South East Europe: stabilisation and association process. 2nd annual report 2003

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PURPOSE: to present the second annual report on the Stabilisation and Association process for South East Europe. CONTENT: this second annual report on the stabilisation and association process for southeast Europe confirms the European Union's continuing commitment to supporting the transition phase of the five Western Balkan countries as they emerge from war and conflict. A commitment underpinned by the Member States at the Copenhagen summit in December 2002. The report assesses progress in Albania, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia and Serbia and Montenegro. Each country is given an individual assessment, which is annexed to this, the Composite Report. The second annual report suggests that increased stability and progress is being achieved - in spite of a number of notable shortcomings. Overall progress has been positive and can be seen in such areas as the restoration of stability, an improvement in security, the fact that all five countries can lay claim to democratically elected governments, a massive reconstruction process across the region, a substantial number of refugees and internally displaced persons returning home and lastly, the ongoing reforms evident in various sectors of society. The "normalisation" of everyday life in the Western Balkans is now a reality. At the same time however, the report reveals shortcomings and slow progress in the reform process in several of the countries here listed. Indeed a theme running through the report and those of the individual countries is the generally poor record on implementation. Shortcomings have been identified in: - the establishment of democratic institutions, - public services, - an application in the rule of law and human rights, - the fight against organised crime, - continuing endemic corruption, - the lack of reform of the judicial system, - the return of displaced persons and refugees, - the uneven collection of revenues, - a high rate of unemployment, and - a high dependence on foreign credit. In light of this trend the Commission report has identified five important messages it wishes to convey: 1) The EU's continuing commitment to the region. The Commission will continue to strive for closer integration between the two regions. The report gives warning though that rapprochement will depend on the introduction of urgent reforms. It also urges these countries to show greater adherence to European standards and values. As the report unambiguously announces, "There are no short cuts to European integration." 2) The process of stabilisation and association needs to be consolidated. Efforts should thus be multiplied to foster security, democracy and prosperity in the region. 3) The Commission notes that many of the recommendations put forward in the first report have not been taken up in the Western Balkans. A continuing lack of political will to enthusiastically implement reforms is identified as the culprit. In response, the Commission urges governments in the Western Balkans to make a greater effort of implementation. 4) The Commission urges those countries participating in the SAPto focus on the concrete steps to be taken to move towards reforms, through, for example, the definition of modalities and the creation of deadlines. 5) A recognition that an improvement in the overall perception of the EU with the populations of the Western Balkan countries needs to be addressed. The second annual report stresses that the EU is not just an economic entity but that its existence is very much based on shared common values and reminds countries in the Western Balkans that enlargement in 2004 will put greater pressure on them to reform in line with these values. The forthcoming Council meeting in Thessalonica will give added impetus to the EU's future commitments to the western Balkans. This commitment is reflected in the fact that the Community has committed EUR 4,65 million to the region for 2002-2006.