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**COMMUNICATION FROM THE COMMISSION  
TO THE EUROPEAN PARLIAMENT AND THE COUNCIL**

**Western Balkans: Enhancing the European perspective**

{SEC(2008) 288}

# COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

## Western Balkans: Enhancing the European perspective

### I. INTRODUCTION

Over the past two years, the countries of the Western Balkans<sup>1</sup> have moved closer to the EU. This reflects progress, albeit uneven, in reforms and in meeting established criteria and conditions<sup>2</sup>. Important steps have also been taken in regional cooperation. Still, our partner countries are confronting a number of challenges in 2008 which could have far-reaching implications for their security, stability and well-being.

The need to solve the status of Kosovo has focused attention on the region and its links with the European Union. It is important under present circumstances to maintain the peace and stability of the region. This can best be achieved by further enhancing the EU perspective and by making it as visible and tangible as possible for all the peoples of the region. It also requires the constructive engagement of political leaders throughout the region.

Public opinion in the Western Balkans is largely favourable to EU integration. All governments have committed themselves to this objective and are implementing reforms. However, societies remain divided on a number of key issues related to the co-existence and integration of different communities and, in some cases, constitutional reform. Further efforts are needed to achieve consensus on such issues, to avoid harmful displays of nationalism, and to press on with the necessary political and economic reforms.

It is in the interest of the European Union, and of Europe as a whole, that the region should go ahead as rapidly as possible with political and economic reform, reconciliation among peoples and progress towards the EU. Accordingly the EU is mobilising all available policy instruments to support the achievement of these goals. The Commission is giving particular priority to support for strengthening the rule of law, good governance, judicial and administrative reform and the development of civil society.

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

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<sup>1</sup> Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, as well as Kosovo under UNSC Resolution 1244/99.

<sup>2</sup> The Commission reported on progress made in the candidate and potential candidate countries in its enlargement strategy papers of 2006 and 2007 - COM(2006) 649, 8.11.2006, and COM(2007) 663, 6.11.2007.

The EU will continue to make the prospect of membership visible and concrete for the citizens of the countries of the Western Balkans. To this end, the EU should be ready to accelerate pre-accession preparations with all countries of the region, provided they meet the necessary conditions. The progress of each country towards the EU is performance-driven, depending on its individual merits and success in establishing a track record of achievements in addressing reform priorities.

2008 is the year when primary responsibility for promoting regional cooperation is taken up by partners in the Western Balkans, notably through the new Regional Cooperation Council. It is important that regional cooperation yields benefits to the citizen.

A number of regional partners have unresolved bilateral issues with their neighbours. The Commission urges all parties concerned to renew their efforts to find mutually acceptable solutions to such problems. Good neighbourly relations and regional cooperation remain key in advancing towards EU membership.

The Commission supports the efforts of the Western Balkan countries for reform and regional cooperation through its Instrument for Pre-accession Assistance. It has taken a new initiative in the area of donor coordination, involving the international financial institutions and bilateral donors. This is intended to leverage the maximum amount of support possible for the region's modernisation and development needs, bringing together grants and loans.

The purpose of this Communication is to reiterate the EU's commitment to the European perspective of the Western Balkans, and to point the way forward for an enhanced progress of the region towards the EU. The present Communication follows up on the Thessaloniki agenda and the Salzburg Communication, in line with the Commission's November 2007 enlargement strategy paper. It sets 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 provides a succinct analysis of the situation of each partner in the light of developments since the latest progress reports were presented in November 2007<sup>3</sup>.

The decision of the current Council Presidency to convene a ministerial meeting with the countries of the Western Balkans on 28 March in Brdo (Slovenia) is particularly timely. This Communication provides background for the discussion at that meeting.

The Council is invited to endorse the measures set out in this document and to support their implementation.

## **II. PROGRESS MADE AND THE WAY FORWARD**

### **1. Moving closer towards the EU and enhancing regional cooperation**

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 Western

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<sup>3</sup> The Communication covers key developments in the European and regional agenda of the Western Balkans, with a focus on new initiatives. A fuller list of activities can be found in the accompanying document SEC(2008) 288. A two-year period since the March 2006 Salzburg meeting is covered.

Balkan countries need to effectively address the priorities set out in their Accession or European Partnerships. The pace of each country's progress is determined by its own achievements in this respect.

### ***Further steps on the road towards eventual EU membership***

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

Provided that the government works with resolve to meet benchmarks and other conditions, substantial progress in accession negotiations with Croatia is possible over the coming year. For Croatia to make 2008 a decisive year in its accession process, the country needs to make further progress with judicial and administrative reforms, fighting corruption, minority rights, and refugee return, as well as further restructuring in the shipbuilding sector. Croatia also needs to pay increasing attention to solving open issues with its neighbours. In particular, it needs to address without delay and in line with the Council Conclusions of February 2008, the issue of the Ecological and Fisheries Protection Zone.

The **former Yugoslav Republic of Macedonia** was granted candidate status in December 2005. While the pace of reforms has, on the whole, been slow during the past two years, there have recently been signs of reforms gaining momentum.

Improved cooperation among political parties and between the Prime Minister and the President has led to increasing consensus on EU-related reforms. These include appointments to the Judicial Council by Parliament and the adoption of laws on the Public Prosecutor's Office, on the Council of Public Prosecutors and on the Composition of the Committee on Inter-ethnic Relations. Progress has also been made in police reform and decentralisation.

Ensuring good neighbourly relations and finding negotiated and mutually acceptable solutions to unresolved issues with neighbours, in line with the Council conclusions of December 2007, remains essential.

The Accession Partnership adopted by the Council on 18 February 2008<sup>4</sup> identifies eight key priorities for progress in the accession process by the former Yugoslav Republic of Macedonia. These cover proper implementation of all commitments undertaken under the SAA, dialogue between political parties, implementation of the law on police and anti-corruption legislation, reform of the judiciary and public administration, as well as measures in employment policy and for enhancing the business environment.

