



Delegation of
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to BiH

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- Political consensus and investment in research required
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New Headquarters for the BiH Border Police



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Closing Ceremony of Heritage Project Held in Blagaj

On 12 September 2007, the closing ceremony of the "Programme for the on-going protection, presentation and integration of the cultural, historical and natural heritage into tourism sector of Herzegovina Region" was held in Blagaj.

The aim of the programme was to contribute to the development of tourism by promoting and preserving the cultural, historical and natural heritage.

The most visible project activities consisted of installing 159 notice boards at 133 historic sites providing basic historical information; clearing overgrowth from 19 national monument sites; installing benches and waste bins at 37 national monument sites as well as promotional material, including maps and CDs.

The EU provided 88.33% of the funds for this project, or 197,390 Euro, with the remainder contributed by the Commission to Preserve National

Monuments, which implemented it.

The event started with a walking tour of the national monuments in Blagaj, which is unique for its collection of heritage sites from different periods. The eldest member of the family welcomed the visitors to the "Velagic" complex of traditional Bosnian houses. Other sites include Sultan Sulejman mosque, built in 1520; "Karadjoz-beg" bridge, also from the 16th century; as well as the old baths (hamam).

Mrs. Amra Hadzimuhamedovic, Chairwoman of the Commission to Preserve National Monuments and the Project Manager, stressed that this is the first such project implemented by a BiH State institution with EU funds. It was a challenging project which has raised awareness on the importance of presenting and preserving national heritage. She mentioned that children in the region now regularly stop to read with interest about buildings they have

walked past all their life.

Mr. Marc Vanbrabant, Head of Contracts and Finance in the Delegation of the European Commission to BiH, expressed his pleasure to be in Blagaj for this event and congratulated the National Commission for the results achieved. He stressed the efforts – financial and other – which the EU has invested in Regional Economic Development in BiH, which includes this project: over 10 million Euro have been invested to date. He explained that the basic goal of the project is to protect heritage by making it sustainable, which will in turn create opportunities for further economic growth of the tourism sector in the region, thus creating new jobs.

Mr. Ljubo Beslic, Mayor of the City of Mostar, welcomed the assistance received for the project, stating that it demonstrates the importance of cultural identity and the ability to preserve and present national heritage.



Signature in Banja Luka of New Tourism Project



On 25 September 2007, Ambassador Dimitris Kourkoulas, Head of Delegation of the European Commission to BiH, visited Banja Luka and signed the contract for a new tourism project in the company of Mr. Milorad Dodik, Prime Minister of RS.

The new project – Vrbas Adventure Resort – is funded through the RED (Regional Economic Development) Fund and is one of twelve contracts awarded following the fifth

Call for Proposals.

The EC has awarded 297,000 Euro for this project, representing 90% of the total project value, with the remaining 10% co-funding provided by the City of Banja Luka. The project will be implemented by the Tourist Association of Banja Luka, "Exit Centre" and the Tourist Association of RS.

The project aims to develop sustainable

and competitive adventure and eco tourism in the middle flow of the Vrbas river, based on white water and other extreme sports, accompanied by eco/ethno small-scale tourism offer. The following infrastructure will be established for this purpose:

- Night Rafting and Kayaking Infrastructure, including rest point with emergency and safety equipment;
- Free climbing natural track equipping;
- Canyoning track, including signalisation;
- Accessible emergency and safety banks (including cleaning of Svrakava valley and river banks);
- Mountaineering route to Zvečaj Fortress including rest points, signalisation and info boards;
- Mountaineering route to Greben Fortress including rest points, signalisation and info boards;
- Reconstructed Old Mills in Krupa, including signalisation and info boards.

Visit of Commissioner Potocnik

BiH NEEDS CONSENSUS ON STRATEGY AND LAW ON RESEARCH

Mr. Janez Potocnik, the European Commissioner for Science and Research, visited Sarajevo on 4 and 5 October 2007. During his visit, he met with representatives of the authorities of Bosnia and Herzegovina to discuss the country's European perspective as well as cooperation between it and the European Union in the field of science and research.

