**EU FINANCIAL ASSISTANCE TO WESTERN BALKAN COUNTRIES WITH SPECIAL FOCUS ON ALBANIA**

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**Abstract**

The overall objective of EU financial assistance is to help prepare the Western Balkan countries to meet the challenges of future EU membership.

From 2000 to 2007, SAPARD, ISPA, PHARE and CARDS were financial instruments which help candidate and potential candidate countries to carry out reforms, important for accession preparations, as per the membership criteria, but also for the economic and social modernization of the countries.

In 2007, with a view to streamline all pre-accession in a single framework and under the same regulation, the new Instrument for Pre-accession Assistance (IPA) replaced the previous pre-accession programmes.

The main objective of the IPA is to help the countries to face the challenge of European integration, to implement the reforms needed to meet EU requirements and progress in the Stabilization and Association Process and to lay the foundations for fulfilling Copenhagen criteria for the EU membership.

The European Union, in the last few decades, has been particularly interested in providing support to countries which are potential candidates such as Albania.

In the past, until 2007, the EU supported Albania through various instruments like: ECHO-Humanitarian Aid programme, PHARE and CARDS.

The IPA 2007-2013 is aimed at supporting the accession process of Albania focusing on political, institutional and economic transition.

EU assistance has been delivered within four priority areas: public administration; justice and home affairs; economic development; and environment and infrastructure.

**Key words:** potential candidate, assistance, financial instrument, accession preparations, membership criteria, requirements.

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**Financial assistance to the Western Balkan countries**

The overall objective of EU financial assistance is to help prepare the Western Balkan countries to meet the challenges of future EU membership.

In the period of 1991-1999, the total assistance to the Western Balkan countries amounted to €4.427 billion.

Table1. EU assistance to the Western Balkans in the period 1991-1999, million euros[[1]](#footnote-1)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **1991-1999** | **Albania** | **Bosnia and Herzegovina** | **Serbia and Montenegro** | **Kosovo** | **Croatia** | **Republic of Macedonia** | **Total** |
| **TOTAL:** | 925,5 | 2.093,2 | 425,6 | 272,8 | 347,7 | 363,8 | **4.427,95** |

Source: <http://web.ceu.hu/cens/assets/files/IPA.pdf>

From 2000 to 2007, SAPARD, ISPA, PHARE and CARDS were financial instruments which help candidate and potential candidate countries to carry out reforms, important for accession preparations, as per the membership criteria, but also for the economic and social modernization of the countries.

The purpose of the SAPARD programme is to provide assistance in the agricultural sector and rural areas while the task of ISPA is to help the realization of priority infrastructure projects in the field of environmental protection and transportation.

The objectives of the PHARE programme are to strengthen public administration and institutions for better and more effective functioning within the EU, to promote convergence with the European law in order to reduce the period of transition and to promote economic and social cohesion.

The CARDS programme is focused on reconstruction and infrastructure, promotion of democracy, economic and social development and regional cooperation.

For the period 2000-2006 the assistance to the Western Balkan countries amounted to more than €5 billion.

Table2. EU aid for the Western Balkans through CARDS programme for the period 2000/2006, in million euros[[2]](#footnote-2)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **2000-2006** | **Albania** | **Bosnia and Herzegovina** | **Serbia and Montenegro** | **Croatia** | **Republic of Macedonia** | **Other countries** | **Total** |
| **TOTAL:** | 315,5 | 502,8 | 2,547,8 | 523,8 | 298,2 | 1187,1 | **5.375,2** |

Source: <http://web.ceu.hu/cens/assets/files/IPA.pdf>

In 2007, with a view to streamline all pre-accession assistance in a single framework and under the same regulation, the new instrument for Pre-accession Assistance (IPA) replaced the previous pre-accession programmes.

The main objective of the IPA is to help the countries to face the challenge of European integration, to implement the reforms needed to meet EU requirements and progress in the stabilization and Association Process and the lay the foundations for fulfilling Copenhagen criteria for the EU membership.

The financial assistance to the Western Balkans from the IPA will be more than €4 billion.

Table3. The financial assistance to the Western Balkans in the period 2007-2013 (IPA)[[3]](#footnote-3)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **2007-2013** | **Albania** | **Bosnia and Herzegovina** | **Serbia**  | **Montenegro** | **Croatia** | **Republic of Macedonia** | **Total** |
| **TOTAL:** | 597.830.813 | 658.501.243 | 1.392.067.970 | 236.625.200 | 999.608.053 | 619.290.031 | **4.503.923.310** |

Source: <http://ec.europa.eu/enlargement/potential-candidates/index_en.htm>

 <http://ec.europa.eu/enlargement/candidate-countries/index_en.htm>

Since 1991 the European Union has been the largest donor to the Western Balkans countries, having provided more than €20 billion including humanitarian and bilateral assistance.

**Financial assistance to Albania**

The European Union, in the last few decades, has been particularly interested in providing support to countries which are potential candidates such as Albania.

In the past, until 2007, the European Union supported Albania through various instruments like ECHO – Humanitarian Aid Programme, PHARE and CARDS.

According to CARDS annual action programmes about €236 million was available to Albania.