The former Yugoslav Republic of Macedonia needs to meet these key priorities in order to demonstrate its readiness to undertake accession negotiations. The Commission considers that, with sufficient political will and cross-party cooperation, the necessary progress can be made in 2008. The Commission will assess these key priorities as benchmarks in its autumn regular report. A recommendation on the start of accession negotiations will depend on the results achieved.

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<sup>4</sup> Publication in Official Journal pending.

Major milestones have also been reached in completing the *Stabilisation and Association Agreements (SAAs)* with the other countries of the region. Agreements were signed with Albania in June 2006 and with Montenegro in October 2007<sup>5</sup>; the trade-related provisions under the corresponding Interim Agreements have already entered into force. The Commission encourages Member States to proceed swiftly with the ratification of these SAAs so that they enter into force as soon as possible. The SAAs with Serbia and Bosnia and Herzegovina were initialled by the Commission in November and December 2007 respectively. These agreements will be signed as soon as Serbia and Bosnia and Herzegovina meet the necessary conditions. A satisfactory track record, notably in implementing obligations arising from an SAA, including the trade-related provisions, is an essential element for each country's progress towards membership.

*Albania* has continued to make progress in reforms and approximation to EU standards. It is implementing well its Interim Agreement under the SAA and building up a track record. Albania has maintained a balanced position on the Kosovo issue, thus contributing to the regional stability.

Political leaders in Albania have pledged to engage in a constructive relationship on key reforms. Electoral reform, particularly in view of the 2009 parliamentary elections, strengthening the rule of law, reform of the judicial system and the fight against corruption and organised crime are central. An improved climate in parliament will contribute to move forward on such issues.

Albania will further develop its relations with the EU provided that it maintains satisfactory implementation of the SAA, ensures that elections fully meet international standards and further strengthens the rule of law. Strengthening business environment and competitiveness of the economy will also be important.

*Montenegro* has made important steps forward since independence in June 2006. Montenegro has worked actively to strengthen its institutional and legal capacities. The adoption of the constitution and the signing of the SAA were major steps for Montenegro and its relations with the EU.

Montenegro's constitution is broadly in line with European standards. It provides a satisfactory general framework for the judiciary, human rights and minority rights. However, Montenegro is expected to step up preparations to implement this framework. The principles of judicial independence and accountability need to be fully respected. Efforts to fight corruption and organised crime need to be enhanced. Continuing administrative reform and strengthening administrative capacity will be a key challenge for Montenegro.

In the coming period, Montenegro will also need to broaden the consensus on issues of state-building and make further progress in implementing the European integration agenda. The presidential election to be held in April 2008 should contribute to this.

The unanimous ratification of the SAA highlighted the broad support in the country for a European future. The implementation of the Interim Agreement and the upgrading of preparations to implement the SAA, once ratified, are essential for the further development of

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<sup>5</sup> SAAs with the former Yugoslav Republic of Macedonia and Croatia have been in force since 2004 and 2005, respectively.

Montenegro's relations with the EU. Strengthening macroeconomic stability and business environment will also be important.

***Bosnia and Herzegovina*** has continued its efforts to advance on the European integration agenda. The political leaders committed themselves in October 2007 to implement police reform and to advance the overall reform agenda in order to create the conditions for the signing of the SAA ('Mostar Declaration').

Cooperation with ICTY has continued and is now at a generally satisfactory level. The functioning of state institutions has improved to a certain degree, following the adoption of new working procedures. These developments led to the initialling of the SAA on 4 December 2007. The leaders of the country need to make considerable further efforts, if Bosnia and Herzegovina is to take full responsibility for its governance and advance the reform agenda. In February 2008, the Peace Implementation Council decided to postpone the closure of the Office of the High Representative.

The authorities of Bosnia and Herzegovina need now to adopt state level legislation on police and to address other key priorities. The Commission considers that, with sufficient political will, it should be possible for Bosnia and Herzegovina to meet the conditions for signing the SAA soon. Bosnia and Herzegovina needs functional and effective institutions capable of meeting the challenges of European integration.

***Serbia*** has a key role to play in the region from an economic and political point of view. Serbia is also important for the stability of the region, which would benefit from a stable and prosperous Serbia fully integrated into the family of European nations. Serbia is currently faced with strategic choices regarding its future. The presidential elections held in February 2008 confirmed Serbia's European aspirations.

The EU has agreed to set up a Task Force to examine ways of delivering rapid progress and is committed to signing the SAA with Serbia as soon as the necessary steps have been finalised. The Commission remains convinced of the benefits that the SAA will bring to both Serbia and the EU, and of the positive impact this will have on the region.

Regional cooperation and good neighbourly relations are more important than ever for enabling Serbia and the region as a whole to continue moving towards the EU.

Serbia's progress on the road towards the EU, including candidate status, can be accelerated, as stated by the European Council on 14 December 2007. The Commission calls on Serbia to reaffirm its commitment to closer ties with the European Union.

### ***Kosovo in the light of status developments***

On 17 February the Kosovo Assembly adopted a resolution which declared Kosovo to be independent. At its meeting of 18 February, the Council took note that the resolution committed Kosovo to the principles of democracy and equality of all its citizens, to the protection of the Serb and other minorities and of the cultural and religious heritage, as well as to international supervision.

The Council noted that Member States will decide on their relations with Kosovo, in accordance with national practice and international law. It stressed that Kosovo constitutes a *sui generis* case which does not call into question the principles of sovereignty and territorial integrity, the UN Charter and Security Council resolutions, or the Helsinki Final Act. It also

welcomed the continued presence of the international community, based on UN Security Council Resolution 1244. The Council reiterated the EU's readiness to play a leading role in strengthening stability in the region.

The Commission, in line with the Council conclusions, considers it important that Belgrade and Pristina respect their previous commitments to refrain from any activities or statements which might endanger the security situation.

The Commission welcomes that the Council reaffirmed its commitment to fully and effectively support the European perspective for the Western Balkans and its call on the Commission to use community instruments to promote economic and political development and to propose to the broader region concrete measures in order to advance in that direction.

The EU will support Kosovo's future development through an international civilian mission, headed by an EU Special Representative, an ESDP rule of law mission and substantial support to economic and political development.

