

EUROPEAN UNION



Committee of the Regions

RELEX-IV-002

Brussels, 3 November 2006

OPINION
of the
Committee of the Regions
of 11 October 2006
on the
2005 Enlargement package
2005/ELARG/001
and on the
Communication from the Commission:
The Western Balkans on the road to the EU: consolidating stability and raising prosperity
COM(2006) 27 final

THE COMMITTEE OF THE REGIONS

Having regard to the Commission communication *The Western Balkans on the road to the EU: consolidating stability and raising prosperity* (COM(2006) 27 final);

Having regard to the decision of the European Commission of 27 January 2006 to consult it on this subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision of its president of 28 February 2006 to instruct the Commission for External Relations and Decentralised Cooperation to draw up an opinion on the European Commission's strategy on progress made in the enlargement process;

Having regard to the *enlargement package 2005* (2005/ELARG/001);

Having regard to its opinion on the *Proposal for a Council Decision on the principles, priorities and conditions contained in the European Partnership with Croatia* and with a view to focusing on the countries taking part in the Stabilisation and Association Process (SAP), i.e. Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, and Serbia and Montenegro including Kosovo, with the exception of Croatia (CdR 499/2004 fin);

Having regard to its opinion on *The role of the European Union's local and regional authorities in the democratic consolidation process in the Western Balkans* (CdR 101/2003 fin)¹;

Having regard to its opinion on the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Civil Society Dialogue between the EU and Candidate Countries* (CdR 50/2006 rev. 1);

Having regard to the EU/Western Balkans Joint Press Statement of the Ministers of Foreign Affairs of the Member States of the European Union, the acceding states, the candidate states and the potential candidate Western Balkan countries issued in Salzburg on 11 March 2006 which affirmed the European perspective of the Western Balkan states and, in accordance with the Conclusions of the 2003 Thessaloniki European Summit, confirmed EU membership as the ultimate goal;

Having regard to the Stability Pact for South-East Europe established by the European Commission and 40 partner countries and organisations on 10 June 1999 as a means of preventing conflict and promoting reconstruction in the Balkan region;

Having regard to the Resolution of the European Parliament of 16 March 2006² on the Commission's enlargement strategy paper;

¹ OJ C 73, 23.3.2004, p. 1.

² Brok Report A6-0025/2006.

Having regard to the Final Declaration of the Conference on The role of EU regional and local authorities in the process of democratic consolidation in the Western Balkans region, Prishtina, 22 June 2005, CdR 145/2005;

Having regard to the conclusions of the conference of the CONST commission on the Contribution of local and regional authorities to the protection of minorities and anti-discrimination policies, held in Vienna (Austria) on 17 March 2006;

Having regard to the European Charter for Small Enterprises and the Report on the implementation of the European Charter for Small Enterprises in Moldova and the countries in the Western Balkans (SEC(2006) 283);

Having regard to its draft opinion adopted on 22 June 2006 by the Commission for External Relations and Decentralised Cooperation (CdR 115/2006 rev. 1), rapporteur: Mr Schausberger (AT/EPP);

Whereas:

- 1) The CoR has dedicated an opinion exclusively to Croatia, this opinion will therefore focus on the remaining countries making up the Western Balkans, i.e. Albania, Bosnia and Herzegovina, Montenegro, the former Yugoslav Republic of Macedonia, and Serbia including Kosovo.

unanimously adopted the following opinion at its 66th plenary session of 11 and 12 October 2006 (meeting of 11 October):

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1. The views of the Committee of the Regions

1.1 General comments

The Committee of the Regions

- 1.1.1 **considers** further progress in the Western Balkans to be a joint European peace project which is fully consonant with the founding principle of the Communities, and **emphasises** that the Western Balkan countries, through their own efforts and with the support of the European

Union, should, as an integral part of the European family, eventually become an area of peace, freedom, security and prosperity;

