



Committee of the Regions

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**85th plenary session
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**OPINION
of the
Committee of the Regions
on
ENLARGEMENT STRATEGY AND MAIN CHALLENGES 2009-2010:
POTENTIAL CANDIDATE COUNTRIES**

THE COMMITTEE OF THE REGIONS

- stresses that broad support for future membership is an important factor in the success of the integration process. Local and regional authorities can contribute to this, and to the so-called "absorption capacity" of the EU *acquis* and financial support;
- observes that local and regional authorities are in an exceptional position to provide information and promote dialogue on the integration process with the general public, not least regarding the challenges that will result from alignment with the EU *acquis*;
- emphasises how important it is for the EU to encourage participation and ready access to information at all levels of society. Access to information is crucial for new democracies in particular, as such countries are often particularly vulnerable to populist movements that are not always counterbalanced by a pluralist debate;
- recommends that regulatory efforts to support vulnerable members of society be stepped up. A number of the candidate countries lag behind with respect to public health and social welfare, as well as questions of women's vulnerability and equality.

Rapporteur

Mr Uno Aldegren (SE/PES)
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Reference document

Communication from the Commission to the European Parliament and the Council – Enlargement strategy and main challenges 2009-2010
COM(2009) 533 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General progress and timetable

1. welcomes the European Commission communication on *Enlargement Strategy and Main Challenges 2009-2010*, with reports on the potential candidate countries and the communication regarding Iceland's membership application;
2. welcomes the progress made by the potential candidate countries, with Albania and Serbia applying for membership in 2009, and the continued implementation of the Interim Agreements on Trade and Trade Related Issues and the Stabilisation and Association Agreements in all potential candidate countries, as well as headway made with reforms in Kosovo;
3. also notes that considerable work has been done by the EU to develop its relationship with the potential candidate countries. Recent efforts include cushioning the effects of the financial crisis and the proposed loosening of visa requirements. Both these initiatives demonstrate the benefits of the EU for ordinary people;
4. welcomes the abolition of visa regime for citizens of Montenegro and Serbia which enabled visa free travel to most of the EU member states and expresses hope that Albania and Bosnia and Herzegovina will soon fulfil the criteria needed for visa abolition;
5. notes the Conclusions adopted by the Council on 26 October 2009 on the European Union Strategy for the Baltic Sea Region and of the Declaration of the Adriatic Ionian Council on the support to the EU Strategy for the Adriatic Ionian Region, adopted in Ancona on 5 May 2010¹ by the foreign ministers of the Adriatic & Ionian Initiative's eight participating countries (Albania, Bosnia & Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia, Slovenia) and points with satisfaction to the importance of the European strategy for macro-regions as an instrument for stepping up integration, also by enhancing the value of regional and local authorities;
6. stresses that broad support for future membership is an important factor in the success of the integration process. Local and regional authorities can contribute to this, and to the so-called "absorption capacity" of the EU *acquis* and financial support. It is therefore of utmost importance here that:

¹ www.aii-ps.org

- local and regional authorities are given the opportunity to be actively involved in the integration process at national level, which is consistent with the basic tenets of the Council of Europe's European Charter of Local Self-Government;
- the IPA (Instrument for Pre-Accession Assistance) should be framed in such a way as to enable local and regional authorities to make greater use of the investment and capacity-building programme than they do today;
- local and regional levels of government should be involved in the integration process, given that the Copenhagen criteria require robust institutions and financing systems. This creates the prerequisites for transparent preparatory and decision-making systems;
- the scope of IPA Council Regulation 1085/2006, Article 2.1 is to support "(a) strengthening of democratic institutions ..." and "(c) public administration reform, including a system enabling decentralisation of assistance management to the beneficiary country ...". Given this scope and current practices in potential candidate countries the Regulation should include a mandatory mechanism in the programming phase of IPA to consult representatives of local and regional government;
- the duration of the programming of IPA at national level is far too long to be acceptable. The Committee recommends the Commission to urgently review the conditions for programming for the purpose of streamlining the procedures;

Information

7. observes that local and regional authorities are in an exceptional position to provide information and promote dialogue on the integration process with the general public, not least regarding the challenges that will result from alignment with the EU *acquis*;
8. emphasises how important it is for the EU to encourage participation and ready access to information at all levels of society. Access to information is crucial for new democracies in particular, as such countries are often particularly vulnerable to populist movements that are not always counterbalanced by a pluralist debate;
9. underlines the need for information provided by the EU, as well as analyses of potential candidates' situations, to be concrete and transparent, so as to avoid the risk of misinterpretation. In such cases, governments responsible for the integration process can face difficulties in managing all the dimensions of the process. On the other hand, open debate and well-informed citizens can increase the likelihood that the one-size-fits-all approach to conflict resolution, which has cemented ethnic divisions over time, will be relaxed;