On 4 October 2007, Commissioner Potocnik attended a round table in the Academy of Science and Arts of BiH. In his speech, he stressed the importance of research and the vital role of the scientific community. He said that he had not come to BiH to make promises but to share his experiences as a Commissioner and as a professional who has been deeply involved in the field of economic research. Research is among the top EU priorities and he expressed his willingness to show the direction BiH should take to achieve the necessary strength in academic circles and the required steps to enhance political will, since, he is convinced, this is where the main problem lies.

The fact that BiH currently invests only 0.05% of GDP in research, as opposed to the average 1.9% spent in the European Union (with a target of 3% by 2010) speaks for itself. Improving this is the main objective.

The EU is offering the association of BiH to the Seventh Framework Programme (FP7) which would allow for a number of funding possibilities, such as allowing BiH scientists access to EU laboratories; funding to support the reintegration of BiH scientists who have spent more than three years abroad and wish to return; financing BiH researchers to work anywhere in the world, providing that after finishing they return to BiH so that the country



can benefit from their knowledge. BiH has not requested access to these funds.

Thirty-six countries are members of the Seventh Framework Programme, which has a budget of 54 billion Euro to be spent in the next seven years. The members include the twenty-seven EU Member States, which participate with the full yearly fee; associate countries such as Switzerland, Norway and Israel; and pre-accession countries such as Turkey and the countries of the Western Balkans. The Commissioner has offered this last group of countries an 80% rebate of the fee for the first year, a 75% rebate the second year and so on, with a sliding scale of 5% less per year. BiH's fee could be paid, partially or in full, through IPA funds.

Mr. Bozidar Matic, President of the Academy of Science and Arts of BiH, stressed that the cause of the dire situation faced by scientific research in BiH is the Dayton agreement, because it was never included and, hence, there is no political will to support it. He gave a retrospective of the situation within the

academic community before and after the war and his vision of how funds for research and development should be found, distributed and used.

On 5 October 2007, Commissioner Potocnik met with the members of the BiH Presidency, to discuss the possibilities offered by the Seventh Framework Programme.

Finally, he held a press conference in which he stressed the will of the EU to help the Western Balkans countries, including BiH, on their path to accession to the European Union. He reviewed Slovenia's positive experience in this respect, recognising that the required reforms had been difficult but well worth it. He stressed the need for political consensus in BiH in this respect, notably for a Strategy and Law on Research.

He explained the Seventh Framework Programme and its implications and financial possibilities, and added that the changes that BiH must make are not to please the EU, but for the benefit of BiH and the prospect of peace, stability and a better life for its citizens.



Visit the Commissioner's website:
http://ec.europa.eu/commission_barroso/potocnik/indexfl_en.htm

Profile – Janez Potocnik

Janez Potocnik was born on 22 March 1958. He received his Ph.D. in Economics from the Faculty of Economics at the University of Ljubljana in 1993.

He worked as Assistant Director at the Institute of Macroeconomic Analysis and Development in Ljubljana from 1984 to 1987 and from 1993 to 2001. From 1988 to 1993 he was Senior Researcher at the Institute for Economic Research in Ljubljana.

In 2001 he became a Minister in the Slovenian government and from 1998 to 2004 he headed the Negotiating Team for the Accession of Slovenia to the EU. From 2002 to 2004 he was Slovenia's Minister for European Affairs, before leaving to Brussels to become a European Commissioner.

Opening of Border Crossing in Samac



inspection services, vehicle verification and commercial purposes. It consists of six passenger and two cargo access tracks serviced by fourteen control booths.

Mr. Causevic welcomed the distinguished guests and stated that he has had the honour to open seven new EU-funded border crossing facilities over the past three years, with others planned.

