

P R E S S R E L E A S E

European Union Delegation of the European Commission to the Republic of Croatia

Chrono MRIMR *5676

Zagreb, 15 December 2004.

PRESS RELEASE

Commission decides on strategic directions of regional financial assistance for the Western Balkans

- **The European Commission approved today the strategic programming framework (the so-called Multi-annual Indicative Programme) of EU assistance to the Western Balkans for the years 2005 and 2006, under the CARDS Regional Programme. This provides strategic guidance for implementing CARDS regional assistance, in order to achieve the goals of the Stabilisation and Association process and the Thessaloniki Agenda for the Western Balkans, primarily contributing to enhanced regional co-operation.**

The amount of the CARDS regional financial allocation for 2005-2006 is € 85 million.

Priority areas where regional CARDS assistance will be focused for 2005-2006 are:

- ***Institution building.*** This priority focuses primarily on strengthening the administrative capacity of the countries, and support to public administration reform, through instruments regionally implemented.
- ***Justice and Home Affairs.*** Actions in this field have a special focus on the fight against organised crime and corruption, and include enhanced police regional co-operation and judicial regional co-operation.
- ***Cross-border co-operation,*** by promoting economic and social co-operation of border regions, including support to networking activities and the involvement of civil society.
- ***Private sector development,*** by facilitating foreign direct investments in the region.
- ***Infrastructure development,*** through initiatives in the sectors of transport, energy, environment and information society.

Background

CARDS (Community Assistance for Reconstruction, Development and Stabilisation) is the EU financial assistance programme underpinning the objectives of the EU policy for the Western Balkans, namely the Stabilisation and Association process. Strategy papers and Multi-annual Indicative Programmes (MIP), at both regional and national levels, provide the strategic framework in which



assistance is provided. The priority actions of the strategy for regional assistance correspond to initiatives with a strong regional dimension where objectives can be better achieved and support can be better delivered at regional level.

Under the CARDS programme, more than € 5 billion has been allocated to the Western Balkan countries for the period 2000-2006. For the years 2005-2006, CARDS financial assistance will cover the four potential candidate countries of the Western Balkans: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Serbia and Montenegro (including Kosovo under UN administration).

Croatia, which has been granted candidate country status, is expected to benefit from pre-accession financial assistance. The country remains part of the Stabilisation and Association process and, in the context of regional co-operation, it will continue to be eligible for CARDS regional funds.

Regional co-operation is an essential element of the Stabilisation and Association Process. The capacity and readiness of an individual Western Balkan country to fully and constructively engage in regional co-operation is a key indicator of its ability to cope with European obligations and to eventually join the European Union.

Under the CARDS Regional Multi-annual Indicative Programme 2005-2006, the indicative **allocations per priority** are as follows (as per budget available; range of *circa* +/- 10%):

PRIORITIES	€ million
INSTITUTION BUILDING	16-18
JUSTICE AND HOME AFFAIRS	5-6
CROSS BORDER CO-OPERATION	33-39
PRIVATE SECTOR DEVELOPMENT	2.5-3.5
INFRASTRUCTURE DEVELOPMENT	21-26
RESERVE	0.7-0.9
TOTAL	85

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