- 1.1.2 **considers** dealing with the past to be a prerequisite for reconciliation between countries, peoples and ethnic groups in the Western Balkans; **emphasises** in this connection the need for the countries concerned to cooperate fully with the International Criminal Tribunal for the Former Yugoslavia (ICTY);
- 1.1.3 **points out** that membership of the European Union not only involves the internal market or free movement of people, but is equally concerned with the values shared by the peoples and countries of the European Union: human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of people who belong to minorities;
- 1.1.4 **welcomes** the progress made in the political and economic reforms emerging from the European perspective of the Western Balkan countries launched in Thessaloniki in 2003 and confirmed in Salzburg on 11 March 2006, and **recognises** the major responsibilities which the international community and Europe bear towards these countries;
- 1.1.5 **is pleased** that matters relating to the Western Balkans are discussed not only in the various Council formations but also in the General Affairs Council and that the results are to be collated in June 2006;
- 1.1.6 **welcomes** the opening of negotiations on the Stabilisation and Association Agreement (SAA) with Bosnia and Herzegovina;
- 1.1.7 **hopes** that the negotiations on a Stabilisation and Association Agreement with Serbia will continue without delay as soon as the Serbian negotiating partners have re-established the prerequisite for this to happen;
- 1.1.8 **welcomes** the opening of negotiations on a Stabilisation and Association Agreement with Montenegro on 26 September 2006;
- 1.1.9 **observes** that the Western Balkan countries have very different political and administrative structures and traditions – also in part at local and regional level – and display great diversity in development; these factors must be adequately considered in the transformation, stabilisation and democratisation process;
- 1.1.10 **acknowledges** the work programme drawn up by Croatia, as chair-in-office of the South-East Europe Cooperation Process (SEECPP), for the period May 2006 to May 2007, the success of which ultimately depends on the constructive cooperation of the countries of south-east Europe and which represents an important step towards the realisation of the European perspective of this region.

1.2 **Prospects for enlargement**

- 1.2.1 **underlines** the European perspective of the Western Balkan countries with the ultimate goal of EU membership; the current debate on the prospects for enlargement thus does not apply to these countries; the pace of enlargement must reflect the capacity of the EU to absorb new Member States;
- 1.2.2 **recognises** the importance, richness and value that the Western Balkans, the individual countries and peoples, will bring to the whole of the European Union;
- 1.2.3 **reiterates its view** that a debate has to be conducted on the objectives and limits of the European Union, including possible forms of cooperation with neighbouring states (e.g. neighbourhood policy or privileged partnership). This means giving those states which are not at present being offered the prospect of accession proposals for a clearly defined European economic, political and strategic relationship as part of a strategy of encouragement involving step-by-step integration into the political and economic structures of Europe;
- 1.2.4 **supports** the European Parliament's request that the Commission draw up a report by 31 December 2006 on the absorption capacity, character and geographical limits of the European Union and **expresses its willingness** to make its contribution to the own-initiative report which the European Parliament intends to draw up on the subject;
- 1.2.5 **stresses** the importance of public support for the enlargement process in both the acceding state as well as in the current EU, but stresses that this should not be made an additional criterion for accession.

2. **The Committee of the Regions' recommendations**

The Committee of the Regions

2.1 **Stable local and regional democracy; pluralist society**

- 2.1.1 **stresses** that establishing democratically legitimised political institutions with the necessary funding and efficient administrations at local and regional level is one key to lasting stability; such institutions guarantee that the principles of subsidiarity, local responsiveness and partnership, as well as human rights and fundamental freedoms, are applied in citizens' daily lives;
- 2.1.2 **emphasises** that Stabilisation and Association Agreements in preparation for future EU membership can succeed in the long term only with strong involvement of local and regional authorities;

