Report on the strategy paper on progress in the enlargement process

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PURPOSE: to present the Commission's overall enlargement policy for the candidate countries Croatia and Turkey, and the potential candidate countries in the Western Balkans (Albania, Bosnia and Herzegovina, former Yugoslav Republic of Macedonia, Serbia and Montenegro and Kosovo).

CONTENT: Enlargement is one of the EU's most powerful policy tools and the pull of the EU has helped transform Central and Eastern Europe from communist regimes to modern, well-functioning democracies. Following the success of the enlargement that took place in 2004, the attraction of the Union remains and a series of other countries have made known their wish to become members to share its basic principles which are peace, stability, prosperity, It is vitally important for the EU to ensure a carefully managed enlargement process that extends peace, stability, prosperity, democracy, human rights and the rule of law across Europe. The countries in question are Turkey and Croatia (which already have the status of candidates and with whom the Union has already opened accession negotiations), and all the countries of the Western Balkans (Albania, Bosnia-Herzegovina, Serbia and Montenegro and Kosovo (all potential candidates). The Western Balkans is a particular challenge for the EU. enlargement policy since it will need to demonstrate its power of transformation in a region where states are weak and societies divided.

1) Enlargement strategy and conditionality: Enlargement policy is defined by Article 49 of the Treaty on European Union, which states that any European State which respects the EU's fundamental democratic principles may apply to become a member of the Union. The EU has set political and economic criteria for membership, as well as criteria related to the obligations of membership and the administrative capacity to implement and enforce the EU's laws and policies (otherwise known as the Copenhagen criteria).

The new enlargement strategy is based on **three basic principles**:

- **consolidation**: the Commission wants to ensure that EU commitments in terms of enlargement are consolidated which means that there is no further enlargement with a large group of countries at the same time in view. Accession negotiations with Turkey are a long-term process and the Western Balkans contains smaller countries at different stages on their road towards the EU. Future enlargements will go at the pace dictated by each country's performance in meeting the rigorous standards, to ensure the smooth absorption of new members;
- **conditionality**: The EU must remain rigorous in demanding fulfilment of its criteria, but fair in duly rewarding progress. Aspirant countries can only proceed from one stage of the process to the next once they have met the conditions for that stage. Moreover, the Commission is prepared to recommend the suspension of progress in case of a serious and persistent breach of the EU's fundamental principles, or if a country fails to meet essential requirements at any stage; and
- **communication**: The Commission needs to offer a clear strategy for future accessions that is based on objective conditions and realistic commitments. Better communication about previous enlargements is vital to ensure support for future accessions. Member States must bear their responsibility to explain and defend the policies they have agreed unanimously. The Commission will complement this effort by using a wide variety of routes to communicate its enlargement policy and counter misconceptions with evidence. It will seek to engage in a dialogue with key actors in politics, the media, academia, business and social partners in order to promote a better informed debate about both past and future enlargements. A vital part of the Commission's communications

strategy is the civil society dialogue, which aims to reinforce links between civil society in the EU and candidate countries in order to improve mutual understanding, address concerns, and encourage a high-quality debate.

The strategy paper first deals with the candidate countries, Croatia and Turkey, and then the Western

Balkan potential candidate countries. Please refer to the summaries of the detailed Progress Reports on each country: SEC(2005)1421 – **Albania**, 1422 – **Bosnia-Herzegovina**, 1423 – **Kosovo**, 1424 – **Croatia**, 1426 – **Turkey** and 1428 – **Serbia and Montenegro**. It then proposes a roadmap to be followed by each of these countries.

2) Roadmap:

- The EU's relations with **Croatia and Turkey** entered into a new phase on 3 October, when accession negotiations were opened. Negotiations will be based on the country's **own merits** and their pace will depend on the country's progress in meeting the requirements for membership.
- b) For the **other countries of the Western Balkans**, the Commission proposes a road map for realising their European perspectives, setting out the stages and conditions attached to each stage. Establishing a Stabilisation and Association Agreement **(SAA)** with the EU is a fundamental step in this process. **Albania** has made sufficient overall progress to establish implementation capacity, paving the way for concluding negotiations on such an agreement. **Serbia and Montenegro** have just opened SAA negotiations, and **Bosnia and Herzegovina** will do so shortly. Depending on the progress made in terms of introducing political, economic and institutional reforms, it should be possible to conclude these negotiations within a year from their opening.

  With the setting in place of the SAAs, these countries will move from the process of stabilisation and reconstruction to one of sustainable development, association and integration into European structures, achieving the aims set out at the Thessaloniki European Council in 2003. These agreements will enable these countries establish a sound contractual relationship with the Union. A country's satisfactory track-record in implementing its SAA obligations (including the application of its trade-related provisions in the form of an Interim Agreement) will be an **essential element** for the EU to consider any **membership application**. Once stabilisation is sufficiently ensured, the Commission can recommend to the Council in a **feasibility report** whether and under what conditions SAA negotiations can start.

  Lastly, there is the special case of **Kosovo** which is under international administration. The EU is ensuring that Kosovo benefits from the key instruments offered to the region. The opening of status discussions is a challenge for the entire region, and for the international community. The strong commitment of all parties to a multi-ethnic, stable and democratic Kosovo will be essential to achieve a sustainable settlement that reinforces the security and stability of the region, and to ensure its further progress towards the EU.

- c) new membership candidates – the case of the Former Yugoslav Republic of Macedonia (FYROM): the European Council could grant the status of candidate country to the FYROM based on the Commission's opinion. It is in this context that the Commission has examined the FYROM' s accession request (see COM(2005)0562) recommending that the Council should grant the FYROM candidate status. Candidate status is a political recognition of a closer relationship with the EU, but it does not automatically mean that a country can start negotiations for EU membership. To do so, the country needs to reach a sufficient degree of general compliance with the membership criteria, in particular, full co-operation with the International Tribunal for the former Yugoslavia. The Commission will present a report to the Council no later than the end of 2006 on the progress of the FYROM.

3) supporting reforms: the Commission is proposing revised accession partnership agreements for Turkey and Croatia taking into account the main priorities highlighted in the 2005 Regular Reports.

- Having got the status of candidate country, Croatia has now the possibility to benefit from pre-accession aid: Phare for the strengthening of institutions and economic and social cohesion, ISPA for the environment and transport infrastructure, and SAPARD for agricultural and rural development. It will keep the right to access the CARDS regional programme in 2005 and 2006. Pre-accession funding will amount to EUR 105 and 140 million respectively in 2005 and 2006. Croatia will also be able to participate in Community programmes.
- The 2005 pre-accession funding granted to Turkey comprises a national programme and funding relating to multinational programmes, as well as for communication and management activities, reaching a total of EUR 300 million in 2005 and EUR 500 million in 2006. The main priorities of the 2005 programme reflect EU concerns regarding the political criteria, economic and social cohesion, the implementation of the *acquis* in key fields and political and social dialogue between the EU and Turkey. They also include funding for preparing Turkey to apply measures relating to large-scale infrastructure and measures similar to the Structural Funds from 2007.

European partnerships will also be set up with the Western Balkan countries to meet the main priorities highlighted by the Commission. EU assistance will involve EUR 539 million for 2005, of which a part will go towards a regional programme (to which Croatia still has a right). This assistance is based on measures specified in the European partnerships.