Ambassador Kourkoulas stressed that the EU supports the construction of border crossings in BiH as an important effort to help BiH fiscally, because adequate border control of goods and passengers helps obtain optimal revenue from customs. However, he added that he hopes that in a few years time these facilities will become obsolete, once the countries of the Western Balkans have joined the European Union.

Dr. Spiric admired the state-of-the-art facilities, which cover an area of 30,000m², and highlighted the fact that all monies spent during its construction remained in-country as all the workmen engaged and materials used were domestic.

After ceremoniously cutting the ribbon and thus marking the opening of the border crossing, the assembly visited the related installations.

On 24 September 2007, the new border crossing in Samac was officially opened for traffic by Dr. Nikola Spiric, President of the Council of Ministers of BiH; Ambassador Dimitris Kourkoulas, Head of Delegation of the European Commission to BiH and Mr. Kemal Causevic, Director of the BiH Indirect Taxation Administration.

The European Union has provided over 34.5 million Euro of funding for the construction of border crossings throughout BiH as part of the CARDS programme. The EU invested over 3.8 million Euro in the Samac facility.

The new border crossing facility consists of a central building for customs and police, buildings for

Phase III of Support to the Reform of Vocational Education and Training

On 1 October 2007, the project "VET System Reform III - Copenhagen Process in BiH" held its first meeting. The European Union has supported reform of the Vocational Education and Training (VET) system since 1998, having invested 11 million Euro. A modern and continuous VET system, as promoted by the Copenhagen Declaration, provides for the vertical and horizontal mobility of students.

Participants in the meeting included representatives of key stakeholders in the education and labour market sectors: entity Ministries of Education and social partners.

BiH has committed itself to improve the quality of education in line with the Bologna and Lisbon Declarations. The Copenhagen Declaration provides policy guidance on strengthening of the European dimension of VET and promotion of the mobility of the VET graduate labour force. About 70% of students in secondary education enrol into VET programmes.

Issues to be addressed by this two-year

project include the classification of occupations, teacher training, the upgrading of equipment and the establishment of better linkages between the VET system, post-secondary education, higher education, adult education and labour market actors. The project deals with the development of a National Qualification Framework.

The VET reform that started in 1998 and progressed since then has achieved significant results, including: modernized curricula for general subjects have been developed and are in use in approx. 60 % of all vocational schools. The VET Council has been established for BiH, comprised of representatives of the educational authorities, trade unions, companies, schools and employment offices. A new nomenclature of occupations was developed and agreed between the education ministries, which reduced the number of occupations from the former 500 to 100 broader occupations. Out of 13 occupational families, 8 have been included in the

reform of curricula. Reformed curricula for all occupations have been developed for 5 out of 8 of those occupational families. A strategy for development of the VET system in BiH until 2013 has been submitted for approval to the Council of Ministers. A strategy for adult education in VET is under preparation. The VET Law is in approval procedure in the BiH Parliament. A VET database has been established on students, teachers, curricula, etc.

It is expected that the new VET project will have a positive impact on the overall social and economical development. A modern initial and continuous VET system, as promoted by the Copenhagen Declaration, provides a pathway for the vertical and horizontal mobility of students and tools for a quick and efficient training and retraining of adults, thus directly contributing to poverty reduction. Such a flexible system provides students and graduates with wider choices in their career development and enhances the employability of the labour force.



New Headquarters for the BiH Border Police

On 26 September 2007, the new headquarters of the BiH Border Police was inaugurated in Sarajevo by Mr. Vinko Dumancic, Director of the BiH Border Police; Mr. Tarik Sadovic, Minister of Security of BiH and Ambassador Dimitris Kourkoulas, Head of Delegation of the European Commission to BiH.

The new headquarters building is situated in the vicinity of Sarajevo International Airport. It is four stories high with a façade of semi-structural glass and metal, constructed in such a way as to reduce noise contamination due to the vicinity of the airport.