- 2.1.3 **recommends** that the Western Balkan countries sign or ratify the European Framework Convention on Transfrontier Cooperation between Territorial Communities or Authorities, the European Charter for Regional or Minority Languages, and the European Charter of Local Self Government³ and ensure their application; the same also goes for the Framework Convention for the Protection of National Minorities;
- 2.1.4 **urges** the Western Balkan countries to follow up the commitments they undertook at the SEE regional ministerial conference on effective democratic governance at local and regional level (Zagreb, 24-25 October 2004) and prepare for the follow-up conference to be held in Skopje ("the former Yugoslav republic of Macedonia") on 8-9 November 2006, under the auspices of the Stability pact for South-eastern Europe and the Council of Europe;
- 2.1.5 **calls on** the Western Balkan countries, in line with the subsidiarity principle, to strengthen their sub-national spheres of government, creating the necessary legal framework for doing so, and to provide regions and municipalities with the requisite resources to exercise their extended responsibilities;
- 2.1.6 **calls on** government and associations of regions and local authorities in the Western Balkan region to work together and develop the "capacity building" initiatives and programmes necessary for regions and local authorities to effectively perform their functions; **praises** the initiative taken by the Council of Europe to establish a Centre of Expertise for Local Government Reform and **invites** the Commission to consider the possibility of establishing partnerships with this Centre in order to implement effectively its assistance programmes;
- 2.1.7 **recommends** facilitating and promoting the involvement of all ethnic and population groups, and especially minorities (non-majority population groups), in public life and in all political bodies and administrative systems, as well as public enterprises and **calls for** dialogue and cooperation between communities, especially in areas where the population is mixed, to be stepped up and for medium-term strategic plans to be drawn up and implemented to this end;
- 2.1.8 **recommends** drawing on the experience of regions in the Member States with their policies on respect for human rights and protection of minority rights; only a legal basis and policies that have a local impact and are accepted and supported by the local population will be viable over the long term;
- 2.1.9 **sees** the EU accession process as a major incentive for the acceptance of the coexistence of different ethnic groups; **points out** that the solution of ethnic issues requires special treatment in view of the complex legal situation and disparate patterns of geographical settlement;

³

A summary of the state of ratification can be found on the website of the Council of Europe's Treaty Office:
<http://conventions.coe.int>.

- 2.1.10 **considers it essential** in order to ensure the sustainable use of resources invested by the European Union, that the regions, local authorities and their associations in the Western Balkan countries are involved in framing and implementing all Community programmes and are made (co-)responsible, in accordance with their administrative capacity; **notes** that the Union has already provided funding to support political and economic reforms to the tune of some EUR 5.4 billion for the period 2000-2006; **stresses** the importance of continuing financial support for the consolidation and continuation of partnerships, with measures for capacity-building primarily via the pre-accession instrument, and **expects** these instruments to be appropriately funded for the Western Balkan countries in the coming financing period 2007-2013;
- 2.1.11 **advocates** promoting dialogue between the representatives of local and regional authorities of the Western Balkans with the CoR; **reaffirms** its willingness to make a specific contribution to building institutions and strengthening administrative capacity for national associations of the regions and local authorities, for instance in joint consultative committees for the countries that have the prospect of accession; **believes** it is important to meet the wish of the regions and local authorities of the Western Balkans for information about governance, policy advice and technical support from the Member States;
- 2.1.12 **calls for** involvement of the CoR and regions in the Member States, and of educational bodies⁴ and European regional organisations, such as the Association of European Border Regions, with appropriate experience in setting up the regional School for Higher Education in Public Administration Reform (cf. COM(2006) 27, p. 11); **recommends** that training programmes cover subjects such as decentralisation and regionalisation, setting up and running regional and local authorities, cross-border and interregional cooperation and diversity management;
- 2.1.13 **welcomes** the outcome of the meeting of the Stability Pact's Regional Table held in Belgrade on 30 May 2006, at which the participants agreed to take ownership of a new cooperation framework operated by the region itself; **declares its readiness** to participate in the work of the Regional Cooperation Council (RCC), to be established in 2008, as the successor to the Stability Pact, and to bring to bear in this council the experience gained at regional and local level.

⁴

See for example training courses at the Competence Centre for South-Eastern Europe at Graz University (Masters in South-East European Law and European Integration); the Universities of Trento, Regensburg, Budapest and Ljubljana (Joint European Masters in Comparative Local Development); and the European Academy of Bozen, Graz University and EIPA (Masters in European Integration and Regionalism), as well as the postgraduate course in European Integration for the Universities of Belgrade, Nis and Novi Sad, with the participation of the Universities of Como, Frankfurt/Oder, Gorizia, Maribor, Salzburg (Tempus_JEP-190104-2004).

