way.</p> <p><u>Programme on Civil Protection Cooperation for candidate and potential candidate countries</u> The Commission is preparing a project to allow the candidate and potential candidates to benefit from activities similar to those undertaken in the framework of the Civil Protection Mechanism. The project aims to prepare these countries for their full participation in the Mechanism and to increase their civil protection capacities. It will comprise a training programme, exchanges of experts, simulation exercises and a series of workshops on early warning systems, '112' centres and systems, lessons-learned systems and host nation support. The project will be financed by IPA (€4 million covering 24 months, subject to extension, IPA 2009).</p>
7.24	<u>Disaster Preparedness and Prevention Initiative for South East Europe (DPPI SEE)</u>	<p>DPPI SEE was established in 2002 as a cooperative framework between the Stability Pact beneficiary countries, plus Greece, Hungary, Slovenia and Turkey. DPPI SEE has been focusing on capacity-building for disaster preparedness and prevention. Its Secretariat is based in Sarajevo.</p> <p>The <u>DPPI SEE</u> covers areas such as flood response, seismic hazards and a disaster management training programme. The participating countries have undertaken to assume greater technical and financial responsibility for disaster preparedness and prevention.</p> <p>A DPPI SEE regional meeting was held in Sofia on 7-8.4.2008 back-to-back with a <u>high-level regional conference on disaster preparedness and prevention</u> organised under the auspices of the SEECP. Another DPPI SEE regional meeting was held in Skopje on 16-17.10.2008.</p>
7.25	<u>Other instruments and measures for disaster preparedness</u>	<p><u>Other Community instruments</u> The candidate countries negotiating accession are eligible for assistance from <u>the EU Solidarity Fund</u>¹³⁰. The whole Western Balkan region is eligible for assistance under the <u>Humanitarian Aid</u> instrument in the event of a disaster with major humanitarian consequences which cannot be addressed by the countries themselves¹³¹.</p> <p><u>Seminars/trainings</u> A seminar on strengthening cooperation with the Western Balkans in the field of Civil Protection was co-organised by the Slovenian Presidency and the Commission in Bled, Slovenia, on 24-26.2.2008. The Slovenian civil protection authorities and the Commission held a three-day training workshop for representatives of the Western Balkans on EU activities in the field of civil protection in Ig, Slovenia, from 16-19.11.2008.</p>

¹³⁰ The EU Solidarity Fund was created in 2002, Council Regulation 2012/2002, 11.11.2002 OJ L 311, 14.11.2002. It may grant financial aid to the countries affected by major natural disasters and can thus play an important role in overcoming the consequences of events such as forest fires, earthquakes, flooding or other.

¹³¹ Council regulation 1257/96 of 20.6.1996 OJ L 163, 2.7.1996.

		<p><u>Other</u></p> <p>The Western Balkans were invited to the special session of the meeting of the Directors-General for Civil Protection of the EU, of the European Economic Area and of candidate countries, which was held in Ljubljana on 19.5.2008, and to a Joint Session of the Member States of the European Union, of the European Economic Area, the Mediterranean partner countries and the candidate and potential candidates held in Marseille on 28.10.2008.</p>
7.26	<p><u>Regional Environmental Reconstruction Programme (REReP) and Regional Environmental Network for Accession (RENA)</u></p>	<p>The <u>Regional Environmental Reconstruction Programme (REReP)</u> was established in 2000 under the Stability Pact for South East Europe with the participation of the countries of the region. Its aims are to improve the environmental situation in the region and to serve as a meaningful tool to re-establish and facilitate an environmental dialogue between the Western Balkans. A <u>Task Force</u> facilitates implementation of policy priorities. The 11th annual meeting of the Task Force took place in Bečići, Montenegro on 20.11.2008.</p> <p>The REReP regional meeting on climate and energy in South Eastern Europe was held on 22-23.5.2008 in Brussels. The meeting offered participants the opportunity to exchange information on EU climate and energy policy and to discuss developments in the countries in the field of climate and energy as well as ways to enhance cross-border cooperation for the representatives of different ministries and stakeholders in the candidate and potential candidate countries.</p> <p>The Commission proposes to continue regional cooperation on environmental issues with candidate and potential candidate countries within the <u>Regional Environmental Network for Accession (RENA)</u>. The new network will become fully operational following the expiry of REReP in 2009 and a formal approval by these countries in mid2009.</p> <p>The Commission provided €1 million to <u>support REReP (CARDS 2005)</u>¹³². This support will run until September 2009.</p>
7.27	<p><u>Environmental Compliance and Enforcement Network for Accession (ECENA)</u></p>	<p><u>The Environmental Compliance and Enforcement Network for Accession (ECENA)</u>, established in March 2005, is an informal network of environmental authorities from the candidate and potential candidate countries, plus Bulgaria and Romania, responsible for enforcement of environmental legislation (mainly inspections).</p> <p>The <u>ECENA Multi-Annual Work Programme</u> for 2007-2010 focuses on: 1) training and exchanges of best practice on integrated pollution prevention and control (IPPC), landfills, Seveso II and LCP directives; 2) development and maintenance of the European Pollutant Emission Register (EPER) (training for environmental inspectors and agency staff) and 3) protection of the environment by enforcement of criminal law (training organised with Interpol).</p> <p>The third ECENA <u>plenary meeting</u> took place on 18-19.9.2008 in Istanbul. During 2008 a number of training events were held: a regional one in the UK and two in Hungary. The ECENA Secretariat also supported the participation of the former Yugoslav Republic of Macedonia and the potential candidate countries in events such as IMPEL (Network for Implementation and Enforcement of Environmental Law), Green Force (network for implementation of nature protection legislation) and INECE (International Network for Environmental Compliance and Enforcement).</p>