Capacity-building

10. considers that better use should be made of the IPA programme to give local and regional authorities, as well as civil society, the ability to use their skills to strengthen the integration process. The IPA can also foster institutional capacity-building at all levels of society;
11. shares the Commission's view that interregional relations are crucially important in the integration process. Local authorities have created an example for exchanges between countries at regional level in the form of NALAS²;
12. notes that the Commission report would be much more valuable if the scope were widened to take greater account of the local and regional perspective. It is at these levels of government that substantial parts of the *acquis* will be implemented after accession;
13. regrets that the Commission does not also issue regular capacity assessments that focus on administrative levels of society below national level in the candidate countries;

Local and regional levels of government and civil society

14. considers civil society to be of crucial importance for establishing stable democracies, and believes that it should therefore also be represented in the integration process;
15. recommends that regulatory efforts to support vulnerable members of society be stepped up. A number of the candidate countries lag behind with respect to public health and social welfare, as well as questions of women's vulnerability and equality;
16. points out that the potential candidate countries' ability to address the interests of minority groups is crucially important for the integration process. A consensus on practical issues can often be found precisely at local and regional level;
17. shares the Commission's view that institutional capacity must be strengthened in the potential candidate countries. When the Regional School of Public Administration starts to operate at full strength, it is of vital importance that local and regional representatives can take part in the training programmes;

² Network of Associations of Local Authorities of South-East Europe.

Country-specific comments

Albania

18. welcomes the fact that the opposition is once again participating in parliament, albeit subject to certain restrictions. Albania still lacks the coordination between levels of society needed in the integration process;
19. notes that progress has been made in harmonising legislation in a number of spheres covered by the Community *acquis*, notably since the country submitted a formal application for EU membership. When formal negotiations begin, they will follow the process set out in the Lisbon Treaty, requiring an analysis of local and regional authorities and their involvement in proceedings;
20. emphasises the importance of involving local authorities in the process Albania is embarking on, i.e. the future negotiation process;
21. stresses the importance of using the Commission's capacity-development instruments (Twinning, TAIEX and SIGMA) in the current administrative reforms at all levels in Albania. This is crucial in building effective and open institutions and in stimulating efforts to curb the serious problem of corruption;
22. draws attention to the need for Albania to expedite efforts to develop a functioning real estate market, a process which will also provide opportunities for local authorities to eventually improve their tax base;
23. points out that the decentralisation process in Albania is still only in its early stages. Not all legislation adopted for implementation by local authorities is actually implemented. One important reason that legislation should be implemented is to protect the interests of minority groups;
24. notes also that in the section of the report dealing with economic and social rights, the Commission comments only on legislation, whereas the Committee suggests it should also include implementation and analysis of how failure to implement new legislation affects vulnerable population groups;
25. shares the Commission's view that progress has been made in relation to taxation, but nevertheless would point out that there are risks inherent in imbalances in the distribution of tasks and resources under the decentralisation process;

Bosnia and Herzegovina

26. notes that Bosnia's constitution, which is based on the Dayton Agreement, has helped to create a complex administrative structure. The design of the Dayton Agreement is one reason why Bosnia and Herzegovina lacks the type of governance needed to adapt to European rules. As a divided country, Bosnia needs leadership that can reconcile conflicts and initiate collective solutions. It is not in the interests of Bosnia's citizens to have leaders that see ethnicity as the guiding principle for decision-making;
27. regrets the collapse of the Butmir talks on constitutional reforms and urges the leaderships of all ethnic groups in Bosnia and Herzegovina to find an agreeable solution in order for the country to reach full sovereignty and ability to continue with reforms and European integration processes;
28. also notes that when the consequences of Bosnia's fractured leadership become apparent to the general public, there will be pressure on the decision-making system that will nevertheless lead to reform. To turn on this pressure, it must be made clear by the EU what the actual political alternatives are: continued focus on issues that reinforce divisions or a policy that opens the country to the four freedoms of the internal market;
29. has come to the conclusion regarding visas that the form and substance of the debate should change. The visa issue shows that if public opinion demands it, then national leaders also have the capacity to act. The EU, and in particular the Committee of the Regions, have a responsibility here. Bosnian citizens must be helped by their local leaders to understand what the requirements - and benefits - of integration are. Commitment and coherence must be improved, and attention focused on values and ideas that conform to the principle of respect for human beings and their rights;
30. shares the Commission's view that current institutional structures produce inefficiencies that have a negative impact on business;
31. sees ways of supporting the driving forces for reform in Bosnia, forces that want to promote both a stronger state and a decentralisation process with beefed-up local authorities. People who want to be able to travel, and who understand why there is a lack of investment or why the structural funds are still a far-off dream, may become the group that pushes the debate into areas other than the visa issue. The Committee of the Regions must support information campaigns and meetings in Bosnia with local representatives, who in their turn can encourage change;
32. observes that institutional complexity has been part of the reason that local authorities and their organisations have only limited information about the EU and IPA;

