

All countries of the Western Balkan¹ region have been offered the prospect of eventual membership of the EU, providing certain conditions are met and reforms achieved. Their preparations are supported by the Stabilisation and Association process, the policy designed by the EU to foster its cooperation with the Western Balkan countries as well as regional cooperation. SAAs are a core component of this process. The former Yugoslav Republic of Macedonia is the first country to see its SAA enter into force.

¹ The Western Balkans include Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Montenegro, including Kosovo (as defined by the UN Security Council resolution 1244).

Milestones in the relations between the EU & the former Yugoslav Republic of Macedonia

- **1996:** The former Yugoslav Republic of Macedonia becomes eligible for funding under the EU Phare programme.
- **1997:** Regional Approach. The EU Council of Ministers establishes political and economic conditionality for the development of bilateral relations.
- **January 1998:**
 - Co-operation agreement (Under the Co-operation Agreement, the former Yugoslav Republic of Macedonia benefits from asymmetric trade preferences with the EU) and Agreement in the field of Transport enter into force.
 - Opening of the Office of the Resident Envoy in Skopje.
- **1999:** The EU proposes a new Stabilisation and Association Process (SAP) for five countries of south-eastern Europe. On 16 June 1999, the conclusion of a feasibility study to open negotiations with the former Yugoslav Republic of Macedonia is positive.
- **24 Jan. 2000:** The Council adopts negotiating directives for a Stabilisation and Association Agreement.
- **March 2000:**
 - Upgrading of the EC Representation in Skopje to a permanent Delegation of the European Commission.
 - Start of negotiations between the EU and the former Yugoslav Republic of Macedonia to conclude a Stabilisation and Association Agreement.
- **June 2000:** The European Council meeting at Santa Maria de Feira (Portugal) confirms that its objective remains the fullest possible integration of the countries of the region into the political and economic mainstream of Europe and affirms that "all the countries concerned are potential candidates for EU membership".

The former Yugoslav Republic of Macedonia was the first country of the region to sign a Stabilisation and Association Agreement (SAA) in April 2001. As a signatory the country will gradually take on board the core obligations of membership, start aligning its legal and economic framework with that of the EU, strengthen co-operation with its neighbours and co-operate with the EU on a number of issues. An Interim Agreement covering the trade and trade-related aspects of the SAA is in force since June 2001 and provides near-total free access to the EU-market.

Between February and August 2001 the country underwent a serious political and security crisis solved through the signature by the country's political leaders of a so called Framework Agreement (FA) strengthening the civic character of the state and expanding the right of ethnic minorities.

-
- **9 April 2001:** Following the successful conclusion of the negotiations at the Zagreb Summit of 24 November 2000, a Stabilisation and Association Agreement is signed in Luxembourg. An Interim Agreement is also signed on the same day; with the IA the Parties allow the trade and trade-related matters of the SAA to enter into force on 1 June 2001.
 - **June 2001:** Office of the European Union Special Representative opens in Skopje.
 - **April 2002:** European Commission publishes the first Stabilisation and Association Report.

- **March 2003:** European Commission publishes second Stabilisation and Association Report.
- **April 2003:** Mission «Concordia», the first ever EU military mission starts operations with a six-month mandate.

The [Stabilisation and Association Agreement \(SAA\)](#) between the European Union and the former Yugoslav Republic of Macedonia signed in April 2001 enters into force on 1 April 2004, taking the country another step forward on the road to European integration. This is the first Stabilisation and Association Agreement to enter into force. The Agreement commits the parties to further work on political, economic and institutional stabilisation of the country, institution building and public administration reform, enhanced trade and economic co-operation, legal approximation with the Community acquis and strengthened co-operation on justice and home affairs. The full implementation of the Agreement will also create a new climate for the development of trade and investment which are crucial factors for the economic restructuring and the modernisation of the country.

1991-2003 EC assistance to the former Yugoslav Republic of Macedonia - Allocations in millions of €

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
former Yugoslav Republic of Macedonia												
Phare + Obnova												
60.00			25.00	25.00	33.00	25.00	47.00	25.00				240
CARDS												
									56.20	41.50*	43.50*	141.2
ECHO												
36.52			9.15	0.00	0.00	0.40	43.00	3.35	5.40			97.82
Media												
		0.05	0.28	0.00	0.21	0.28	0.00	0.20				1.02
Democracy & Human Rights												
					0.50	0.20	n.a.	n.a.	1.02			1.72
Balance of payments support												
					40.00			30.00		22	20	112
Rapid Reaction Mechanism												
									12.80			12.80
Total												
96.52	0.05	34.43	25.00	73.71	25.88	90.00	58.55	75.42	63.50	63.50	606.56	

* Allocations include the running costs of the European Agency for Reconstruction (€ 5 m for 2002 and € 5 m for 2003).

