



# Serbia and Montenegro:

## beauty, troubled history and warm hearts



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*Blessed with a beautiful landscape and proud people, Serbia and Montenegro straddle the old boundaries between the Austro-Hungarian and Ottoman Empires and the frontier between Roman Catholicism, Eastern Orthodox Christianity and Islam.*

*Crna Gora, which is known to the outside world by its Venetian name of 'Montenegro', was the only part of the Balkans never under Ottoman rule. Montenegro, home to one of the holiest icons in the Orthodox world, Our Lady of Philermos, has been immortalised by just some lines in F. Scott-Fitzgerald's novel 'The Great Gatsby'.*

*Serbia's melange of foreboding and beauty, and its proud and warm-hearted people have captured and inspired poets and writers such as Edmond Rostand and Gabriele d'Annunzio, Evelyn Waugh, Fitzroy MacLean and — most famously in 'White Eagles over Serbia' — Lawrence Durrell: 'As far as his memory served him, there were only two small hamlets along the Studenitsa river, and the only human activity apart from land cultivation centred about a sawmill which flanked the monastery at the summit. Here he had camped once beside the smooth river and fished away the better part of a summer with a Serbian friend. In the evening they had walked up to the sawmill to drink plum-brandy with the monks and peasants and to share the fishing gossip of the community. Here too they had experimented with different ways of cooking trout, and he remembered clearly the taste of fish baked in the sour cream called kaimak which serves the peasant for butter.'*

Some progress, but the vital 'qualitative' leap forward is still required

After the tragic events of the 1990s with its wars and oppression, there is a general peace now in south-eastern Europe and in October 2000, with great courage and conviction, the people of Serbia and Montenegro decided collectively for democracy by overthrowing Slobodan Milosevic and surrendering him for trial at the International Court in The Hague (ICTY). However, as the murder of the Serbian Prime Minister Zoran Djindjic in March 2003 showed, turbulence and violence remain close to the surface of a society still coming to terms with the events of the past decade.

The wealth of Serbia and Montenegro lies in its people, who can keep it on the path to democracy, prosperity and, eventually, membership of the European Union. The raw material for this transformation is abundant in Serbia and Montenegro. The pool of talent includes eminent academics, business leaders, sportsmen, film directors and other cultural luminaries. And there has been much progress, both in political reform and economic development.



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However, the accomplishments made since 2000 need to be strengthened and reforms must be accelerated. The country still has a long way to go. A variety of factors have contributed to the slow pace of political reform in key areas and failure to fulfil key international obligations (such as cooperation with the ICTY), including:

- the legacy of the past and the continued existence of old political structures;
- political disagreements about the interpretation and implementation of the new constitutional agreement between Serbia and Montenegro; and
- protracted party political disputes.

On the economic front, the situation has improved as a result of the general stability, although government finances and the country's ability to stand on its own feet abroad are still in a critical state. Structural economic reforms need to move faster.

### The EU fully supports the reform process

The Serbian and Montenegrin authorities are committed to the reform process needed to fulfil their people's aspiration to move closer to Europe. The EU will continue to support them both in their efforts and in their fight against any threats to the institutions and culture of democracy in Serbia and Montenegro.

The basis and centre point of the EU's support for Serbia and Montenegro, as for the other four countries of the western Balkans, is the stabilisation and association process, strengthened at the Thessaloniki summit (June 2003) with lessons learnt from the current EU enlargement process, so that it can better meet new challenges. It provides a range of benefits, such as an assistance programme (Community assistance for reconstruction, development and stabilisation, or 'CARDS'), technical advice on legal and institutional issues, highly favourable conditions for trade, cooperation in fields such as justice and internal affairs, and regular discussions at political level. These are specifically designed to help Serbia and Montenegro carry out the political and economic reforms necessary to enter into a stabilisation and association agreement with the EU. The agreement, in turn, would provide for a new relationship and even closer association with the EU.