On 4 February, the EU adopted a joint action to deploy the ESDP mission (EULEX Kosovo) and appointed an EU Special Representative. The mission will include police officers, judges, prosecutors and customs officers to assist Kosovo's authorities in maintaining the rule of law.

Major challenges for Kosovo include strengthening the rule of law, in particular the judiciary, combating organised crime and corruption, supporting economic development and the creation of jobs, improving conditions for the return of refugees and for minority communities, and enhancing dialogue and reconciliation between communities. Overall EU assistance to Kosovo is estimated at over €1 billion for the period 2007-2010 covering support to Kosovo's political and economic development and financing the EU contribution to the international presence in Kosovo.

Kosovo has made further progress towards a democratic and multiethnic society. The November 2007 general elections were free and fair and largely in line with international standards. The new coalition government includes ministers from the Serb and Turkish communities and has made commitments concerning the well-being of minorities, in particular Kosovo Serbs. The government has also underlined the importance it attaches to reforms in line with the European agenda.

Kosovo has, like the rest of the Western Balkans, a clear and tangible EU perspective. Kosovo is engaged in a regular dialogue with the Commission on reforms and progress is regularly monitored. The Commission will intensify its support for institution-building and development and will organise a donors' conference to mobilise funding to address Kosovo's most pressing needs. It will also seek to promote people-to-people contacts and Kosovo's involvement in regional cooperation.

### ***Progress on regional cooperation – the new Regional Cooperation Council<sup>6</sup>***

Significant progress has been made on *regional cooperation*, with the countries of South East Europe assuming increasing responsibility for the process. The transition from the Stability Pact to a regionally owned cooperation framework, which began at the Zagreb summit of the

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<sup>6</sup> Specific sectoral regional activities, including in the areas of trade, energy and transport, are referred to in subsequent sections.

South East European Cooperation Process (SEEC) in May 2007, was largely completed in February 2008. The new framework operates under the political guidance of the SEEC and includes the newly established Regional Cooperation Council (RCC). Its Secretary-General has been appointed and the Sarajevo-based Secretariat started operations in January 2008. A Brussels liaison office will be set up soon. The Secretariat is co-financed by the countries in the region, the Commission and other international donors. The EU is represented on the RCC Board.

The RCC will build on the achievements of the Stability Pact, which from 1999 to 2007 provided invaluable impetus to regional activities and donor coordination in South East Europe. It will continue this work, with a streamlined set of initiatives and projects. The Commission will provide support for the RCC and invites the countries in the region, the Member States and other donors to contribute.

## **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<sup>7</sup>.

### ***Towards visa-free travel***

Visa-free travel to the EU is of considerable importance to the people of the Western Balkans. Citizens of the Western Balkan countries, except Croatia, still need visas to enter the EU. Moving towards a visa-free regime is part of the preparations for EU membership, which includes eventually becoming part of the Schengen area. At the same time, steps towards liberalisation of travel need to take into account the internal security and migration interests of the EU. They are, therefore, conditional on necessary reforms by the Western Balkan countries.

As a first step towards visa liberalisation, the Commission has negotiated *visa facilitation* agreements with the Western Balkan countries. These were signed in September 2007 and entered into force on 1 January 2008. The agreements substantially improve the conditions for obtaining visas for travel to the EU: they establish a reduced fee for obtaining a visa (€35 instead of €60) and exempt broad categories of persons from these fees. They set time-limits for issuing a visa (normally 10 days) and simplify and clarify the procedures for issuing a visa to certain categories of persons. The facilitation agreements are linked to readmission agreements that were negotiated and concluded in parallel<sup>8</sup>, and to the introduction of biometrics.

The Western Balkan countries and the Member States need to ensure proper implementation of the visa facilitation and readmission agreements. Joint committees will be established to monitor implementation; they will meet in spring 2008. These committees will adopt guidelines for the Member States' consulates to ensure even application of the agreements.

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<sup>7</sup> In the June 2003 Thessaloniki agenda and, more recently, in the December 2006 European Council conclusions and in the June 2007, December 2007 and January 2008 GAERC conclusions.

<sup>8</sup> A readmission agreement with Albania has been in force since May 2006.



In line with the Thessaloniki agenda and the June 2007 Council (GAERC) conclusions, the Commission is taking steps towards preparing for *visa liberalisation* with the Western Balkans. In its enlargement strategy paper of November 2007, the Commission announced its intention to start a dialogue with each country with a view to establishing road-maps on the conditions to be met for lifting the visa requirement.

The Council in its conclusions of 28 January 2008 welcomed the intention of the European Commission to launch soon a visa dialogue with all the countries in the region. It expressed its readiness to further discuss this issue, based on the present Communication, 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.

The Commission started visa liberalisation dialogues with Serbia in January and with the former Yugoslav Republic of Macedonia and Montenegro in February. The dialogue with Albania will start in early March. Bosnia and Herzegovina will follow.

Road-maps will be drawn up by the Commission in consultation with the Council. The Western Balkan countries will provide input in this context. The road-maps will cover four sets of issues: document security, illegal migration, public order and security as well as external relations. The road-maps will be tailor-made to allow each country to focus reform efforts and address the EU's requirements. The Commission's intention is to finalise the roadmaps as soon as possible after the launching of each dialogue, in order for the necessary reforms to start being implemented promptly.

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 will also be taken into consideration. The Commission will provide financial and technical assistance to support implementation of the road-maps.

The Commission and the Council will 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 539/2001<sup>9</sup>.

### ***More scholarships for students from the Western Balkans***

The Commission has been offering an increasing number of scholarships for students from the Western Balkans under *Erasmus Mundus* programme: 100 as of the academic year 2007/2008 for postgraduate students following master courses ("Western Balkans window"), and up to 500 for the academic year 2008/2009 for students at all levels or academic staff (under the "external cooperation window"). Up to € 10 million of Community support has been earmarked annually for these activities.

Following the Council meeting of 28.1.2008, the Commission intends to double this annual allocation, which would enable several hundreds additional students to receive a scholarship as of the academic year 2009/2010.

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<sup>9</sup> Council Regulation (EC) No 539/2001 of 15 March 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).