The European Union and the BiH Border Police jointly funded the construction. The total investment amounts to 3.65 million Euro, out of which 2.8 million were provided by the EU and 850,000 Euro by the BiH Border Police.

Overall, the EU has invested approximately 9.6 million Euro in support of the BiH Border Police, including construction of the HQ building, the supply of various

equipment (such as IT equipment, surveillance equipment, office furniture, vehicles, etc.), twinning assistance and assistance in blocking illegal border crossings in Bosnia and Herzegovina towards the Republic of Croatia.

Mr. Vinko Dumancic, Director of the BiH Border Police, expressed his pleasure at being able to celebrate, in the same year, the new name of the institution he leads, as well as the new headquarters building. He stressed that by moving into these new premises, the Border Police will save over 180,000 KM (90,000 Euro) yearly, thus helping in the rationalisation of state expenses. In addition, it will facilitate the institution's ability to adopt European standards in monitoring and control of border crossings, as well as strengthening its capacity to combat illegal migration, human trafficking and other cross-border criminal activities.

Mr. Tarik Sadovic, Minister of Security of BiH, expressed his satisfaction at the completion of this facility for the

longest-standing member of the police family. Although the Border Police is already a respectable organisation, it still lacks sufficient trained staff and additional equipment, but he is confident that in the near future its level will further improve. He welcomed the support of the EU in financing the facility.

Ambassador Kourkoulas highlighted the fact that the new building was built in just one year and ten months, which demonstrates the ability of BiH society to move quickly. He added that further EU funds are available, to be committed if the agreement on police reform is reached. He pointed out that the visa facilitation agreement between BiH and the EU and the CEFTA agreement which has been ratified by the Parliament are positive steps. The fulfilment of the conditions for signing of the SAA will bring the country much closer to this goal.

They then unveiled a commemorative plaque and toured the new premises.



Who is Where on the Road to Europe?

SERBIA AND MONTENEGRO started SAA Negotiations in October 2005 but they were suspended in May 2006, due to lack of co-operation with the International Criminal Tribunal for the former Yugoslavia (ICTY). Following the referendum on independence in Montenegro in May 2006, Serbia became the successor state of Serbia and Montenegro.

SLOVENIA became a **Member State of the European Union** on 1 May 2004, and on 1 January 2007 became the first of the ten new members to introduce the Euro. It will assume the **Presidency of the Union** on 1 January 2008 for six months.

MONTENEGRO was formally recognised by the EU in June 2006 and the Council adopted a negotiating mandate for an SAA with the newly-independent country. SAA negotiations were launched in September 2006 and the technical part was completed in December 2006. In March 2007, Commissioner for Enlargement Olli Rehn travelled to Podgorica to initial the SAA, which was signed in Luxembourg on 15 October 2007.

SERBIA resumed SAA negotiations in June 2007, following a clear commitment by the country to achieve full cooperation with the ICTY. An assessment of this is due by the end of October 2007.

Kosovo - The European Partnership with Serbia and Montenegro of June 2004 included Kosovo (as defined by the UNSCR 1244). In April 2005 the Commission adopted the Communication to the Council and the European Parliament on "A European Future for Kosovo". On-going political process to determine the future status of Kosovo.

CROATIA signed the SAA in October 2001; it entered into force in February 2005. It presented its application for EU membership in February 2003. Accession negotiations were temporarily postponed due to lack of cooperation with the UN International Criminal Tribunal for the former Yugoslavia (ICTY) but in October 2005 the "screening" stage of accession negotiations began and in June 2006 the EU approved the start of detailed membership talks. The "screening" was concluded in October 2006; accession negotiations continue.