¹³² COM Decision C(2005)4377 of 14.11.2005, as amended by Decision PH/2005/2354 of 13.12.2005.

		The Commission provided €1 million to <i>support ECENA</i> (CARDS 2005) ¹³³ and will continue this support until 2010. Thereafter, the activities of ECENA will be integrated in the new RENA (<i>see item 7.26</i>).
7.28	<u>Danube/Black Sea (DABLAS) Task Force</u>	The <i>DABLAS Task Force</i> was set up in 2001 to provide a platform for cooperation on protection of water and water-related ecosystems in the Danube and Black Sea region. It brings together representatives of the countries in the region, the International Commission for the Protection of the Danube River (ICPDR), the Black Sea Commission, IFIs, the EC, interested EU Member States, other bilateral donors and other regional and international organisations. Its activities include drawing up a shortlist of prioritised projects for rehabilitation of the waters of the region, supporting project preparation and facilitating cooperation between beneficiaries, IFIs, other banks and donors for the implementation of priority projects. The DABLAS priority project pipeline now contains 36 projects, of which 11 are at the most advanced stage of preparation. The Commission provides the Secretariat of the Task Force. The DABLAS Task Force held its <i>7th meeting</i> in Kiev on 28-29.10.2008. The DABLAS process is receiving support from the Commission totalling €3.6 million (under PHARE 2006 and IPA 2007) ¹³⁴ .
7.29	<u>Danube Cooperation Process (DCP)</u>	The Danube Cooperation Process was launched in 2002 on the initiative of Austria, Romania, the Commission and the Stability Pact for South East Europe. Its objectives are to develop the Danube cooperation, without creating new institutions, but using the existing structures and, where necessary, harmonising them. The cooperation focuses on six priority areas: 1) economic development; 2) navigation; 3) environmental protection; 4) tourism; 5) culture and 6) sub-regional cooperation. The fourth <i>ministerial meeting</i> will be held in Kiev in April 2009 and will be prepared by a senior officials' meeting on 2.2.2009.
7.30	<u>Danube basin sustainable development</u>	A “Joint Statement on Guiding Principles for the Development of Inland Navigation and Environmental Protection in the Danube River Basin” was adopted on 11.3.2008 by the International Commission for the Protection of the Danube River, the Danube Navigation Commission and the International Commission for the Protection of the Sava River Basin. Recognising the potential conflict between development of the Danube as a transport corridor and environmental protection, the Joint Statement summarises the principles and criteria for environmentally sustainable inland navigation on the Danube and its tributaries, including the maintenance of existing waterways and development of future waterway infrastructure. The “Joint Statement” is designed to guide the development of the “Programme of Measures” which was required under the EU Water Framework Directive for maintaining the current inland navigation and for planning and investing in future infrastructure and environmental protection projects.