The Commission invites the Member States to increase the number of scholarships granted under their own *bilateral scholarship programmes* for students from the Western Balkans.

### ***Participation in Community programmes and agencies***

Candidate and potential candidate countries are entitled to participate in *Community programmes* on the basis of Framework Agreements. Participation in these programmes is an important means of facilitating integration, cooperation and policy development. The Community provides support and, in some cases, favourable terms for their participation.

The Commission has been working closely with the countries in 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" programmes. Further programmes will be opened to more Western Balkan countries in 2008-2009.

Western Balkan countries can also participate in *Community agencies* on a case-by-case basis. Preparations for participation in certain agencies are going ahead, in particular for Croatia and the former Yugoslav Republic of Macedonia. A number of Community agencies receive support from IPA to prepare for the participation of the Western Balkan countries.

In 2008, the Commission will adopt a Communication by which potential candidate countries will participate on equal terms with candidate countries in Community programmes, including in terms of the Community co-financing rate for their participation, which will be raised (from 75 to 90%).

### ***Other activities in the areas of science and research, education, culture, youth and media***

Cooperation with the EU and within the Western Balkans in the area of *science and research* is intensifying. The Western Balkan countries are increasingly involved in activities under the 7th Framework Programme on research: the number of projects submitted from the region has increased substantially and a new cooperation instrument for the Western Balkans has been established (Inco.net).

The Western Balkan countries, supported by the Commission, are drawing up an integrated research policy, in line with the European Research Area. Activities of the Joint Research Centre have been opened to scientists from the Western Balkans. A "Steering platform on research for the Western Balkans", involving all stakeholders and aiming at strengthening the research capacity in the region, was launched in June 2006, and has since met twice a year.

Activities in the area of *education and culture* in the Western Balkans are fostering development of human resources and contributing to reconciliation. They include the establishment, in 2007, of an Education Reform Initiative in South East Europe and the European Training Foundation's work in the region. Extensive cooperation between academic institutions from the Western Balkans and the EU Member States in the field of higher education is taking place under the *Tempus* programme. Annual Community support to the Western Balkans under this programme totals € 20 million.

A conference on "Cultural Policies and Practices in EU Foreign Relations" will be held in May in Ljubljana within the framework of 2008 as European Year of Intercultural Dialogue.

It will focus in particular on the Western Balkans. The Commission has been implementing, jointly with the Council of Europe, a regional programme to protect *cultural heritage* in South East Europe covering to date 177 buildings and sites.

The Commission also participates in and supports initiatives on *media reform*. A conference on broadcasting media will be held in June 2008 in Istanbul.

Support for *youth activities* in the Western Balkans (youth exchanges, European Voluntary Service projects, training and networking) is provided through a special “window” of the EU Youth in Action programme. These activities, initiated in 2007, will be further developed in 2008.

### ***Cross-border cooperation***

Cross-border cooperation helps reconciliation and good neighbourly relations, while also facilitating the integration of the beneficiary countries into the EU. This is particularly relevant in a region with a recent history of conflict. Cross-border cooperation programmes support people-to-people contacts by involving local stakeholders in joint activities and by assisting in the development of cross-border investments.

Community assistance to cross-border cooperation in the Western Balkans under IPA has been extended to cover the borders among the Western Balkan countries, in addition to those of Western Balkan countries with adjacent EU Member States. This assistance was substantially increased and will amount to a total of around € 50 million annually for the period 2007-2011, as compared to an annual average of € 20 million for the period 2004-2006.

### **3. Civil society development and dialogue – A new civil society facility**

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.

EU assistance for civil society development and dialogue in the Western Balkans has been provided under previous instruments and will be given special attention under IPA. A broad range of organisations have received support, in particular in the areas of inter-ethnic relations, protection of minority rights, including Roma, poverty reduction, environmental protection and social development.

Overall support to civil society in the Western Balkans under national and regional programmes totalled € 27 million in the period 2005-2007. Additional assistance is provided under cross-border cooperation programmes, as well as under the European Instrument for Democracy and Human Rights (EIDHR)<sup>10</sup>.

In its November 2007 strategy paper, the Commission announced that it will establish a *new facility to promote civil society* development and dialogue. Cooperation will embrace sectors

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<sup>10</sup> EIDHR assistance to the Western Balkans totalled € 9.0 million for the period 2005-2007. For 2008, an EIDHR allocation of € 5.7 million is envisaged for the Western Balkans.

such as human rights, gender equality, social inclusion, health, environment, business advocacy and representation, media, culture and consumer policy. The facility will cover three areas of activity:

- 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;
- 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.

Projects will be developed both in the national and in the multi-beneficiary programmes under IPA. A multi-beneficiary IPA programme will support all strands of the facility with technical assistance. Technical assistance will also be provided for training, to stimulate capacity-building and networking and to disseminate the results. Funding of civil society activities in the Western Balkans over the period 2008-10 will approximately triple compared to the period 2005-07. A civil society conference to launch the new facility will be held in Brussels in April 2008.

The Commission will initiate a dialogue with churches and religious groups, considering their potential for driving reconciliation. This will familiarise these groups with the structures and procedures of the EU and will allow an exchange of views.

#### **4. Good governance**

The Commission 2007 enlargement strategy paper placed a high priority on basic governance issues, including institution building, judicial and administrative reform and the prevention of organised crime and corruption. Full cooperation with the International Criminal Tribunal for former Yugoslavia (ICTY) remains a condition on the way towards the EU for the countries concerned.

##### ***Cooperation in the area of justice, freedom and security***<sup>11</sup>

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

The *Ohrid Process on border security management* (co-sponsored by the Commission) was successfully completed at the end of 2007. Cooperation in this area will continue under the RCC.

The Western Balkans is a priority area of *Europol*. Strategic agreements with Europol were signed in 2007 by Albania, Bosnia and Herzegovina and the former Yugoslav Republic of

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<sup>11</sup> For visas, see Section 2

Macedonia, while similar agreements are being negotiated with Montenegro and Serbia. A more advanced operational agreement between Europol and Croatia has been in force since 2006. Croatia also signed a cooperation agreement with *Eurojust*<sup>12</sup> in November 2007.