33. concludes that national government must be strengthened in several spheres, in particular by giving it responsibility for joint local government legislation;
34. urges that the IPA be opened up to local authority involvement;

Serbia

35. welcomes the Serbian parliament's adoption of the new Statute of the Autonomous Province of Vojvodina, which has been in force since 1 January 2010 and which strengthens the regional powers of Vojvodina, and notes that Serbia is making major leaps forward in the integration process. However, the decentralisation process is still somewhat disjointed and there are regrettable overlaps in remits between ministries. A reform effort is under way to develop a regional tier of government with responsibility for development and growth issues, but some confusion remains in relation to implementation. The Committee of the Regions regards capacity-building by Serbia's Standing Conference of Towns and Municipalities³, with international support, as a key resource in the modernisation of local authorities;
36. notes that the integration process must be accompanied by internal reforms implemented at all levels of governance;
37. welcomes the fact that the National Council for Decentralisation of the Republic of Serbia set up in March 2009, along with a group of experts, has been instructed to draw up a comprehensive strategy for decentralisation in line with European standards. This should boost ongoing reform efforts;
38. welcomes the progress made to strengthen the formal powers of local authorities. Sound and thus predictable finances are key requirements which necessitate not only capacity-developing measures but also efforts to ensure that local authorities fully meet the Copenhagen criteria for stable public institutions. Restoring real estate to local authorities and making it possible for them to acquire property are important issues in the immediate future;
39. observes that although Serbia has a fiscal equalisation system in place, certain local authorities have difficulty maintaining a basic level of services. Reforms needed include measures to increase the financial autonomy of local authorities. This can be achieved with the help of a financing principle that ensures costs in new spheres of responsibility are offset by central government funding;
40. welcomes the initiative taken in Serbia to facilitate local authorities' environmental measures through a tax-based environment fund. This is a good example of the type of measure that can facilitate local authorities' alignment with the EU. A portion of this tax is allocated to

³ SCTM.

local authorities as hypothecated revenue that can be used for purposes such as developing the skills needed to draw up environmental assessments;

41. has established that the IPA is largely seen as an instrument for reforming central government in Serbia, and for facilitating large infrastructure investments. It is regrettable that this bias means that only a very limited part is dedicated to urgently needed efforts, for example, to develop capacity at local level;
42. welcomes the resolution adopted by the Serbian Parliament of 31 March 2010 on the events that took place in Srebrenica in July 1995, condemning the massacre that occurred there. The adoption of the resolution is an important step towards reappraising Serbia's own past. The Serbian government is thus sending out a positive signal for reconciliation, for development within Serbia and for establishing even closer ties with the European Union;

Kosovo⁴

43. welcomes the stabilisation that has taken place in Kosovo. Efforts on the part of international organisations, including a large group of EU countries, have opened the way for sustainable rule of law and improved public safety. However, aspects of this stabilisation process call to mind the situation in Bosnia and Herzegovina and risk of ethnic division that may hamstring future integration. This may become a problem for the integration process Kosovo, where the level of education in society is low and public institutions underdeveloped;
44. stresses the importance of upholding the rule of law in Kosovo and recognises the decisive role played by the international presence there in measures taken to ensure peaceful co-existence of the country's ethnic groups;
45. welcomes the initiatives taken in local authority reforms and decentralisation efforts ongoing in Kosovo;
46. observes that current developments in Kosovo are producing a greater number of local authorities based on ethnicity, which increases the need for dialogue at local level. This trend means that local cooperative structures play a particularly important role in encouraging coordination at this level. Joint IPA projects could harmonise such efforts. It is crucially important for Kosovo's future development, in view not only of the limited public resources but also of the importance of the role of institutions in promoting social solidarity and universal primary public services, that *institutions duplicated* for ethnic reasons (e.g. schools and hospitals) can be avoided. Such things will stand out as symbols of political deficiencies and poor management of public funding and will above all merely deepen ethnic divisions;

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As defined by UNSCR 1244/99.