2.2 Cross-border and interregional cooperation

- 2.2.1 **believes** that political, cultural, social and economic cross-border cooperation between the regions and municipalities of the Western Balkan countries not only helps stimulate local and national economies, but is also a concrete way to improve mutual understanding and trust in the region and help to avert ethnic conflicts;
- 2.2.2 **calls on** local and regional authorities in the European Union to provide local and regional politicians and authorities in the Western Balkan countries with more information about practical experience in the framework of twinning projects, exchange programmes and seminars⁵. The experiences of the local and regional authorities in the countries which joined the EU in 2004 are also particularly valuable here; **asks** the Commission to provide more information through national contact points to the local and regional authorities of the Member States on existing twinning projects in the European Union;
- 2.2.3 **recommends** that the results of exchanging experience be used for specific capacity-building at meetings between representatives of regional and municipal associations, local and regional elected representatives, administrators and academics from the EU and the Western Balkans countries, and **refers to** the local democracy manual ("Toolkit of Local Government Capacity-Building Programmes") compiled by the Council of Europe in September 2005⁶ and the Handbook on cross-border cooperation, drawn up by the Association of European Border Regions (AEBR) and published by the European Commission in nine languages;
- 2.2.4 **calls for the** Technical Assistance Information Exchange Instrument (TAIEX), which began operating in the region in 2004, not to limit its services to central government administrations and business associations, but to extend them more to regions, local authorities and their associations;
- 2.2.5 **draws attention to** the responsibility of the regions and local authorities of the Western Balkan countries in relation to return of expellees and their accommodation, education, employment and integration; **considers it necessary** to strengthen interregional cooperation in this sphere and to draw on the experience of other countries, regions and local authorities;
- 2.2.6 **regards** the forthcoming establishment of a local border traffic regime at the external orders of the Member States as promising (COM(2005) 56, 23.2.2005) and **recommends** that

⁵ i.e. delegations of experts from national, regional and municipal authorities who pass on what they have learned actually working in the administrations of the Western Balkans countries. This proved very effective during the pre-2004 accession preparations.

⁶ Directorate of Cooperation for Local and Regional Democracy.

corresponding arrangements be made between the Balkan countries⁷ with the involvement of the Council of Europe⁸;

2.2.7 **suggests** that the Commission should draw on the experience of CoR members, as well as national and European associations of regions and local authorities, to promote regional, municipal and urban partnerships;

2.2.8 **sees** cross-border cooperation as a modern instrument for the protection of minorities and **refers to** Article 17 of the Framework Convention for the Protection of National Minorities.

2.3 **Economy and employment**

2.3.1 **considers it appropriate** that, when implementing economic reforms, the European institutions should pay particular attention to combating unemployment, social exclusion and discrimination, and to promoting social dialogue, since economic and social policy issues (weak economies, high unemployment, inadequate social cohesion) must be addressed at the same time as political reform;

2.3.2 in this context **considers it essential** to develop and implement, with the involvement of the regions and local authorities, regional economic and employment concepts in the Western Balkan countries that aim to achieve sustainable economic regeneration and create local employment and cross-border links;

2.3.3 **recommends**, in accordance with the remits of regional and municipal authorities, and drawing on successful initiatives already implemented in the area, that advice centres be further developed, or set up where they do not already exist, to provide basic information about businesses and business and to promote entrepreneurship mainly among people at a young age (SEC(2006) 283), in order to develop viable small and medium-sized business structures, which make an important contribution to employment;

2.3.4 **calls for** support to be provided to local and regional authorities to improve electronic communications and electronic access to business information (advice, applications, legal and tax information), in order to help develop the local and regional economic system;

2.3.5 **suggests** that information and business promotion systems at local and regional level should be further developed; **proposes** that the problem of the brain drain be countered by setting up regional platforms for both R&D and education and training in order to provide prospects for the future.

⁷

The Recommendations for cross-border security and cooperation on the future external borders of the EU, taking account of the Schengen Treaty of the Association of European Border Regions are a useful basis for discussion.

⁸

The Chisinau Political Declaration of the Committee of Ministers of the Council of Europe of 6 November 2003 called for the conclusion of regional agreements at several levels. The negotiations are well advanced and meet EU requirements.