The EU supports closer cooperation between Europol and the *SECI*<sup>13</sup> *Regional Centre for Combating Transborder Crime*, based in Bucharest. A cooperation agreement between the two organisations should be concluded once the new SECI Convention (SELEC – South East European Law Enforcement Centre), providing for rules on personal data protection, is adopted. This is in line with the conclusions on further development of the SECI Centre, adopted at the December 2006 Justice and Home Affairs (JHA) Council.

The Commission supports the initiative of the Slovenian Presidency for *South East Europe Organised Crime Threat Assessments (SEE-OCTA)* to be drawn up by the Western Balkan countries with the assistance of the SECI Centre and Europol. A conference on SEE-OCTA will be held in Vienna in March 2008. The initial results of these assessments will be presented at the JHA Council in June 2008.

Cooperation between the EU and the Western Balkan countries in the areas of *counter-terrorism* and *combating trafficking* will be stepped up. The EU agency coordinating work on border security (FRONTEX) is intensifying cooperation with several Western Balkan countries on the basis of working arrangements.

The Commission will continue providing substantial assistance to regional projects related to JLS issues, including regional cooperation between prosecutors, cross-border cooperation between police and customs services and action in the field of asylum, migration and visa policies.

### ***Regional School of Public Administration (ReSPA)***

The *Regional School of Public Administration (ReSPA)* was created in May 2006 on the initiative of the Commission. It has been operating since November 2006 as a network aiming to boost regional cooperation in the field of public administration, to strengthen administrative capacity and to develop human resources in this field. A number of training activities have been taking place since late 2006.

The objective is to establish a fully fledged regional school of public administration in early 2009. Preparatory work is under way and, in January 2008, the ReSPA Steering Committee designated Danilovgrad (Montenegro) as the future seat of the school. Preparations for the signing of the host country agreement, providing for the legal personality of ReSPA, have started and the procedures for appointment of the director and recruitment of staff will be launched in the course of 2008. In May 2008, a Memorandum of Understanding will be signed among the beneficiaries.

The European Institute of Public Administration will be closely involved in the new phase of the ReSPA project. Active cooperation with the national schools of public administration in the Member States is also being sought.

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<sup>12</sup> EU body established in 2002 to enhance the effectiveness of the competent authorities in the Member States dealing with the investigation and prosecution of serious cross-border and organised crime.

<sup>13</sup> SECI – South East Europe Cooperation Initiative.

The Commission supports the establishment of ReSPA and provides funding for the preparatory stages of the project. The running costs of the School will be covered by the participating states.

### ***Twinning, TAIEX and SIGMA activities – EU awareness sessions for stakeholders in the Western Balkan countries***

Twinning<sup>14</sup> and TAIEX<sup>15</sup> activities, aimed at familiarising the administrations of the candidate and potential candidate countries with the EU *acquis* and European standards, form a substantial part of Community assistance to the region.

*Twinning* is available in the Western Balkans for all *acquis* sectors. Fifteen new twinning projects have been initiated in the region since March 2006, with a total budget of € 16.5 million, covering justice and home affairs, public finance and the internal market (including customs and taxation), the social sector and agriculture. These activities will continue.

The Commission's *TAIEX* activities in the Western Balkans cover all areas of EU legislation, with a special focus on the internal market, agriculture and justice and home affairs. Translation of the *acquis* and terminology issues are also covered. Around 14 000 officials from the region have benefited directly from TAIEX assistance since March 2006, and more than 530 training and information events have been organised. TAIEX activities will be further extended on EU legislation, state-building, good governance and socio-economic reform. A special institution-building facility for Kosovo and a programme for bringing together Western Balkan civil society representatives with their EU counterparts (see above) will be launched with the aid of the TAIEX instrument.

TAIEX will organise a series of *tailor-made seminars* in each potential candidate country on topics covering general issues concerning European Union policies, structures and pre-accession processes as well as key areas of EU legislation.

The Commission will continue providing assistance under the *SIGMA*<sup>16</sup> institution building instrument covering horizontal areas of public management (public administrative reform, public procurement, public sector ethics, and external and internal financial control).

## **5. Parliamentary cooperation**

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

Cooperation between the European Parliament and the parliaments of the Western Balkan countries has continued through the *Joint Parliamentary Committees* with Croatia and the former Yugoslav Republic of Macedonia and *Inter-parliamentary meetings* with Albania,

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<sup>14</sup> The twinning instrument was launched by the Commission in 1997 for target administrative cooperation in the enlargement context to help the administrations of the then candidate countries with the introduction and proper application of Community law. Twinning has evolved as a specific instrument for administrative peer assistance, involving experts from EU Member States.

<sup>15</sup> TAIEX: Technical Assistance and Information Exchange Instrument.

<sup>16</sup> SIGMA: Support for Improvement in Governance and Management. Initiative implemented in cooperation with the OECD and financed through a series of contribution agreements totalling annually around € 5 million.

Bosnia and Herzegovina, Montenegro and Serbia. Informal meetings of this kind have also been held with Kosovo. Cooperation will continue, with seminars and inter-parliamentary colloquia. The European Parliament (Committee on Foreign Affairs - AFET) is considering supporting the RCC in its activities in the area of parliamentary cooperation.

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

## **6. Trade integration – Central European Free Trade Agreement (CEFTA)**

The enlarged and amended *Central European Free Trade Agreement (CEFTA)* was signed in December 2006 and entered into force for all parties in November 2007. It will contribute to attracting foreign direct investment, fostering intra-regional trade and integrating the region into the global trading environment. Regional trade integration through CEFTA complements trade integration between the countries in the region and the EU under the Stabilisation and Association Agreements (SAA) and Autonomous Trade Measures (ATM). A new Secretariat supporting the rotating CEFTA chairmanship will be in place in Brussels by April 2008.

The Commission will continue providing technical and financial assistance to the parties. It will also support the new Secretariat financially for the first three years.

