

Brussels, 26 March 2003

European Commission approves 2003 report on the Stabilisation and Association Process for South East Europe

The European Commission approved today the second annual report on the Stabilisation and Association Process (SAP) for the countries of South East Europe: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Serbia and Montenegro. The report assesses the progress of each country in the SAP so far, identifying lessons and challenges for the future, and in particular the coming year. The report reiterates the prospect for the Western Balkan countries of an even closer relationship with the European Union and ultimately membership. It points out that the pace of integration into the EU will ultimately depend on the countries of the Western Balkans themselves. Commissioner for External Relations, Chris Patten said: "The second annual report shows that South East Europe continues to make progress in the reforms which will pave the way for closer integration with Europe. The key remains the political will of the region's administrations. We will offer all possible support to help the people of the Western Balkans progress towards the EU, but our resolve cannot substitute for the determination of these states themselves."

The 2003 report recognises some **important progress**¹ made over the last twelve months: progress in restoring stability in the region, improved security situation, democratically-elected Governments in place throughout the region, massive reconstruction across the region, progress made in assisting return of refugees and displaced persons, sustained growth, inflation under control, increasing trade, enhanced regional co-operation.

This year's report also identifies the **main challenges** facing the Western Balkans countries: weaknesses in the functioning of democratic institutions and institutional capacity building, rule of law and full respect of human and minorities rights, the fight against organised crime and corruption, reform of the judiciary, continuing sustainable return of refugees and displaced persons, inequality in income distribution, widespread poverty and high unemployment, structural reforms towards fully functioning market economies, and heavy dependence on foreign financing.

The 2003 Report highlights that the EU is not only an economic club, but a **Community of values**, and that sharing these values will be a key factor in both the Association and Stabilisation process, and progress towards candidate status.

¹ Please see [IP/02/503](#): Western Balkans: European Commission publishes first annual report on the Stabilisation and Association Process.

EU enlargement in 2004 should add momentum to reform efforts in the Western Balkans. The European Council of 20 and 21 March asked the Commission to examine ways to strengthen the SAp, particularly in the light of experience from the enlargement process. The **Thessaloniki Summit** in June will be an important opportunity to reiterate that the EU is committed to the European future of the Western Balkans countries.

The Stabilisation and Association process is underpinned by **substantial EU financial assistance**. € 4.65 billion have been allocated to the region for the period 2002-2006. The 2003 report reconfirms that the **Commission will continue to effectively support** the Western Balkans countries in their efforts to take up the pressing political, economic and social challenges identified.

The report is available on the following address of the Europa site:

http://europa.eu.int/comm/external_relations/see/actions/index.htm