2.4 Education and culture

- 2.4.1 **advocates** building on the experience of the TEMPUS programme, which in 2001-2005 was financed with a budget totalling EUR 83 million for measures in the Western Balkans and which each year offered up to 250 students and more than 1 000 teachers the opportunity to study in other countries and to participate in further training, as well as continuing to increase the opportunities for participation in the Youth programme, also in rural areas;
- 2.4.2 **recommends** that the Commission create a special window in Erasmus Mundus to allow the region's students to take European Master's degree courses, especially ones that include international classes and periods of work experience; in its view, this approach encourages mutual cultural understanding and the development of economic relations;
- 2.4.3 **believes it important** that there is a two-way learning process. It is not only the citizens in the countries making up the Western Balkans who should benefit from the possibilities of studying in EU countries, but EU citizens should also be encouraged to study in the Western Balkan countries;
- 2.4.4 **considers it necessary** to put into effect the planned relaxation of the conditions for allowing students and teachers to spend time in the Member States and to offer the younger generation a European perspective; **refers to** the planned facilitation of visas, particularly for students;
- 2.4.5 **calls on** the Commission to involve regional and local authorities in designing, planning and implementing the restoration and renovation of monuments and cultural heritage sites;
- 2.4.6 **points** to the potential for cultural tourism in this region as an instrument for economic development, and therefore encourages current efforts to preserve both structural and cultural heritage, including in rural areas;
- 2.4.7 **stresses** the important role of cooperation in the areas of art and culture for the long-term stabilisation of the Western Balkan countries and their integration into EU art and cultural cooperation projects;
- 2.4.8 **wishes to initiate** consideration of the idea of establishing an electronic portal for the Balkans which would provide an additional platform for dialogue and cooperation, especially for young people, in the Western Balkans. Such a portal could promote not only education and training but also direct social and cultural exchanges.

2.5 **Miscellaneous policy areas**

- 2.5.1 **reminds** the local and regional authorities of their responsibility for the award of permits in key tourist areas, e.g. with a view to the sustainable future development of high-quality eco-tourism;
- 2.5.2 **calls on** the Commission when applying the Instrument for Pre-Accession Assistance (IPA), which replaces the existing pre-accession regulations and the CARDS Regulation⁹, to bear in mind the evaluation of the CARDS programme, which explicitly recommends more decentralised planning and management of the programme . The regional dimension of CARDS is relatively weak; strategic leadership is lacking and local partners see the programme as difficult to access. This criticism must be taken into account in further developments in this area in respect of the Western Balkans;
- 2.5.3 **calls on** the Western Balkan countries to incorporate the Lisbon objectives as updated by the European Council of 23 and 24 March 2006 into their reforms and to involve the regional and municipal level in planning and implementation; **calls for** comprehensive strategic plans to be drawn up for regional development;
- 2.5.4 **proposes** that the national authorities responsible for environmental issues (which are often regional and local authorities) should be involved in the main activities of the European Environment Agency, which from 2006 will provide support for these countries' programmes through selected Community instruments under PHARE and CARDS 2005.

2.6 **Information and communication**

- 2.6.1 **points to** the need to take due account of the EU's absorption capacity throughout the negotiations, while **stressing** that this is not a new accession criterion, and to judge progress made on the basis of transparent criteria and not according to political considerations; **urges** that an honest approach be adopted to public expectations in the EU Member States and the European partner countries;
- 2.6.2 **calls on** the Member States and the European institutions to keep citizens abreast of the negotiations through a more intensive communication effort about the enlargement process than that mounted for Romania and Bulgaria (which was overshadowed by the debate about the constitution in the European Convention), and to involve regional and local authorities (via the CoR) in planning and implementing information concepts and measures, since these authorities are closest to citizens and have contacts with local and regional media;
- 2.6.3 **points to** the need for the Community institutions and the Western Balkan countries to inform the general public better about the objectives, issues and requirements for both sides in the

⁹ CARDS: Community Assistance for Reconstruction, Development and Stabilisation.

integration process, in order to avoid that process being seen as something imposed from "outside" or "above", and **points again to** the important role played by regional and local authorities in all communication measures;

- 2.6.4 **favours the expansion of** civil society dialogue - which must take place through free, independent and professional media - to include the Western Balkans; **suggests** that the Western Balkans countries should, as soon as possible, be allowed to take part in the Community action programme to promote organisations involved in active European citizenship (civic participation).

