

# **The Measures of Phase I of the Accession of Serbia and Montenegro to the European Union within the Stabilization and Association Process**

## **Non-Technical Summary**

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After the tragic events in South Eastern Europe (war, disintegration of the former Yugoslavia, sanctions, economic collapse and the instability of the region) and in an attempt to encourage the stabilization of the region, the EU initiated the Stabilization and Association Process (SAP), which was proposed for the West Balkan countries (Albania, Bosnia and Herzegovina, Croatia, Macedonia and the Federal Republic of Yugoslavia) by the European Commission in May 1999. Bearing in mind the long-standing instability of the region, a special arrangement for the accession of these countries to the EU was conceived. Namely, apart from satisfying the general (Copenhagen) criteria, it insists, above all, on the political stability of these countries and on their interlinkages. The process also anticipates the conclusion of the Stabilization and Association Agreement (SAA) – a new type of contractual relationship with the EU, which is aimed at stabilizing the countries in this region through their convergence towards European integration processes.

Serbia and Montenegro lost ten precious years and its excellent initial position for accession to the European Union. After the long period of isolation, the present state union is only at the beginning of establishing a contractual relationship with the EU. The political changes on 5 October 2000 opened a new phase in the relations between the Federal Republic of Yugoslavia and the European Union, characterized by the declarative and practical expression of the need for closer contacts with the EU, thus establishing a partner relationship. Accession to the EU represents Serbia's long-term strategy, whose implementation requires a clear definition of its aims and plans, as well as coordinated activities of all participants in the process.

The confirmation of the Feasibility Study this April was a positive signal in the process of Serbia and Montenegro's accession to the EU. Although the Feasibility Study was obtained by all other countries of South Eastern Europe several years ago, it is of great significance, because it actually marked the beginning of the process of EU accession. It also stipulates the measures that should be implemented so as to begin the negotiations on the conclusion of the Stabilization and Association Agreement, which is the next step in the process of EU accession.

The latest measures, which have been implemented so as to create an appropriate institutional infrastructure for the establishment of relations with the EU, include the adoption of the Action Plan for harmonization of the economic systems of Serbia and Montenegro and the commencement of work on the EU Accession Strategy. The creation of an appropriate institutional infrastructure for the establishment of relations with the EU represents only the first step in the process of integration into the EU. The overall process anticipates the implementation of internal reforms, achievement of a satisfactory economic stability and growth, stabilization of the democratic system and the strengthening of government institutions, including specifically the administration and judiciary.

During the past period, the Government's reform-related efforts were primarily oriented to the achievement of macroeconomic stability, whereby noteworthy results were produced. At the same time, the process of economic transition was initiated, anticipating the long path of transition of the overall economy to a market-based system. The adoption of the EU rules and regulations represents the third step in the process of accession to the European Union, which should begin even before the completion of the previous two steps due to the fact that the adoption of the basic EU standards is one of the basic preconditions for the successful completion of the process of transition and accession to the European Union. The aim of the Study »Measures of the First Phase of Accession of Serbia and Montenegro to the EU Within the Stabilization and Association Process« is to provide recommendations as well as the plan of activities in the selected areas, in accordance with the first-phase measures recommended for candidate countries by the EU.