Table4. CARDS annual action programmes for Albania, million euros[[4]](#footnote-4)

|  |  |
| --- | --- |
| **Annual programme** |  **Total** |
| Annual programme 2005 | 44.2  |
| Annual programme 2004 | 63.5 |
| Annual programme 2003 | 46.5 |
| Annual programme 2002 | 44.9 |
| Program for support of the 2001 taxation | 2.0 |
| Support Program 2001 | 35.5 |
| **Total** | **236.6** |

Source:<http://ec.europa.eu/enlargement/press_corner/key-documents/cards_reports_and_publications_en.htm>

The IPA 2007-2013 is aimed at supporting the accession process of Albania focusing on political, institutional and economic transition.

Table5. Albania – Financial assistance 2007-2013, million euros[[5]](#footnote-5)



Source:<http://ec.europa.eu/enlargement/potential-candidates/albania/financial-assistance/index_en.htm>

European Union assistance has been delivered within four priority areas: public administration, justice and home affairs, economic development, environment and infrastructure.

The assistance in public administration has resulted in supporting the institutions that are directly concerned by the reforms. Several projects aimed at capacity building of institutions are valued at more than €2.5 million.

In the field of Justice and home affairs, EU assistance contributes to strengthening the judiciary capacities and structures and the police reform process. With €5.5 million of EU financial assistance aims to improve the functioning of the police, 4.4 million to support the management of Albanian maritime border, and €10 million have been invested on finalizing several detention prison facilities.

The assistance in the area of economic development is focused on maintaining steady growth and increased competitiveness especially in the private sector. About €3.4 million have been spent to enable Albania’s development policy for small and medium enterprises.

EU support in the area of environment and infrastructure has resulted in improved water supply and sewage systems as well as upgraded road infrastructure and border crossing.

The planned projects for the period from 2007-2013 are aimed to support the improvement of the infrastructure and environment , reforms in the police and judiciary, reforms in public administration, support of the development of human resources.

 The most important projects are:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|   | **Project** | **Date** | **Overall cost** | **EU contribution** | **Final date for contracting** | **Final date for execution of contracts** | **Final date for disbursements** |
| 1 | Preparation of the Albanian Authorities for the Decentralization of Management of EU Assistance | 2007 | 1.000.000 | 1.000.000 | 3 years following the date of conclusion of the Financing Agreement | 2 years following the end date for contracting | Disbursements will continue for up to one year after the end date for the execution of contracts |
| 2 | Support for alignment of Albanian Statistics with EU standards | 2007 | 2.850.000 | 2.850.000 | 3 years following the date of conclusion of the Financing Agreement | 2 years following the end date for contracting | Disbursements will continue for up to one year after the end date for the execution of contracts |
| 3 | Improvement of Water Supply and Sewerage Systems in Albania | 2007 | 25.500.000 | 24.000.000 | 3 years following the date of conclusion of the Financing Agreement | 2 years following the end date for contracting | Disbursements will continue for up to one year after the end date for the execution of contracts |
| 4 | Technical Assistance to Ministry of Public Works, Transport and Telecommunications | 2008 | 1.000.000 | 1.000.000 | 3 years following the date of conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution of contracts |
| 5 | Support to Civil Service Reform | 2008 | 1.000.000 | 1.000.000 | 3 years following the date of conclusion of the Financing Agreement | 2 years following the end date for contracting | Disbursements will continue for up to one year after the end date for the execution of contracts |
| 6 | Reconstruction of the secondary and local roads | 2008 | 8.880.000 | 8.000.000 | 3 years following the date of conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution of contracts |
| 7 | Support to Blue Border Management | 2009 | 5.120.000 | 4.000.000 | Two years following the date of the conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution of contracts |
| 8 | Assistance to the Justice System | 2009 | 3.300.000 | 3.300.000 | Two years following the date of the conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution |
| 9 | Improvement of rural roads in Albania | 2009 | 49.000.000 | 9.000.000 | Two years following the date of the conclusion of the Financing Agreement | Four years following the end date for contracting | One year following the end date for the execution |
| 10 | Support to the EU integration process | 2010 | 2.222.000 | 2.000.000 | Two years following the date of the conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution |
| 11 | Strengthening the Assembly of Albania | 2010 | 1.580.000 | 1.500.000 | Two years following the date of the conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution |
| 12 | Human Resources Development in Albania | 2010 | 3.330.000 | 3.000.000 | Two years following the date of the conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution |
| 13 | Support to the Albanian Customs Administration | 2011 | 3.300.000 | 3.000.000 | Two years following the date of the conclusion of the Financing Agreement  | 2 years following the end date for contracting | One year following the end date for the execution |
| 14 | Support to Agriculture and Rural Development | 2011 | 20.750.000 | 10.000.000 | Two years following the date of the conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution |
| 15 | Support for participation to Union Programmes | 2011 | 3.256.000 | 2.435.000 | Two years following the date of the conclusion of the Financing Agreement | 2 years following the end date for contracting | One year following the end date for the execution |

Source:<http://ec.europa.eu/enlargement/potential-candidates/albania/financial-assistance/index_en.htm>

**Conclusion**

EU is actively assisting the countries of the Western Balkan in order to foster their democracy, economic and social development and regional cooperation.

Albania, as one of them, is fully committed to the concept of lasting economic, social and political stability quarantined through closer ties to European Union.

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1. http://web.ceu.hu/cens/assets/files/IPA.pdf [↑](#footnote-ref-1)
2. http://web.ceu.hu/cens/assets/files/IPA.pdf [↑](#footnote-ref-2)
3. <http://ec.europa.eu/enlargement/potential-candidates/index_en.htm>

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