2.7 **Albania**

- 2.7.1 **endorses** the Commission's proposal not to limit Albania's Action Plan on the Prevention of and Fight against Corruption to national authorities, but to extend it to include local and regional authorities (SEC(2005) 1421, p. 16);
- 2.7.2 **suggests** stepping up interregional and cross-border cooperation with neighbouring regions in the EU countries;
- 2.7.3 **supports** the European Parliament's call to strengthen anti-corruption measures, guaranteed media freedom and voting rights that meet European standards.

2.8 **Bosnia and Herzegovina**

- 2.8.1 **is pleased to note** that Bosnia and Herzegovina have regional authorities with a specific remit which play an important role in addressing ethnic problems; **points out** that, in a strongly regionalised state without a political tradition or culture of decentralisation, it is necessary to improve the financing and efficiency of structures;
- 2.8.2 **considers** a constitutional reform to improve government institutions to be necessary, and **trusts** that the conditions will be established for proper conduct of the elections planned for October 2006;
- 2.8.3 **points to** the experience and knowledge of regional representatives in federal countries (e.g. Belgium) in improving the legal framework and procedural relations between the national state and its various sub-units (entities and cantons), and **believes** that innovative solutions are needed;
- 2.8.4 **welcomes** the extension of regular economic policy discussions to include Bosnia and Herzegovina;

2.8.5 **calls for** support to be provided to promote the integration of refugees and expellees in the cities and municipalities; see the readmission agreement of 31 January 2005 between Croatia, Bosnia and Herzegovina, and Serbia and Montenegro.

2.9 **Serbia**

2.9.1 **regrets** that, in the course of adopting a new Serbian constitution, the opportunity was not taken to consolidate the decentralisation process and **believes** that further strengthening of autonomy would also improve cohesion in the country as a whole;

2.9.2 **highlights** the importance of the multi-ethnic nature of the autonomous province of Vojvodina and welcomes the spirit of mutual trust and tolerance that holds sway there, and the practice of involving the various national groups in political decision-making;

2.9.3 **welcomes** the numerous activities of the autonomous province of Vojvodina in the field of cross-border, regional and interregional cooperation along the lines of the European integration process, and thus **advocates** the greater involvement of the regional and local authorities in further SAA negotiations;

2.9.4 urgently **recommends** local government reform to consolidate the local political institutions and administrations and to equip them with the requisite resources since, alongside the strengthening of the regional level, this reflects the principles of subsidiarity, local responsiveness and partnership and relieves some of the strain on the national state;

2.9.5 **expects** that Serbia will, with all possible speed, sign the European Framework Convention on Transfrontier Cooperation and ratify the European Charter of Local Self-Government;

2.9.6 **encourages** the authorities of Serbia to establish a basis for continuing the SAA negotiations through cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague.

2.10 **Kosovo**

2.10.1 **believes** real reconciliation can only be achieved by a settlement of the issue of Kosovo's status that involves a European perspective and a permanent solution as regards the rights of citizens of different nationalities; **expects** the direct discussions¹⁰ being conducted in Vienna under the aegis of the United Nations to be concluded by the end of 2006;

2.10.2 **expects** effective implementation of constitutional provisions at local level on an efficient model of decentralisation providing long-term safeguards for the rights of minorities and

¹⁰ Based on the "guiding principles" of the Contact Group with the USA, the UK, Germany, France, Italy and the Russian Federation.

ethnic groups, an improvement in the very unsatisfactory situation as regards the rule of law and legal certainty, better political representation of minorities, and enhanced protection of minorities (minority languages);

2.10.3 **urges** that relations between Kosovo Serbs and Kosovo Albanians be improved, that all groups be involved in democratic and administrative life, and that protection of minorities be ensured;

2.10.4 **considers it essential** to strengthen administrative capacity at local level, especially as regards devising economic development strategies and combating organised crime and financial crime (COM(2005) 561, p. 28);

2.10.5 **regards** improving public services for all local authorities as particularly important in order to avoid the development or entrenchment of "parallel structures".

