

EUROPEAN UNION



Committee of the Regions

RELEX-030

Brussels, 26 October 2005

OPINION

of the

Committee of the Regions

of 13 October 2005

on the

Proposal for a Council Decision on the principles, priorities and conditions contained in the

European Partnership with Croatia

COM(2004) 275 final

THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the Proposal for a Council Decision on the principles, priorities and conditions contained in the European Partnership with Croatia (COM(2004) 275 final);

HAVING REGARD TO the European Commission's decision of 17 November 2004 to consult it under the first paragraph of Article 265 of the Treaty establishing the European Community;

HAVING REGARD TO its Bureau's decision of 15 June 2004 to instruct the Commission for External Relations to draw up an opinion on the European Commission's strategy on progress in the enlargement process;

HAVING REGARD TO the Presidency Conclusions of the June 2003 Thessaloniki European Council and the December 2004 Brussels European Council;

HAVING REGARD TO the Council Decision of 13 September 2004 on the principles, priorities and conditions contained in the European Partnership with Croatia;

HAVING REGARD TO the European Parliament report on the application by Croatia for accession to the European Union (A5-0206/2004);

HAVING REGARD TO the 2003 European Commission report on stabilisation and association;

HAVING REGARD TO the April 2004 Communication from the Commission: Opinion on Croatia's application for membership of the European Union (COM (2004) 257 final);

HAVING REGARD TO the Council Decision concerning the conclusion of the association and stabilisation agreement between the European Communities and their Member States, of the one part, and the Republic of Croatia, of the other part;

HAVING REGARD TO the Council Decision of 3 October 2005 in favour of opening accession negotiations with Croatia;

HAVING REGARD TO the declarations and recommendations adopted by the EU-Croatia Joint Parliamentary Committee on 5 October 2005;

HAVING REGARD TO its draft opinion (CdR 499/2004 rev.2), adopted by the Commission for External Relations on 30 June 2005 (rapporteur: Mr Gottardo, member of the Friuli Venezia Giulia Regional Council (IT/EPP));

CONSIDERING the added value of Croatia's prospective accession to the European Union, in terms of political stability and consolidating democracy in the Balkans, providing an example for the other countries in the region;

WHEREAS respect for democratic principles, the rule of law, human rights, the rights of minorities and fundamental freedoms is essential if a country is to benefit from Community assistance for strengthening its institutions and preparing for accession to the European Union;

adopted the following opinion at its 61st plenary session, held on 12 and 13 October 2005 (meeting of 13 October):

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The Committee of the Regions' comments and recommendations

The Committee of the Regions:

1. **Principles, priorities and conditions contained in the European Partnership with Croatia**
 - 1.1 **welcomes** the introduction of the European partnership, based on the Thessaloniki Agenda for the Western Balkans, and the priorities highlighted by the Commission regarding Croatia; and **expects** to be involved in the assessment to be carried out at the end of the set period with regard to the short-term priorities and, in particular, political priorities such as democracy, the rule of law, human rights and the protection of minorities;
 - 1.2 **stresses** that administrative capacity-building and training of administrative staff are absolutely essential in Croatia in order for it to address the priorities arising from its accession obligations and to undertake the necessary fight against corruption;
 - 1.3 **considers**, in this connection, that twinning with EU Member States' regional and local administrations is one of the tools which can be used to help improve the work of the public administration; therefore **invites** the Association Council to make use of the CoR and its ability to provide a wide range of expertise in this area;
 - 1.4 **welcomes** the constitutional guarantees for national minorities which are an integral part of Croatian society and their necessary representation in central, regional and local governments, and the endeavours to protect the Roma minority; also **welcomes** the creation of joint "minority-central government" interministerial commissions;
 - 1.5 **stresses** the need to ensure bilingualism in local public administrations wherever there are indigenous communities or communities belonging to linguistic minorities other than the Croatian community, not just at municipal and town level but at county level too; therefore **stresses** the need to bring the law on the territories of regions, towns and municipalities into

line with the constitutional law on the rights of national minorities and the law on the languages of national minorities, in order to ensure the effective use of two languages in those regions, towns and municipalities whose respective Statutes provide for both Croatian and the minority language to be official languages;