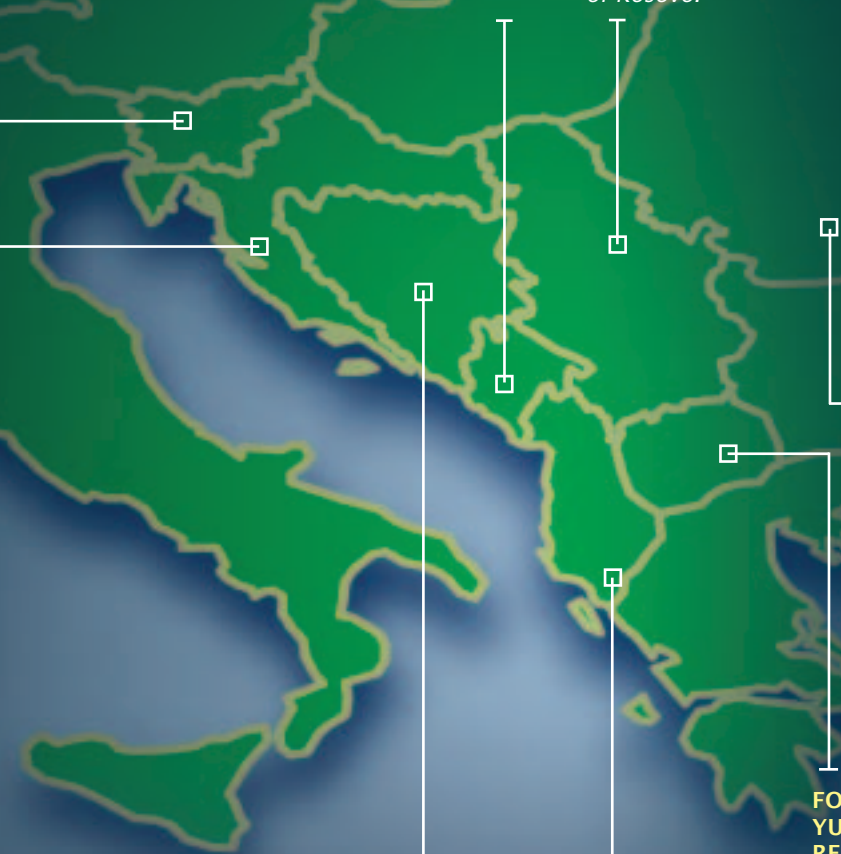
BOSNIA AND HERZEGOVINA - the EC's November 2003 Feasibility Study concluded that SAA negotiations should start once BiH has made progress on 16 key priorities. In October 2005 the EC estimated that BiH had made sufficient progress in the implementation of the Feasibility Study reforms and recommended starting SAA negotiations.

SAA Negotiations were officially opened on 25 November 2005 and the technical part was successfully completed on 14 December 2006, but the initialling and signature of the Agreement depend on progress in key areas, notably police reform.

ALBANIA started negotiations in January 2003 and signed the SAA on 12 June 2006 but has not yet applied for membership.

FORMER YUGOSLAV REPUBLIC OF MACEDONIA signed the SAA in April 2001; it entered into force in April 2004. FYROM applied for EU membership in March 2004 and obtained candidate status in December 2005. Membership talks could start in 2008.

BULGARIA & ROMANIA started membership talks in 2000, two years later than neighbours from Central Europe. In April 2005, Bulgaria and Romania signed the Treaty of Accession and they became Members of the Union on 1 January 2007.



The SAP

The Stabilisation and Association Process (SAP) is the EU's policy framework for the countries of the Western Balkans. It supports their development and preparations for future EU membership by combining three main instruments:

- the SAAs,
- autonomous trade measures and
- substantial financial assistance.

Regional co-operation constitutes a cornerstone of the SAP.

The SAA

The Stabilisations and Association Agreement is a contractual relation between the EU and the signatory country, following a negotiation process, and is the first step toward membership in the EU.

The European Partnership

Within the framework of the SAP, the EU set up European partnerships with Albania, BiH, Croatia, FYROM, and Serbia and Montenegro (including Kosovo). The aim of these partnerships is to prepare the countries for greater integration with the EU.