2.11 **Montenegro**

2.11.1 **expects** the result of the referendum of 21 May 2006 to be recognised by all sides; **calls** on all the parties involved to conduct a constructive dialogue on coexistence;

2.11.2 **welcomes** the fact that the referendum on Montenegrin independence of 21 May 2006 was conducted democratically, transparently and correctly, in accordance with European and international standards, as unreservedly confirmed by representatives of the Committee of the Regions, acting for the first time as referendum observers;

2.11.3 **welcomes** the fact that, with their extraordinarily high turnout of 86.5%, the people of Montenegro demonstrated their democratic responsibility and maturity, thus lending the result a high degree of legitimacy;

2.11.4 **sees** the result of the referendum, 55.5% support for independence, as a call to advocates and opponents of independence to work together closely on the implementation of independence, both internally and between Montenegro and Serbia;

2.11.5 **recommends** that, in the course of the independence process, the parties abstain from unilateral action and take all the necessary steps in consultation;

2.11.6 **expects** the new state of Montenegro to sign and ratify as soon as possible the European Framework Convention on Cross-border Cooperation, the European Charter for Regional or Minority Languages, the European Charter of Local Self-Government and the Framework Convention for the Protection of National Minorities;

2.11.7 **recommends** that the Montenegrin authorities make a start without delay on drawing up, with Serbia, a model for cross-border regional cooperation at the common frontier (Sandschak),

and aim to do the same with the other neighbouring states of Bosnia and Herzegovina and Albania, as well as with the autonomous region of Kosovo;

2.11.8 **calls on** the EU institutions to support the new state on its road to peaceful separation and independence.

2.12 **Former Yugoslav Republic of Macedonia**

2.12.1 **welcomes** the fact that the Former Yugoslav Republic of Macedonia has been granted candidate status in recognition of progress made in implementing the Ohrid Agreement; **urges**, however, that the Ohrid Framework Agreement be fully implemented with the support of the international community as a basis for improved stability;

2.12.2 **trusts** that, following the violence surrounding the recent parliamentary elections, all political forces will establish the necessary conditions to ensure that democratic elections can, in future, be conducted without violence in line with European standards;

2.12.3 **recommends** that local self-government be further strengthened and its financing improved, since this has contributed to enhancing trust between ethnic groups;

2.12.4 **considers** strengthening local administrative capacity to be a matter of great urgency, since this is a prerequisite for decentralising tax collection and granting revenue-raising powers to local authorities (financial resources for the municipalities); **shares** the Commission's concern that the funding sources granted to the municipalities are not sufficient to co-finance future programmes and projects under the Structural and Cohesion Funds, or to meet their environmental obligations (SEC(2005) 1425, p. 125), and **urges** that environmental protection be allowed, as a horizontal issue, to play a greater role in other policy areas – e.g. spatial planning – that are part of the municipalities' remit;

2.12.5 **supports** the Commission's proposal to clarify the arbitration procedure between the municipalities and the State (SEC(2005) 1425, p. 19) and **considers** regular, structured cooperation between national and local levels to be crucial (SEC(2005) 1425, p. 104);

2.12.6 **considers it necessary** to establish a functioning financial control system with internal revisions as a prerequisite for good governance, to create the capacity to prevent any misappropriation of public money, and to consistently introduce measures to curtail corruption at local level;

2.12.7 **calls for** measures to strengthen rural areas, the economy and agriculture (e.g. establishment of bank branches in rural areas, lease and sale of state-owned agricultural land to farmers), in order to exploit the existing potential for self-sufficiency;

2.12.8 **hopes** to see an early, definitive resolution, satisfactory for all parties, of the name issue, negotiated under the aegis of the UN.

Brussels, 11 October 2006.

The President
of the
Committee of the Regions

The Secretary-General
of the
Committee of the Regions

Michel Delebarre

Gerhard Stahl