¹³³ COM Decision C(2005)4377 of 14.11.2005, as amended by Decision PH/2005/2354 of 13.12.2005.

¹³⁴ COM Decision C(2007) 5795 of 30.11.2007.

7.31	<u>Community membership of the Danube Commission</u>	The Danube Commission performs the tasks laid down in the 1948 Belgrade Convention ¹³⁵ . Its main task is to provide for free navigation on the Danube in accordance with the interests and sovereign rights of the Contracting Parties of the Convention. The European Commission has finalised negotiations with a view to accession by the Community to the Danube Commission on the basis of the Transport Council conclusions of 7.6.2007. The signing of the new Belgrade Convention is expected to take place in early 2009.
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¹³⁵ *The Danube Commission performs the tasks laid down in the Convention on Navigation on the Danube signed in Belgrade in August 1948. Its members are Austria, Bulgaria, Croatia, Germany, Hungary, Moldova, Romania, Russia, Slovakia, Ukraine and Serbia.*

8. Community financial support and donor coordination

“The Western Balkans will receive around €4 billion under the Instrument for pre-Accession Assistance in the period 2007-2011. This is the equivalent of € 30 per capita per year, by far the highest amount provided by the European Commission to any region in the world. In the process of providing assistance, coordination between the Commission and other donors is crucial for ensuring the complementarity, coherence, effectiveness and efficiency.”¹³⁶

8.01	<u>Community assistance: Instrument for Pre-accession Assistance (IPA)</u>	<p>Since 2007, the EU has been providing <i>financial support</i> to the Western Balkans through the Instrument for Pre-accession Assistance (IPA)¹³⁷. IPA streamlines all pre-accession assistance within a single framework.</p> <p>The <u>Multiannual Indicative Financial Framework (MIFF)</u> for 2010-2012 was adopted on 5.11.2008.¹³⁸ The average annual allocation for the Western Balkans between 2007 and 2012 under IPA is €736.0 million. The Western Balkans countries also benefit from the IPA multi-beneficiary programmes (also covering Turkey) which have an average annual allocation of around €148.0 million, bringing the total average annual IPA allocation for the Western Balkans to over €800 million.</p> <p><u>Multiannual Indicative Planning Documents (MIPDs)</u> for 2008-2010 for each of the Western Balkan countries and Kosovo, along with the multi-beneficiary MIPD, were adopted in the course of 2008.</p> <p>All <u>IPA 2008 programmes</u> under components I and II (institution-building and cross-border cooperation) were adopted in the course of 2008. IPA multi-annual programmes under components III, IV and V (regional development, human resources development and rural development) for Croatia and the former Yugoslav Republic of Macedonia were also adopted in 2008¹³⁹. A significant share of the assistance under components III and IV is allocated to projects related to the Lisbon agenda, combining infrastructure investment with measures to enhance competitiveness, innovation, and also employment creation. Assistance under component V aims to prepare candidate countries for implementation of the Common Agricultural Policy and EU Rural Development Programmes after their accession to the EU and supports the economic development of rural areas.</p>
8.02	<u>The European Agency for Reconstruction</u>	<p>The <u>European Agency for Reconstruction (EAR)</u> managed Community assistance to Serbia, Montenegro, the former Yugoslav Republic of Macedonia and Kosovo from February 2000 until December 2008. The Agency initially had a</p>

¹³⁶ COM(2008) 127 final, 5.3.2008.

¹³⁷ Council Regulation 1085/2006 of 17.7.2006, OJ L 210, 31.7.2006. IPA covers all candidate and potential candidate countries, i.e. the Western Balkans and Turkey. The financial reference for 2007-13 totalled €11.5 billion. The Commission Regulation implementing IPA was adopted on 12.6.2007 (Commission Regulation (EC) 718/2007, OJ L 170, 29.6.2007).

¹³⁸ COM(2008) 705 final.

¹³⁹ Only candidate countries are eligible for IPA components III, IV and V.