The EU decided to apply to these countries the same methodology as that followed for the new Member States which joined in 2004. The enriched SAP therefore remains the overall framework for the European course of the countries of the Western Balkans, all the way to their accession.

Enlargement Newsletter

The electronic Enlargement Newsletter provides an overview of where European Union enlargement has got to, who's doing what in the EU and in the candidate countries, and how the main challenges are being met.

To subscribe to this service, visit:

http://ec.europa.eu/enlargement/press_corner/newsletter/index_en.htm
(available exclusively in English language)

The issue of 20 September included the following topics:

- Technical accord on SAA with Serbia
- European Parliament committee assesses Serbia
- Serbia discusses Kosovo with EU leaders in Brussels
- EU foreign affairs ministers "united" on Kosovo
- EU urges Bosnia and Herzegovina police reform
- Passports for cattle in Montenegro
- Media freedom concern in Montenegro
- Croatia wins funding for port expansion
- Portugal "supports Turkish accession"

Enlargement Websites

Visit the enlargement website:

http://ec.europa.eu/enlargement/index_en.htm

and Commissioner Olli Rehn's website:

http://ec.europa.eu/commission_barroso/rehn/index_en.htm

for up-to-date information, documents and speeches.

IPA

IPA is an accession-driven instrument, fulfilling all the requirements stemming from the accession process, notably in terms of priorities, monitoring and evaluation. In 2007, IPA replaced the former pre-accession instruments (PHARE, ISPA, SAPARD and CARDS).

To simplify and co-ordinate the delivery of external assistance, the major objective when designing the IPA was to streamline all pre-accession assistance into a single framework and to unite under the same instrument

both candidate and potential candidate countries, thus facilitating the transfer from one status to another.

All countries in the Western Balkans have already been identified as potential candidates, though in designing the IPA regulation, no assumptions were made as to the date of graduation or accession for any country. The regulation was designed with flexibility, to accommodate such events whenever they occur and following the legal procedures that

govern such graduation.

The length of the process leading a country closer to the EU depends on the pace of the political, economic, legislative and administrative reforms carried out by the country. These reforms are supported by the EU not just through its financial assistance but also through intense policy advice and dialogue. However, the responsibility for the reforms lies with the country itself and is not purely contingent upon the availability of donors' assistance.

IPA components

- Transition Assistance and Institution Building;
- Regional and Cross-Border Co-operation;
- Regional Development;
- Human Resources Development;
- Rural Development.

eligible recipients

potential candidates &
candidate countries

candidate countries only



CEFTA – Central European Free Trade Agreement

Recent Developments in BiH

On 26 September 2007, Bosnia and Herzegovina ratified the Central European Free Trade Agreement (CEFTA). This represented a major step forward in further economic and trade integration within the region on the path to European integration.

Regional integration within CEFTA is a complementary process to that of European integration. It is a proven instrument for the new CEFTA members to advance their relations in the context of the European integration process. Completion of the CEFTA ratification by BiH demonstrates its inclination to enhance both of these processes.

About CEFTA

The original CEFTA agreement was signed in 1992 by Poland, Hungary and the Czech and Slovak Republics (then Czechoslovakia). It entered into force in July 1994. Through CEFTA, participating countries hoped to mobilize efforts to integrate Western European institutions and, through this, to join European political, economic, security and legal systems, thereby consolidating democracy and free-market economics.

Slovenia joined CEFTA in 1996, Romania in 1997, Bulgaria in 1998, Croatia in 2003 and the Former Yugoslav Republic of Macedonia (FYROM) in 2006. It was amended by agreements signed in 1995 and 2003.

All of the parties to the original agreement, except Croatia and the FYROM, have joined the EU and thus left CEFTA. Therefore, it was decided to extend CEFTA to cover the rest of the Balkan states, which had already completed a matrix of bilateral free trade agreements in the framework of the Stability Pact for South Eastern Europe.