EU-Western Balkans *diagonal cumulation of rules of origin*<sup>17</sup> is being established for interested countries in the region. The necessary provisions, including cumulation with Turkey for products covered by the Customs Union, have been included in the SAAs or in Additional Protocols, negotiated in 2007. They will come into effect upon the entry into force of the relevant Interim Agreements and Additional Protocols. In October 2007, the Euro-Med Trade Ministers endorsed extension of the Pan-Euro-Med scheme of diagonal cumulation to the countries of the Western Balkans. Technical preparations to that end are in progress and the formal decisions are expected in the course of 2008. The Commission is exploring ways to ensure a more rapid application of diagonal cumulation between the Western Balkans, Turkey, EFTA and the EU. The Commission will continue to provide technical and financial support to customs and tax administrations, in particular in view of the entry into force of the diagonal cumulation zone.

*Accession to the WTO* is fundamental for fostering economic and trade reforms. The Commission continues to provide technical assistance to Bosnia and Herzegovina, Montenegro and Serbia for their accession negotiations with the WTO. Other measures to support trade integration include participation in tenders under the new pre-accession and neighbourhood instruments (IPA and ENPI) and continued significant financial support for alignment of the Western Balkan countries with the main trade-related parts of EU legislation.

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<sup>17</sup> Diagonal cumulation of rules of origin is a system facilitating regional trade integration. It enables a country to transform and export a product under preferential trade treatment to the EU, even though part of the product's input originated from another country participating in the scheme.

## **7. 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. This strategy aims to enhance growth and job creation and prepare the EU to face the challenges of globalisation, ageing and climate change. Agriculture and rural development are also central, and due attention should be paid to their role in the region's economic and social development. The Commission cooperates closely with IFIs and other donors to address the basic needs of the region in terms of economic and social development.

### ***Support to economic stabilisation and reforms in the region***

The Western Balkan countries continue 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. They also need to prepare for future participation in the multilateral surveillance and economic policy co-ordination procedures as part of Economic and Monetary Union. The Commission supports their efforts. The candidate countries have developed pre-accession economic programmes which set out their proposals for reform. In addition, since December 2006, the potential candidate countries prepare annual economic and fiscal programmes which are assessed by the Commission. A regular bilateral economic dialogue between the Commission and the respective countries is held. The Western Balkan countries may also benefit from EC macro-financial assistance.

### ***Cooperation with IFIs for economic and social development***

The Commission is committed to closer coordination with the EIB, the EBRD and other IFIs supporting modernisation and development in the Western Balkans. The Commission and the IFIs are focusing on three priority areas: micro- and small and medium-sized enterprises (SMEs), energy efficiency and infrastructure.

In March 2007, an IFI advisory group was established covering regional transport, energy and environmental projects, municipalities and public-private partnerships as well as social issues including health, education, employment, and labour market .

In November 2007, the Commission agreed with the EIB, the EBRD and the Council of Europe Development Bank to create an Infrastructure Projects Facility for the Western Balkans. The Facility is being launched with a budget of €16 million. It will help prepare investment projects to be financed from grants and loans in the areas of transport, energy, the environment and social infrastructure. The Facility will soon be widened to include other interested donors and additional forms of cooperation. The Commission, the EIB, the EBRD and the Council of Europe Development Bank committed to establish a Western Balkans Investment Framework by 2010 with other IFIs and donors to further enhance harmonisation and cooperation in investments for socio-economic development in the region.

### ***Small and medium-sized enterprises (SMEs)***

The *European Fund for South East Europe (EFSE)* provides commercial banks and non-bank financial institutions with loan facilities to support development of micro-enterprises and households. The EFSE has provided micro-credit to more than 65 000 small enterprises in the region over the past two years. The Fund has also succeeded in attracting private capital for



micro-lending. The Commission has been participating in the EFSE since 2006. The Commission is analysing the feasibility of future initiatives to support small business in the region.

A number of activities involving policy evaluations and regional meetings have been taking place within the framework of the *European Charter for Small Enterprises*, which has been extended until 2009 for the Western Balkans. The countries in the region are now being integrated in the new *Enterprise Europe Network*, the EU's network of SME support services.

### ***Employment policy and social issues***

A number of regional initiatives in the area of employment policy, social issues and social dialogue have taken place over the last two years with Commission support. Under the “Bucharest process”, reviews of each country’s employment policy continued and work was initiated on occupational health and safety and on networking public employment services. Several regional meetings and conferences have been held on employment, social dialogue and social protection issues. In October 2007, common policy priorities were agreed by the Western Balkan ministers for employment, labour and social affairs (“Budva conclusions”). A declaration on social security coordination was also signed by ministers of social affairs (“Tirana Declaration”). Community assistance is being provided to a programme on coordination of the social security systems. These activities will continue. An informal meeting of ministers for labour and social affairs on youth employment will be held in June 2008.

### ***Energy***

Energy supply is crucial for sustaining economic development in South East Europe.

The aim of the *Energy Community Treaty*, which entered into force in July 2006, is to establish a stable regulatory and market framework capable of attracting investment in energy generation, transmission and networks. A single regulatory area in the region, aligned with EU legislation, will help overcome market fragmentation, ensure security of supply and contribute to improving the state of the environment. This means that key parts of the energy *acquis* are now fully applicable in the Western Balkans.

All institutions provided for in the Treaty have been set up and are operating. The main stakeholders of the electricity and gas sectors are meeting regularly. In 2007, a conference on investment in energy infrastructure was held and a list of priority energy infrastructure projects was adopted. In addition, a Memorandum of Understanding was signed to address the social dimension of the Energy Community better.

In 2007, a new *energy efficiency facility* for the Western Balkans was established under IPA in cooperation with IFIs. The Commission intends to expand this facility.

### ***Transport***

Development of a reliable transport network is an essential requirement for the region’s economic progress and social integration, and also for easier access to the EU transport network and the internal market.

The Commission is proposing negotiating directives for a *Transport Community Treaty with the Western Balkans*. The purpose is to work towards an integrated market for road, rail,

inland waterways and maritime transport in the Western Balkans region. The proposal follows exploratory talks on cooperation in the field of transport launched in early 2007 with all countries neighbouring the EU and successfully concluded with the Western Balkans<sup>18</sup>.