47. recommends that attention be focused on Kosovo's education capacity since the country should be able to capitalise on its demographic mix. There is a considerable risk that many of the large younger population will emigrate after they complete their schooling;
48. emphasises the importance of institutional capacity development if Kosovo is to use its limited public resources effectively. This will also release resources for other improvements, e.g. in public healthcare;
49. endorses the Commission's view that there should be large-scale investment in education so as to improve application of the recently adopted public procurement law;
50. recommends that the IPA programme be used as a resource for wide-ranging capacity development in Kosovo. This will broaden understanding of integration requirements and the advantages of EU membership;

Montenegro

51. welcomes Montenegro's determination in relation to the integration process. This is reflected in the formal dialogue between government and local authority representatives, who meet several times a year;
52. shares the Commission's view that there is a pressing need for qualified staff at all levels in Montenegro's public administration. This has led the government to concentrate its resources on coordination efforts, where local authorities are well-represented. There have been positive results, both in terms of the pace of the reform process and in the country's ability to coordinate the efforts of external funders. All this has been due to the focus on local authorities in the IPA programme;
53. notes that although the reform process has been protracted, the ongoing reform of local authorities was preceded by a broad debate concerning both the role of mayors and voluntary local authority partnerships to improve preparedness for Structural Fund support;
54. welcomes the tougher legislation that has been introduced to limit corruption in local elections, and corruption generally, through stepping up external monitoring;
55. notes that the local authorities' say in taxation rates is limited, which has implications for local self-government;
56. also notes that the three years it takes for the first IPA-funded projects to reach the implementation phase (planning to launch) is unacceptably long. Even if the preparatory phase is shorter for next year's IPA, the rules must be simplified in order to shorten the time to implementation;

Iceland

57. shares the European Commission's recommendation to open EU accession negotiations with Iceland and the inclusion of the country as a beneficiary of pre-accession financial support under the Instrument for Pre-Accession Assistance (IPA).

Brussels, 9 June 2010.

The President
of the Committee of the Regions

Mercedes Bresso

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

II. PROCEDURE

Title	Enlargement strategy and main challenges 2009-2010: potential candidate countries
Reference(s)	Enlargement strategy and main challenges 2009-2010 COM(2009) 533 final
Legal basis	Article 265 (1) TEC
Procedural basis	<i>Optional referral</i>
Date of Commission letter	1 April 2009
Date of President's decision	30 November 2009
Commission responsible	CIVEX
Rapporteur	Uno Aldegren (SE/PES)
Analysis	
Discussed in commission	26 April 2010
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Result of the vote in commission	Unanimity
Date adopted in plenary	9 June 2010
Previous Committee opinions	<p>CdR 115/2006 fin⁵, Opinion on the 2005 Enlargement Package and the Communication from the Commission: The Western Balkans on the road to the EU: consolidating stability and raising prosperity (COM(2006) 27 final), rapporteur: Franz Schausberger (AT/EPP)</p> <p>CdR 385/2006 fin⁶, Opinion on the Communication from the Commission to the European Parliament and the Council - Enlargement strategy and main challenges 2006-2007, including annexed special report on the EU's capacity to integrate new members - pre-candidate countries (COM(2006) 649 final), rapporteur: Wolfgang Gibowski (DE/EPP), adopted at the CoR plenary session on 6 June 2007</p>

⁵ OJ C 51, 6.3.2007, p.16.

⁶ OJ C 197, 24.8.2007, p.16.

	<p>CdR 386/2006 fin⁷, Opinion on the Communication from the Commission to the European Parliament and the Council - Enlargement strategy and main challenges 2006-2007, including annexed special report on the EU's capacity to integrate new members - integration capacity (COM(2006) 649 final), rapporteur: Isidoro Gottardo (IT/EPP), adopted at the CoR plenary session on 6 June 2007</p> <p>CdR 246/2007 fin⁸, Opinion on the Communication from the Commission to the Council and the European Parliament - Enlargement strategy and main challenges 2007-2008, pre-candidate countries (COM (2007) 663 final), Rapporteur Mr Martin Heatley (UK/EPP), adopted at the CoR plenary session of 9-10 April 2008</p> <p>CdR 93/2008 fin, Opinion on the added value of participation by local and regional authorities in the enlargement process, rapporteur: Helene Lund (DK/PES), adopted at the CoR plenary session on 27 November 2008</p> <p>CdR 143/2008 fin, Opinion on the Communication from the Commission to the Council and the European Parliament: Western Balkans: Enhancing the European perspective (COM(2008) 127 final), rapporteur: František Knapík (SK/EPP), adopted at the CoR plenary session on 27 November 2008</p> <p>CdR 383/2008 fin, Opinion on the Communication from the Commission to the European Parliament and the Council - Enlargement strategy and main challenges 2008-2009 - potential candidate countries (COM(2008) 674), rapporteur: Gordon Keymer (UK/EPP), adopted at the CoR plenary session on 17 June 2009</p>
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⁷ O J C 197, 24.8.2007, p.7.

⁸ O J C 172, 5.7.2008, p. 60.