The current parties to the agreement are: Albania, Bosnia and Herzegovina, Croatia, the FYROM, Moldova, Montenegro, Serbia and UNMIK on behalf of Kosovo.

The new CEFTA was signed on 19 December 2006 by the Prime Ministers of these countries. This marked the conclusion of ambitious negotiations launched on 6 April 2006. It consolidated 32 bilateral free trade agreements.

Although the EU is not a party to the Agreement, the European Commission provided continuous political, technical and financial support, at every stage of the trade liberalisation process in South Eastern Europe.

The agreement created a regional free trade area, based on the existing

bilateral agreements which liberalise more than 90% of trade and almost all trade in industrial goods.

The agreement consolidates and modernises the region's "rule book" on trade and includes modern trade provisions on issues such as competition, government procurement and protection of intellectual property. It provides for convergence of relevant trade-related rules, notably with regard to industrial and sanitary-phytosanitary rules.

The result is a simplified single system of rules that will make it easier to trade within the region. Increased trade plays a key role in promoting economic growth, job creation and reducing unemployment.

CEFTA will make the region more attractive as a consolidated market for foreign investment. Overall, FDI flows in the region remain low. They are insufficient to finance the countries' current account deficits. The countries need to attract greater levels of foreign direct investment, in particular new investments are becoming increasingly important as the privatisation process in the region winds down.

CEFTA will also assist those that are not yet part of the WTO to prepare for membership, because the two processes are rooted in the same goals and rules of progressive liberalisation and open trade.

For more information on EU trade relationship with the Western Balkans please visit:
http://ec.europa.eu/trade/issues/bilateral/regions/balkans/index_en.htm

Seminar on EU Conditionality

On 11 October 2007, the Directorate for European Integration (DEI) organised a seminar on EU Conditionality in the framework of the EU-funded technical assistance project funded through the CARDS programme.

The seminar brought together DEI staff and other government stakeholders, representatives of NGOs and members of academia, as well as members of the diplomatic corps, so as to enhance understanding of the concept and mechanisms of conditionality and to promote a joint discussion on the subject.

Mr. Osman Topcagic, Director of the Directorate for European Integration, summarised the reforms implemented in BiH since the "Road Map" in terms of laws and institutions, reminding the participants that the Stabilisation and Association Agreement (SAA) technical negotiations were completed in the foreseen timeframe but cannot be signed due to the outstanding issue of police reform. He

added that the Member States prior to the 2004 enlargement (the "EU-15") do not always understand the sheer scope of reforms that more recent members had to implement in a shorter period than acceding countries did in the past.

Ambassador Dimitris Kourkoulas, Head of Delegation of the European Commission to BiH, stated that conditionality could seem a misleading term as it implies imposition from a stronger party on a weaker party: in the context of enlargement he sees it as a positive influence which the EU exerts so as to foster policy choices in the candidate countries and to strengthen their relations with neighbouring countries. He trusts that this is strong enough to help the Western Balkan countries, and BiH, to overcome the problems created following the breakup of the former Yugoslavia. The challenge for BiH is to find innovative ways of using the attractiveness of EU membership to overcome specific problems. For example, it is not just relations with neighbours but

between citizens of the same country which requires consolidation.

Dr. Klaudijus Maniokas presented an overview of EU conditionality and "Europeanisation" in Central and Eastern Europe based on his experience as Lithuania's Chief Negotiator.

Mrs. Malinka Ristevska Jordanova, State Counsellor in the Secretariat for European Affairs of the government of the Former Yugoslav Republic of Macedonia, presented the specific experiences with conditionality in her country, to share lessons learned.

Dr. Antoaneta Dimitrova, lecturer at the University of Leiden specialising in the EU's role in democratization in Europe, EU conditionality, EU enlargement and institutional change, etc., spoke about the promise and limits of EU conditionality as a tool for reform.

The seminar included working groups and practical work assignments.