The South East Europe Transport Observatory (SEETO) and the Secretariat for the (2004) MoU for the development of the *South East Europe Core Regional Transport Network* have prepared multi-annual plans, indicating priorities for the region. The Commission will continue to provide financial and technical assistance for further work in this area.

The Agreement on the *European Common Aviation Area (ECAA)* was signed in June 2006. The aim is to integrate the Western Balkan countries into the EU's internal aviation market. Under the ECAA, Western Balkan countries will fully implement EC aviation law, including high standards of safety and security, while their airlines will have open access to the enlarged European single market in aviation. The Commission encourages the contracting parties to ratify the agreement swiftly so that it can enter into force as soon as possible. The Commission will provide technical assistance for implementation of the agreement.

### ***Disaster prevention, preparedness and response***

The major forest fires in the summer of 2007 and frequent floods in the region show the need for the countries of South East Europe to build up their capacity and to enhance regional cooperation in the field of civil protection and disaster prevention. This includes developing disaster management information systems, acquiring equipment and emergency communication tools, increasing capacity and improving the interoperability of civil protection services, fire brigades, hydrological and meteorological services and the health sector. The Commission will aim to involve candidate countries closely and fully associate the potential candidate countries in the Community's activities in the field of civil protection.

In 2008, the Commission will launch a *Disaster Risk Reduction Initiative* to prepare a regional strategy and to develop the capacity of the Western Balkan countries and Turkey for data collection, processing and sharing. The programme will be implemented in close cooperation with stakeholders in this field – the World Bank, the UN, the RCC and the Disaster Preparedness and Prevention Initiative for South East Europe (DPPI SEE) – and will complement their activities. In particular, it will focus on synergies with the World Bank/UN “Disaster Risk Mitigation and Adaptation Initiative”.

The *Community Civil Protection Mechanism* facilitates preparedness for and response to major emergencies, while the *Community Civil Protection Financial Instrument* provides the legal basis for financing all EU activities in the field of civil protection. Since 2007 both these instruments have been open to participation by the candidate countries and allow cooperation with other third countries, including potential candidate countries.

The Commission supports full and prompt participation by the candidate countries in the civil protection instruments. Participating countries will be able to take part in all Community activities in the field of civil protection, including calls for proposals, training programmes, simulation exercises and the real-time response to requests for civil protection assistance via the Mechanism.

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<sup>18</sup> This proposal is included in a package adopted in parallel with the present Communication.

The Commission also encourages the potential candidate countries to make appropriate use of the possibility to cooperate under the Community Civil Protection Mechanism and the Civil Protection Financial Instrument. This cooperation could cover areas falling within the scope of both instruments, including disaster risk reduction, monitoring, information and early-warning systems, emergency communication tools, increasing operational capacity and improving the interoperability of civil protection services. The potential candidate countries should be gradually integrated in the development of the EU rapid response capability based on civil protection modules. In case of a disaster, these countries can also benefit from civil protection assistance of EU Member States delivered under the Mechanism.

Candidate countries negotiating accession are eligible for assistance from the EU Solidarity Fund. In case of a disaster, all Western Balkan countries may receive assistance also under Humanitarian Aid.

The *Disaster Preparedness and Prevention Initiative for South East Europe (DPPI SEE)*, initiated under the Stability Pact, has been developing an institutional framework and intensifying its activities in areas such as flood response, seismic hazards and exploring the possibility of creating a Joint Emergency Response Unit and a disaster management training programme. A high-level conference on disaster preparedness and prevention will be hosted in Sofia in April 2008 by Bulgaria, as SEECPC Chair. The Commission will continue cooperating with the DPPI SEE and the Regional Cooperation Council. It will seek to ensure that the regional initiatives are fully consistent with the Community action in the area of civil protection.

#### ***Danube: environmental protection and navigation***

The Commission supports a wide range of initiatives and organisations aiming at environmental protection, better use of inland waterway transport capacity and a high level of disaster prevention for the Danube. In particular, action is being taken under the auspices of the International Commission for the Protection of the Danube River (ICPDR): the recent joint statement on navigation and environmental sustainability for the Danube will make an effective contribution to developing an integrated approach for each specific project. The Commission has been conducting negotiations for the Community's accession to the Danube Commission, which regulates navigation on the river.

### **8. Community financial support and donor coordination**

Since 2007, the EU provides *financial support* to the Western Balkans through the new Instrument for Pre-accession Assistance (IPA)<sup>19</sup>.

IPA streamlines all pre-accession assistance within a single framework. It places more focus on ownership of implementation by the beneficiary countries, on support for cross-border cooperation, and on "learning by doing". It prepares candidate countries to implement the regional, social, rural development and cohesion funds upon accession.

The Western Balkans will receive around €4 billion under IPA for the period 2007-2011. This is the equivalent of € 30 per capita per year, by far the highest amount provided by the EC to any region in the world.

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<sup>19</sup> IPA covers all candidate and potential candidate countries, i.e. the Western Balkans and Turkey.

Particular emphasis will be given to state-building, rule of law, reconciliation, administrative and judicial reform, the fight against corruption and organised crime, and economic reforms, areas which the Council has stressed should be addressed at an earlier stage in the accession process.

The European Investment Bank will increase its lending to the region (from a total of € 1.9 billion for 2005-2007, to an estimated € 2.8 billion for the period 2008-2010). This includes lending covered by the Community budget guarantee and lending at EIB's own risk. EIB lending activities in the Western Balkans focus primarily on projects in the areas of transport, energy, small and medium-sized enterprises, environment, municipal infrastructure, education and health.

A major effort is being made in support of Kosovo. More than € 1 billion from different EU financial instruments are planned to assist Kosovo's development and to finance the international presence for the period 2007-2010.

*Coordination between the Commission and other donors* is crucial for ensuring the complementarity, coherence, effectiveness and efficiency of assistance. The Commission is redoubling its efforts in this area, involving the EIB, the EBRD, other international financial institutions and bilateral donors. This is intended to leverage the maximum amount of support possible, bringing together grants and loans to focus on the region's main modernisation and development needs.