Milestones in the relations between the EU & Croatia

- **1997:** Regional Approach. The EU Council of Ministers establishes political and economic conditionality for the development of bilateral relations with Croatia.
- **1999:** The EU proposes a new Stabilisation and Association Process (SAP) for the five countries of south-eastern Europe, including Croatia.
- **2000:** Parliamentary and presidential elections in January 2000 result in a change of government in Croatian politics and usher in a new political climate. These changes have offered the opportunity for rapid progress in the relationship between Croatia and the European Union. The EU has responded by:
 - February: Establishment of an EU Croatia Consultative Task Force, which has provided Croatia with expertise and technical assistance in preparation for the Stabilisation and Association Process.
 - March: Upgrading the EC Office of the Special Envoy in Zagreb to a permanent delegation of the European Commission.
 - 24 May: Adoption by the Commission of a positive feasibility report on the opening of negotiations for a Stabilisation and Association Agreement (SAA).
 - June: Feira European Council states that all the SAP countries are "potential candidates" for EU membership.
 - September: Extension of the duty-free access to EU market for products from Croatia.
 - 20 November: Opening of negotiations for an SAA in the margins of the Zagreb Summit.
- **2001:** First year of new CARDS programme specifically designed for the SAP countries.
 - 29 October 2001: Signing of the SAA. The SAA provides for wide-ranging co-operation and will guide a gradual approach of Croatia to the EU structures. The SAA includes the establishment of a framework for political dialogue and the promotion of economic and trade relations with the perspective of establishing a free trade area after a transitional period of 6 years. The agreement also provides a basis for cooperation in the field of Justice and home affairs, and identifies the "acquis communautaire" which Croatia will have to adopt in order to be able to effectively participate in the European integration process.
 - The European Commission adopted at the end of 2001 a country strategy for Croatia which covers 2002-2006 and provides a framework for EC assistance. This assistance will be delivered through the CARDS programme. The strategy paper is complementary to the actions of EU member states and other donors.
- **2002:** An Interim Agreement, covering the trade and trade-related measures, was concluded in parallel with the SAA, and entered into force on 1 March 2002. Meetings of the Interim Committee were held in April 2002 and April 2003.
- **2003:** As a further step in the development of the EU-Croatia relations, Croatia submitted an application for EU membership on 21 February 2003. The GAERC Council requested the Commission to prepare an opinion on the Croatia application on 14 April 2003.

1991-2003 EC assistance to Croatia - Allocations in millions of € (commitments)													
1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
CROATIA													
OBNOVA/CARDS													
			0,10	0,30	11,70	10,30	9,00	11,50	20,34	60,00	59,00	62,00	244,24
ECHO humanitarian aid													
			204,80	38,40	21,15	14,50	6,95	6,50					292,30
Media													

			0,09	0,31	0,72	1,67	0,59						3,38
Democracy & Human Rights													
					0,70	2,20	0,60	0,21	0,97	0,50			5,18
Specific actions (including Demining & Tempus 2000)													
							1,00	1,42	1,81	1,00			5,23
Total EC Assistance													
			204,99	39,01	34,27	28,67	18,14	19,63	23,12	61,50	59,00	62,00	550,33

Milestones in the relations between the EU & Albania

- **1992:** Trade and Co-operation Agreement between the EU and Albania. Albania becomes eligible for funding under the EU Phare programme.
- **1997:** Regional Approach. The EU Council of Ministers establishes political and economic conditionality for the development of bilateral relations.
- **1999:** The EU proposes a new Stabilisation and Association Process (SAP) for five countries of South-Eastern Europe, including Albania.
- **1999:** Albania benefits from Autonomous Trade Preferences with the EU.
- **2000:** Extension of duty-free access to EU market for products from Albania.
- **2000:** Feira European Council (June 2000) states that all the SAP countries are "potential candidates" for EU membership.
- **2001:** First year of the new CARDS programme specifically designed for the SAP countries
- **2001:** The Commission concludes that it is now appropriate to proceed with an Stabilisation and Association Agreement (SAA) with Albania. The Göteborg European Council (June 2001) invites the Commission to present draft negotiating directives for the negotiation of a SAA.
- **2002:** Negotiating Directives for the negotiation of a SAA with Albania are adopted in October.
- **2003:** On 31 January, President Prodi officially launches the negotiations for a SAA between the EU and Albania. These negotiations are presently ongoing.

Overall EU Assistance in ALBANIA 1991-2004 (Allocations in millions of €) (Commitments)

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total 1991-00	CARDS	2001	2002	2003	2004	Total 1991-2004
Albania																
1991-2000 Overall PHARE assistance / From 2001 Overall CARDS assistance																
10.0	110.0	75.0	49.2	88.0	53.00	68.9	42.5	101.5	33.4	631.5		37.5	44.9	46.5	52.5	812.9
FEOGA (DG Agriculture)																
	120.0									120.0			-	-	-	120.0
Humanitarian Aid (ECHO)																
	2.0	0.5	1.7	1.2	1.7	16.3	12.0	97.0	3.4	135.8		6.6	-	-	-	142.4
Food security (DG Development)																
						10.8		5.7		16.5			-	-	-	16.5
Macro-Financial Assistance (DG Economic and Financial Affairs)																
								20.0		20.0			-	-	-	20.0
Democracy & Human Rights																

				1.0	0.6	0.4	0.8	0.2	0.5	3.5		0.4				3.9
Other actions																
	0.3	0.6	1.1	0.4	n.a	n.a	n.a	2.6	1.9	6.9						6.9
OSCE elections support																
						1.5				1.5		-	-	-	-	1.5
EIB loans																
				34.0	12.0		22.0		34.0	102.0		47				149
Total EC assistance																
10.0	232.3	76.1	52.0	124.6	67.3	97.9	77.3	227.0	73.2	1037.7		91.5	44.9	46.5	52.5	1273.1