		<p>five-year mandate (from 2000 until the end of 2004) that was extended twice by Council Decisions, up to the end of 2008¹⁴⁰.</p> <p>Since June 2008, Commission Delegations in Belgrade, Skopje, Podgorica and the Liaison Office in Pristina gradually took over responsibility for the management of CARDS programmes from EAR. On 31.12.2008 the agency was successfully phased out.</p>
8.03	<u>External lending of the European Investment Bank</u>	<p><i>EIB financing activities in the Western Balkans</i> focus primarily on projects in the areas of transport, energy, small and medium-sized enterprises, environment, municipal infrastructures and human capital (education and health). From 2008 onwards the European Investment Fund, which is at the EIB's subsidiary, started providing risk capital to the region.</p> <p>The <i>loans</i> from the EIB to the Western Balkan countries have increased, reaching a total amount of €2.2 billion for the period 2006-2008 (2006 €677 million, 2007 €773 million, 2008 €747 million)¹⁴¹. The EIB plans to further extend financing operations to the Western Balkans in the years to come, complementing the financing covered by the Community guarantee under the external mandate with financing at the EIB's own risk under the EIB Pre-Accession Facility. The expected volume of EIB financing for the Western Balkans for the period 2008-2010 is estimated at around €2.8 billion.</p>
8.04	<u>Donor coordination</u>	<p>On 23-24.10.2008, a <i>donor coordination conference</i> was held in Brussels, attended by the Commission, the Member States, the International Financial Institutions (IFIs) and non-EU donors. The purpose of the conference was to produce a series of recommendations on how to improve aid effectiveness through joint actions by donors and beneficiary countries. The recommendations included the need to strengthen beneficiaries' ownership of the donor coordination process and the future use of the MIPDs as a tool to determine areas of common interest, and possibilities for sector coordination and division of labour.¹⁴²</p> <p>As a follow-up, it was agreed to organise <i>annual donor conferences</i>. Interim monitoring events will also be organised by the beneficiary countries and held in the region every six months. Albania will host the first of these meetings in the</p>

¹⁴⁰ Council Regulation 1756/2006 of 28.11.2006, OJ L 332, 30.11.2006.

¹⁴¹ Compared to €1.3 billion for the period 2003-2005.

¹⁴² The full set of recommendations can be consulted on http://ec.europa.eu/enlargement/projects-in-focus/donor-conference/index_en.htm.

		first half of 2009.
8.05	<u>Kosovo Donors' Conference</u>	<p>Representatives from 37 countries and 16 international organisations met in Brussels on 11 July 2008 for a Donors' Conference organised by the Commission in support of Kosovo's socio-economic development. <i>Pledges totalled €1.2 billion</i>. The amount meets Kosovo's financing needs for socio-economic development as identified in its Medium-Term Expenditure Framework, including the creation of a reserve for contingent liabilities.</p> <p>The European Commission has contributed with €508 million. This consisted of €358 million from IPA and some €150 million in Macro-Financial Assistance as direct budget support. This is supplemented by a further €285 million in bilateral contributions from EU Member States.¹⁴³</p>
8.06	<u>EU support to Kosovo 2008-2011</u>	<p>The Community provides assistance to meet Kosovo's institution building needs and socio-economic development, and it also provides a substantial contribution to the international presence in Kosovo. Total Community support to Kosovo for the period 2008-11 will amount to €1 billion, including €427 million from IPA and CARDS, €100 million in Macro-Financial Assistance (subject to macroeconomic conditionality), €55 million from Stability Instrument, which will cover UNMIK and International Civilian Office¹⁴⁴. Common Foreign and Security Policy budget will contribute €434 for EULEX mission¹⁴⁵. Finally, €1.8 million will be contributed from European Instrument for Democracy and Human Rights and €1.5 million from Pilot Actions budget line.</p>

¹⁴³ Donors' Pledges only concern IPA and MFA for period 2008-2010.

¹⁴⁴ Starting from 2010, International Civilian Office will be financed from IPA.

¹⁴⁵ The running costs of EULEX mission are estimated at €160 million per year. The EULEX budget could vary according to developments.

