

Speech by Mr Olli Rehn

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Achieving Stability and Association with the EU

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Es gilt das gesprochene Wort

Ceremony to open SAA negotiations

Federal Palace, Belgrade, 10 October 2005

Presidents, Prime Ministers, Your Excellencies, Ladies and Gentlemen,

Today marks the start of a new stage in the relationship between the EU and Serbia and Montenegro. We are here to celebrate the beginning of negotiations on a Stabilisation and Association Agreement. This agreement will deepen our relationship, and create a contractual bond between the EU and your country. It is a crucial step forward on Serbia and Montenegro's way towards the European Union.

In April this year, the Commission issued its Feasibility Study, concluding that Serbia and Montenegro is ready to negotiate a Stabilisation and Association Agreement. Last week, the foreign ministers of the 25 EU Member States confirmed that assessment by giving the Commission a mandate to negotiate it.

Next year we are likely to confront difficult political issues, including possible discussions on the status of Kosovo and the future of the State Union. It is in everyone's interest not to allow them to obstruct the SAA negotiations. We all share a common concern that the negotiations should run smoothly and efficiently. To overcome obstacles that arise to the satisfactory and speedy conclusion of this agreement, all parties will need to muster strong political will. The real prize is a stronger and closer relationship with the EU, and other issues should not distract your attention from this goal.

I would like to outline the process ahead of us. This is not the first time the Commission is negotiating a Stabilisation and Association Agreement, and you will benefit from our experience. It tells us that for the negotiations to proceed rapidly, the EU needs an efficient and well organised counterpart on your side.

The negotiations will be based on the 'twin track' approach, whereby the Commission will negotiate separately with each of the two republics on issues under republican competences. But many of the provisions in the agreement concern shared competences. On those issues, it is crucial that we have a counterpart who presents common positions - a counterpart who is willing to cooperate and find common solutions. The negotiations could stall if there is not enough cooperation on your side.

Our view is that we cannot start only with issues under the competence of the republics. Our previous experience tells us that we also need to start discussing issues of a general nature, such as the preamble of the agreement, the general principles and the political dialogue. May I remind you that as long as one part or title of the agreement has not been finished, we cannot close any of the other parts. In this respect, it is one single agreement.

Remember too that the Council has given the Commission a mandate to negotiate an agreement with the State Union of Serbia and Montenegro, including its two constituent republics. It is not useful at this point to start a hypothetical discussion about what would happen if a referendum next year resulted in secession. Instead, we need to work on the reality of today. But it is quite clear that if separation occurred, the Commission would have to refer the issue to the Council and seek new mandates for separate negotiations with Montenegro and Serbia. That could take some time, wasting valuable months when we could instead be making progress on the detailed issues of substance.

The Council adopted the negotiating directives very rapidly. However, this does not mean that the adoption process was without difficulties. In fact, the Council debated the conditions at length, and gave special attention to full cooperation with the ICTY. For the smooth conduct of the negotiations, it is crucial that you maintain your efforts and enhance cooperation with the The Hague Tribunal. During the negotiations, we will continue to monitor progress closely, and the Commission will not hesitate to recommend the suspension of negotiations if the efforts falter.

You will soon receive the draft SAA, which will be the basis for further discussions. The text is very similar in scope and content to previous agreements. While you are preparing for the negotiations, I recommend that you concentrate on a limited number of essential issues on which we will have to negotiate specific solutions.

During the negotiations we will alternate between official rounds - which the Member States will attend - and more technical rounds, when only the Commission will be present on the EU side. I have asked my services to contact yours to discuss in more detail the preparations and the proceedings of the negotiations. We will proceed as fast as you allow us to go.

Foot-dragging would not be in the political interests of any of the parties involved in this negotiation. This agreement will bring benefits to all of the citizens of Serbia and Montenegro, and it is not fair to them to delay the achievement of the association agreement because of other political issues.

The benefits to your citizens are important ones: the Stabilisation and Association Agreement will allow an expansion of trade with the EU, attracting investment to Serbia and Montenegro. That will create jobs here because companies will seek to expand their activities in response to the removal of obstacles to the movement of goods. They will also see more high-quality goods in the shops at better prices, and enjoy better consumer protection.

In addition to the economic side, the people of this country will benefit from wide-ranging cooperation with the EU in many policy areas where there are serious problems. For example, the SAA will help to tackle organised crime and trafficking across borders, as well as to improve environmental standards.

Ladies and Gentlemen,

As the Commissioner responsible for enlargement, my aim is to deepen the relationship between the European Union and your country. Together, we are making tangible progress. I congratulate Serbia and Montenegro on having achieved this move forward. Many ministers in successive governments over the past five years have worked to take your country towards Europe. This is the result of all their efforts.

I look forward to working with you in these negotiations. We have a big job ahead of us, but it will be worth the effort to bring the benefits to the citizens of Serbia and Montenegro. We owe it to them.