In **Kosovo** (as defined by the United Nations Security Council Resolution 1244 of 10 June 1999) the EU supports the implementation of the international community's strategy, which pursues 'standards before status'. Kosovo needs to make real progress in the achievement of these standards if it is to become a society where there is tolerance, justice and peace for everybody. Through a Kosovo-specific mechanism of the stabilisation and association process, the EU underpins this strategy for a multi-ethnic Kosovo in which all ethnic groups can live freely and without fear. Whatever Kosovo's final status, its place is in Europe.



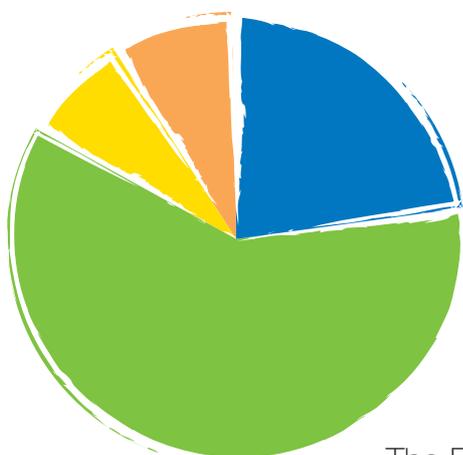


And the EU is providing significant financial assistance

Since 1991, the EU has provided assistance to Serbia and Montenegro (including Kosovo) totalling almost EUR 3 billion, of which more than EUR 2 billion since October 2000. This is real proof of the EU's support for Serbian and Montenegrin efforts to tackle the past and prepare for a future as candidates for EU membership. As the country has recovered from the conflicts of the 1990s, the EU is now concentrating support in three main areas.

- **Good governance and institution building**, focusing on public administration reform, justice and home affairs (i.e. strengthening the rule of law) and customs and taxation.
- **Economic recovery, regeneration and reform**, focusing on energy, transport, environment and economic development.
- **Social development and civil society**, focusing on university education, enhancing regional cooperation, vocational education and training linked to employment generation and civil society strengthening.

**CARDS allocation 2002-04  
(by priority sector)**



EU financial assistance provided through CARDS underpins the objectives and mechanisms of the stabilisation and association process.

Priority sectors	Million EUR
Governance and institution building (*)	225.4
Economic reconstruction, regeneration and reform	595.3
Social and civil society	77.8
Others (**)	89.4
<b>Total</b>	<b>987.9</b>

The EU is keeping its promises — but they must be matched

The EU's commitment to help Serbia and Montenegro and support its progress towards the EU is thus real and sincere, but it needs to be met by an equal commitment from Serbia and Montenegro. The success and speed of the country's progress, in particular in negotiating a stabilisation and association agreement with the EU, will depend on its ability to demonstrate that it can implement the agreement, with particular regard to its track record on delivering reform. As Commissioner Chris Patten told the press during one of his visits to Belgrade:

'This country is now firmly on the road to integration with the European Union. What is at issue now is whether you can keep to that demanding road; and how rapidly you can

(\*) Including Integrated Border Management (from Regional Programme): 17.7

(\*\*) Running costs of European Agency for Reconstruction: 48  
Specialised assistance and studies: 21.4  
Transfer to UNMIK (United Nations Mission in Kosovo): 20.



travel along it. Now the challenge is to turn the agreement into reality: to seize this historic opportunity to forge a modern new State, committed to the twin goals of European integration and political and economic reform. ... The gain outweighs the pain. And of course the sooner you start, and the faster you move, the sooner you get through it.'

## Where can I find more information?

Further information on the EU's relations with Serbia and Montenegro and the other countries of the western Balkans is available from the Commission's dedicated web-site:

**[http://europa.eu.int/comm/external\\_relations/see/index.htm](http://europa.eu.int/comm/external_relations/see/index.htm)**

If you have a specific question concerning the European Commission's external relations policies, please e-mail the 'Relex feedback' mailbox through the following web address:

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