Annex 1:

Presidency Conclusions – Brussels, 19/20 June 2008

DECLARATION ON THE WESTERN BALKANS

Considerable efforts have been made to render the European perspective of the Western Balkans more tangible and visible to the people across the region. With reference to the Commission's Communication "Western Balkans: Enhancing the European Perspective" the European Council underlines the importance of the following three areas:

1) *Extending Community policies to the Western Balkans and enhancing regional cooperation*

In order to deepen the ongoing cooperation between the EU and the region, which enjoys a European perspective, and to enhance regional cooperation, the European Council:

- calls for efforts to encourage the participation of the Western Balkans countries in Community programmes and agencies;
- looks forward to the launching of negotiations to establish a Transport Community Treaty with the Western Balkans as well as to their early conclusion;
- recognises the importance of effective implementation of the Energy Community in South East Europe;
- stresses the importance of cooperation and reforms in the field of freedom, security and justice, sharing EU experiences in combating organised crime and terrorism and recommends the preparation of the first South East European organised crime threat assessment to be coordinated by the SECI Center in Bucharest;
- recognises the importance of promoting judicial cooperation in civil and commercial matters;
- welcomes progress made in associating the Western Balkans with the Community Civil Protection Mechanism and underlines the intention of the European Commission to further strengthen cooperation, including by launching a Disaster Risk Reduction Initiative;
- acknowledges the importance of the transition from the Stability Pact to the Regional Cooperation Council as well as of the cooperation undertaken through the Central European Free Trade Agreement and pledges full support to these forms of regionally owned co-operation.

2) *Facilitation of people-to-people contacts and development of civil society*

Promoting people-to-people contacts between the Western Balkans and the EU is of the utmost importance, as it facilitates a better mutual understanding and reconciliation and promotes the principles upon which the EU is founded. Therefore the European Council:

- welcomes the successful launching of the dialogue on visa liberalisation as mentioned in paragraph 54 of the European Council conclusions;
- supports the intention of the Commission to offer more scholarships for students from the Western Balkans under Erasmus Mundus;
- recognises the importance of the "Steering platform on research for the Western Balkans".
- It calls for the continuation of cooperation in the area of science and research;
- supports the establishment of a new Facility under the Instrument for Pre-Accession Assistance (IPA) to promote civil society development and dialogue in the Western Balkans, while strengthening partnership and networking with civil society counterparts from the EU.

3) *Economic and social development and strengthening of good governance*

The EU will continue to work closely with the Western Balkans to strengthen socio-economic development and good governance and will support further progress and reforms in the region.

With this aim the European Council:

- welcomes the initiative to establish a comprehensive Western Balkans Investment Framework by 2010. It calls for swift implementation of the objectives mentioned in the ECOFIN Conclusions of 14 May 2008;
- acknowledges the work done by the Regional School of Public Administration (ReSPA) and calls for its development into a fully fledged school;
- recognises the fundamental contribution of cultural cooperation in promoting European values and intercultural dialogue in the Western Balkans, and thus fostering democratisation, reconciliation and respect for human rights.

Annex 2

PARTICIPATION OF WESTERN BALKAN COUNTRIES IN COMMUNITY PROGRAMMES

<u>Community Programme</u> (and period covered)		<u>Croatia</u>	<u>The former Yugoslav Republic of Macedonia</u>	<u>Albania</u>	<u>Bosnia and Herzegovina</u>	<u>Montenegro</u>	<u>Serbia</u>
Culture (2007-13) ¹⁴⁶ *		As of 28.06.2007 (MoU signed 4.5.2007)	As of 1.1.2008 (Exchange of letters completed on 14.1.2008)				As of 1.1.2008 (MoU signed 6.2.2008)
Europe for Citizens (2007-13) ¹⁴⁷ *		As of 05.11.2007 (MoU signed 25.09.2007)	Exchange of letters underway	Draft MoU sent to Albania on 16.09.2008, possible signing on 2 February 2009			
Competitiveness and Innovation (2007-13) ¹⁴⁸ *	Intelligent Energy-Europe	As of 26.12.2007 (MoU signed 2.10.2007)					
	Entrepreneurship and Innovation	As of 08.04.2008 (MoU signed on 01.10.2007)	As of 1.1.2007 (MoU signed 18.10.07)	As of 6.10.2008 (MoU signed on 27.06.2008)		As of 20.5.2008 (MoU signed on 4.3.2008)	As of 4.12.2008 (MoU signed on 27.11.2008)
	ICT Policy Support	As of 26.05.2008 (MoU signed on 25.10.2007)					
Media 2007 (2007-13) ¹⁴⁹		As of 26.05.2008 (MoU signed on 17.03.2008)					

¹⁴⁶ 1903/2006/EC (OJ L 378, 27.12.2006).

¹⁴⁷ 1904/2006/EC (OJ L 378, 27.12.2006).

