



# Recent developments in the Stabilisation and Association Process

9th REReP Task Force meeting  
Skopje September 2006



# Stabilisation and Association Process

- The SAP pursues three aims:
  - stabilisation and a swift transition to a market economy
  - promotion of regional cooperation
  - the prospect of EU accession



# Elements of the SAP

- **Stabilisation and Association Agreements**
  - Contractual basis for relations
- **European Partnerships**
  - Identify priorities (short and medium term)
- **National programmes to meet priorities**
- **Monitoring and reporting**
- **Financial assistance to meet the priorities through CARDS until 2006**
- **Financial assistance from IPA in 2007-2013**



# Accession to the EU

- Croatia:
  - Negotiations opened in October 2005
  - Screening exercise underway
- Former Yugoslav Republic of Macedonia:
  - Candidate status granted in December 2005
  - Negotiations not opened yet: report on country situation due in November



# Stabilisation and Association Agreements

- Croatian SAA in force since February 2005
- Macedonian SAA in force since April 2004
- Albanian SAA signed in June 2006
- Negotiations with Bosnia and Herzegovina ongoing
- Montenegro negotiations resumed following independence
- Serbia negotiations to resume



# SAAs/SAP and environment

- Croatian SAA Sub-Committee on Environment in place
- Macedonian SAA Sub-Committee on Environment in place
- Albania: Working Party on Environment
- Bosnia and Herzegovina: Reform Progress Monitoring on Environment
- Montenegro: EPD Sector Meeting on Environment
- Serbia: EPD Sector Meeting on Environment
- Kosovo: STM Sector Meeting on Environment



# European Partnerships

- First Partnerships adopted in 2004
- Revised in 2005 to take account of developments in the countries/entities
- Environment priorities: approximation to EU legislation, plans and strategies, capacity building, infrastructure financing plans
- Countries/entities have drawn up Action Plans detailing how they plan to achieve the priorities of their respective Partnerships



# Monitoring and Reporting

- Progress reports on approximation to EU legislation, norms and standards:
  - issued every year for the countries/entities participating in the SAP
  - takes into account European Partnership priorities and SAA obligations
  - next one due in November 2006



# Financial Assistance

- CARDS (2000-2006)
  - CARDS national programmes
  - Croatia: PHARE, ISPA
  - CARDS regional programme: REReP
- IPA (2007-2013)
  - Council Regulation adopted on 17 July 2006
  - Financial envelope: almost 11.5 billion € (2004 prices)
  - Pre-Accession Instrument to assist candidate and potential candidate countries



# Financial Assistance: IPA

- Five components:
  - I: Transition Assistance and Institution Building
  - II: Cross-Border Co-operation
  - III: Regional Development
  - IV: Human Resources Development
  - V: Rural Development



# Financial assistance: IPA

- Potential candidate countries
  - Access to funds under components I and II
  - Components III, IV and V-type measures eligible under component I
  
- Candidate countries
  - Access to the five IPA components to help countries to
    - a) adopt and implement the acquis
    - b) prepare for EU funds on accession



# Other regional initiatives: DABLAS

- Water investment projects considered by the DABLAS Task Force to be the main priority from a regional point of view
- Projects divided into four project pipeline stages:
  - Stage 1: nearly approved or approved financing (contributing to improvements in waste water)
  - Stage 2: negotiations ongoing
  - Stage 3: feasibility stage (either completed, ongoing or to start soon)
  - Stage 4: pre-feasibility stage



# DABLAS developments in 2006

- 39 projects in the pipeline, of which 18 in SEE countries
- 14 projects have secured approval since 2002, of which 3 in Croatia and 1 in Bosnia and Herzegovina
- 15 new projects were included in the DABLAS project pipeline in the Task Force meeting of July 2006 (2 in Bosnia and Herzegovina, 2 in Croatia, 2 in Serbia and 1 in Serbia/Bosnia and Herzegovina)



## Other regional initiatives: Infrastructure Steering Group

- REReP, PEIP and DABLAS processes should assist IFIs in deciding whether or not to support projects financially
- Priority projects coming through these mechanisms need to be placed in the context of the wider Public Investment Programs (PIPs) of each country



## Other regional initiatives: Energy Community Treaty

- The Treaty came into force on 1 July 2006
- Created the largest internal energy market in the world
- Free movement of electricity and gas in return for the assurance of minimum environmental and commercial standards.
- It extends EU environmental standards to EU neighbours



# Conclusions

- Several EU instruments assist SEE countries in their reform efforts
- Lessons learnt from other regional processes can feed into similar activities in SEE countries
- Integration of environmental standards into other sectors should be pursued
- The EU will continue financial support to SEE, through IPA