In 2006, the Commission signed a Memorandum of Understanding with several IFIs<sup>20</sup> on coordination and cooperation in supporting the candidate and potential candidate countries. At local level, a consultation mechanism on IPA programming was established in 2007 with Member States' embassies, local offices of IFIs and non-EU donors in the beneficiary countries. This coordination will be continued and intensified.

Early involvement and consultation of beneficiaries throughout the entire programming cycle will continue to be ensured both at local level and through the organisation of regular regional meetings.

In December 2007 the Commission met with all bilateral donors who have major programmes in the Western Balkans and also with representatives of the IFIs. This established a framework for closer cooperation in providing assistance to the region. In June 2008, the Commission will organise a high-level follow-up meeting. The aim is to coordinate implementation of assistance from all key actors in the region, both by country and by sector.

The Commission is preparing a *donors' conference for Kosovo* aiming to secure financial assistance to help Kosovo implement its status and to promote socio-economic development for all communities. EU Member States and other international donors will be invited to contribute.

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<sup>20</sup> The EIB, the EBRD, the IBRD and IFC, the Nordic Investment Bank, the Nordic Environment Finance Corporation, the Council of Europe Development Bank and the Black Sea Trade and Development Bank.

### III. CONCLUSIONS

The Council and Parliament are invited to take note of the following conclusions.

- The future of the Western Balkans lies in the EU. The EU stresses the importance of peace, stability and security in this part of Europe, and welcomes all efforts of the Western Balkan countries to come closer to the EU, meeting the necessary conditions. The Western Balkans have the potential to accelerate their course towards eventual EU membership, provided they pursue the path of reform and reconciliation, and meet the necessary conditions. The EU will assist them in this endeavour.
- The current year is a crucial one for the Western Balkans. Ultimately, it is the democratically elected leaders of the region who will determine whether their countries will move decisively forward towards stability and a European future.
- Substantial progress can be made with Croatia this year, which can be a decisive one for Croatia's accession negotiations, provided the country makes significant progress in a number of key reform areas and meets the benchmarks. Croatia needs to address without delay the issue of the Ecological and Fisheries Protection Zone, in line with Council conclusions.
- The former Yugoslav Republic of Macedonia needs to meet the key priorities, which have been set as benchmarks, in order to demonstrate its readiness to undertake accession negotiations. The Commission considers that, with sufficient political determination, and sustained efforts, the necessary progress can be made in 2008. Any recommendation from the Commission will be based on its autumn progress report.
- Albania's further progress towards the EU depends in particular on satisfactory implementation of the Stabilisation and Association Agreement, ensuring that future elections will meet international standards and strengthening the rule of law, especially the fight against corruption and organised crime.
- Montenegro's further progress towards the EU depends on strengthening the rule of law, especially the fight against corruption and organised crime, enhancing administrative capacity and broadening the consensus on state-building. Satisfactory implementation of the Stabilisation and Association Agreement is essential.
- As soon as Bosnia and Herzegovina meets the outstanding conditions, the Stabilisation and Association Agreement can be signed. The Commission considers that with the necessary political will and consensus, this can be achieved soon.
- Serbia has a crucial role to play in ensuring stability, good neighbourly relations and regional cooperation in the Western Balkans. The Commission recalls the European Council conclusions of December 2007 that progress on the road towards the EU, including candidate status, can be accelerated. It calls on Serbia to reaffirm its commitment to a future within the European Union.
- The EU remains committed to support Kosovo's political and economic development. Kosovo has, like the rest of the Western Balkans, a clear and concrete EU perspective. To

this end, the Commission will use available instruments, in particular to promote democratic reforms, good neighbourly relations and economic progress.

- Basic issues of state building, good governance, administrative and judicial reform, rule of law including the fight against corruption and organised crime, reconciliation, socio-economic development, and civil society development, are key reform priorities for the Western Balkans. Full cooperation with the International Criminal Tribunal for former Yugoslavia (ICTY) remains a condition on the way towards the EU for the countries concerned.
- The Commission is starting a dialogue with all concerned countries in the region to establish as soon as possible road-maps on the conditions for lifting the visa requirement. Progress in this process will be monitored by Council and Commission.
- The Commission will further increase the number of scholarships granted to students from the Western Balkans to study in the EU.
- Efforts to ensure the full participation of the Western Balkan countries in Community programmes and agencies will be stepped up.
- Commission support to civil society development and dialogue will increase substantially. A new financial facility is being established to that end.
- The Commission supports the Regional School of Public Administration (ReSPA) and its development into a fully fledged school to be established in Danilovgrad, Montenegro, as of early 2009.
- Coordination with International Financial Institutions, in particular the EIB and the EBRD, and with bilateral donors will be stepped up in order to mobilise grants and loans for modernisation and development. The Commission, the EIB, the EBRD and the Council of Europe Development Bank committed to establish a Western Balkans Investment Framework by 2010 with other IFIs and donors. A Western Balkans Infrastructure Initiative is being launched by the Commission and a number of IFIs and bilateral donors. The Commission is analysing the feasibility of further initiatives that would increase the leverage of actions in support of the EU's strategic objectives in the region.
- The Commission proposes a new disaster risk reduction initiative. This will help the countries in the region to develop their capacities in this area. The Commission will also aim to associate the Western Balkan countries in the Community mechanism and instrument in the field of civil protection.
- Parliamentary cooperation among the Western Balkan countries, as well as cooperation between the European Parliament and national parliaments will be intensified. The aim is to transfer best practices and to foster reconciliation.
- Further development of regional cooperation is an integral part of the Western Balkans' European agenda. The recent transition of the Stability Pact to the Regional Cooperation Council (RCC) is a major positive step. The Commission supports the RCC and other cooperation frameworks, including CEFTA, the Energy Community Treaty and the Agreement on a European Common Aviation Area. It also proposes the negotiation of a Western Balkans Transport Community Treaty.

- Regional cooperation brings concrete benefits to the peoples of the Western Balkans and assists them in drawing closer to the EU. It requires continued support from the EU and will be closely monitored by the Commission.