¹⁴⁸ 1639/2006/EC (OJ L 310, 9.11.2006).

¹⁴⁹ 1718/2006/EC (OJ L 327, 24.11.2006).

Progress: Community programme for employment and social solidarity (2007-13)¹⁵⁰ *	As of 14.04.2008 (MoU signed on 16.8.2007)	As of 1.1.2007 (MoU signed 6.12.2007)				As of 1.1.2007 (MoU signed 12.10.2007)
Community Action field in Public Health	MoU signed on 30.09.2008 to be ratified by Croatian Parliament					
Marco Polo II	MoU signed on 11.12..2008 to be ratified by Croatian Parliament					
Civil Protection Financial Instrument	As of 26.05.2008 (MoU signed on 20.09.2007)					
Lifelong Learning¹⁵¹	Envisaged for 2010	Envisaged for 2010				
Youth in Action¹⁵²	Envisaged for 2010	Envisaged for 2010				
7th Research Framework Programme (2007-13)¹⁵³ *	As of 01.01.2007 (MoU signed 13.06.2007)	As of 1.1.2007 (MoU signed 13.6.2007)	As of 1.1.2008 (MoU signed 17.12.2007)	As of 1.1.2009 (MoU signed 24.11.2008)	As of 1.1.2008 (MoU signed 25.1.2008)	As of 1.1.2007 (MoU signed 13.6.2007)
Fiscalis 2007-2013¹⁵⁴	As of 27.12.2006(MoU signed on 28.8.2006)	Envisaged for 1.69.2009				Envisaged for 1.6.2009
Customs 2007-2013¹⁵⁵*	As of 27.12.2006(MoU signed on 28.8.2006)	Envisaged for 1.6.2009				Envisaged for 1.6.2009

¹⁵⁰ 1672/2006/EC (OJ L 315, 15.11.2006).

¹⁵¹ 1720/2006/EC (OJ L 327, 24.11.2006).

¹⁵² 1719/2006/EC (OJ L 327, 24.11.2006).

¹⁵³ 1982/2006/EC (OJ L 412, 30.12.2006).

¹⁵⁴ 2235/2202/EC (OJ L 341, 17.12.2002); 1482/2007/EC (OJ L 330, 15.12.2007).

¹⁵⁵ 253/2003/EC (OJ L 36, 12.2.2003); 624/2007/EC (OJ L 154, 14.6.2007)

Interoperable Delivery of European e-Government services to Administrations, Business and Citizens (IDABC) (2005-09)^{156*}	As of 13.03.2007 (MoU signed on 26.10.2006)					
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* Programmes recommended by the Commission for participation of the potential candidate countries. Also Media 2007 (2007-13)¹⁵⁷ and Safer Internet+ (2005-08)¹⁵⁸ are recommended.

¹⁵⁶ 2004/387/EC (OJ L 181, 18.5.2004 Corr.)

¹⁵⁷ 1718/2006/EC (OJ L 327, 24.11.2006)

¹⁵⁸ 854/2005/EC (OJ L 149, 11.6.2005)

Annex 3

COMMUNITY AGENCIES RECEIVING COMMUNITY SUPPORT TO PREPARE THE WESTERN BALKAN COUNTRIES FOR THE PARTICIPATION IN THEIR AGENCY

Community Agency	Support for Croatia and Turkey under Phare 2005	(Other) Western Balkan countries (CARDS)	Support under IPA 2007 for candidate countries*	Support programmed under IPA 2008 for candidate and potential candidate countries
CEDEFOP	X		X	
Community Plant Variety Office	X		X	X
European Agency for Safety and Health at Work	X	X	X	X
European Medicines Agency	X		X	X
European Food Safety Authority	X		X	X
European Foundation for the Improvement of Living and Working Conditions	X		X	X
European Maritime Safety Agency	X	X	X	X
European Monitoring Centre for Drugs and Drug Addiction	X	X	X	X
European Monitoring Centre for Racism and Xenophobia	X	X		
Translation Centre for the Bodies of the EU	X			
European Environment Agency		X		X
European Aviation Safety Agency		X		X
European Chemicals Agency				X
European Railway Agency				X
European Centre for Disease Prevention and Control			X	X

* Participation of by both, the candidate and potential candidate countries will be supported from IPA 2008.