- 1.6 **calls for** a public evaluation of coordination and cooperation between central and local authorities regarding refugee return, reconstruction and repossession of houses, implementation of the legislation providing for compensation for lost tenancy and/or occupation rights, and combating discrimination on the grounds of nationality or ethnic group in employment – these are fundamental for social and economic reintegration of returnees, which should be based on regional programmes and seen as an integral part of local development;
 - 1.7 **notes** the call from national minorities for Croatian electoral law to recognise “dual voting” (political and ethnic) for national minorities in Croatia, as provided for by the Constitution and by the Constitutional Law on National Minorities;
 - 1.8 **stresses** the need for ethnic pluralism in Croatia to be duly represented in public radio and television services.
2. **Entry into force of the Stabilisation and Association Agreement (SAA)**
- 2.1 **welcomes** the entry into force, on 1 February 2005, of the Stabilisation and Association Agreement with the Republic of Croatia, which forms the legal framework for EU-Croatia relations throughout the pre-accession period, and **hopes** that the SAA will genuinely advance the integration process and, at the same time, strengthen relations between the parties, providing a broad partnership which involves Croatian regional and local authorities in its implementation;
 - 2.2 **points out** that the SAA provides, in particular, for a Stabilisation and Association Parliamentary Committee to be set up, seeking to develop political dialogue between the parties in order to establish “close links of solidarity and new forms of cooperation”¹;
 - 2.3 **notes**, in particular, the intention expressed in the SAA to promote political dialogue between the parties using “any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue”²;
 - 2.4 at the same time, **regrets** that, unlike in the case of previous candidate countries, neither the SAA, nor the Stabilisation and Association Council, nor the Council decision on its Rules of

¹ Articles 7 and 9, Title II – Political dialogue (SAA) , Article 116 (SAA)

² Article 8, Title II – Political dialogue (SAA)

Procedure provide for the specific creation of an association committee of regional and local representatives;

- 2.5 therefore **calls for** the Stabilisation and Association Council, in order to make a useful contribution to consolidating, developing and stepping up political dialogue³, to endeavour to create a CoR-Croatia joint consultative committee, which, as such, would promote political dialogue, rapprochement between Croatia and the European Union, regional cooperation and the development of good neighbourly relations, the culture of subsidiarity and the development of local democracy.

3. **Opening of accession negotiations**

- 3.1 **points out** that the mutual, ultimate aim in the negotiations is Croatia's full membership of the European Union;
- 3.2 **trusts** that any transitional measures and safeguard clauses introduced will respect the EU's interests, particularly as regards competition and the functioning of the internal market;
- 3.3 **stresses** Croatia's natural suitability for EU membership and the Croatian people's sincere desire to join the European Union; the opening of negotiations has prevented that desire being further dampened and political stabilisation in the region being held back;
- 3.4 **welcomes** the opening of accession negotiations for Croatia to join the EU, on the basis of a political decision which took into due account compliance with the Copenhagen criteria and with the stabilisation and association conditions established by the Council in 1997 (cooperation with the International Criminal Tribunal for the former Yugoslavia and regional cooperation, which is deemed to be an integral part of the Stabilisation and Association Agreement signed with Croatia); moreover, **stresses** the need, during the negotiations, to monitor, further consolidate and, if appropriate, require tangible progress to be made in the field of the rights of minorities, refugee return policy, non-discrimination in the purchase of real estate by Community citizens, and judicial reform;
- 3.5 **points out** the need to confirm the full cooperation of the Croatian government with the International Criminal Tribunal for the former Yugoslavia (ICTY) throughout the accession negotiations process;
- 3.6 **considers** the opening of negotiations to be a historic opportunity for the EU and the Balkans and **welcomes** the creation of a Croatia Task Force, which will give its opinion on full cooperation with the ICTY;

³

Article 8(2), Title II – Political dialogue (SAA)

- 3.7 **welcomes** the Commission's adoption of the negotiating framework and the proposal to increase the number of negotiating chapters to 35, breaking large chapters down into smaller ones and thereby facilitating the negotiation process and making it quicker and more effective, particularly where agricultural policy is concerned; **asks** to be consulted on the Commission's annual Regular Reports on Croatia's progress towards accession;
- 3.8 **calls upon** the Commission to involve it in the formal process of monitoring and analysing transposal of the acquis, so that it can assist the Commission in the task of assessing how prepared Croatia is in specific areas of the negotiations, to which it could bring the benefit of its added value, particularly as regards the desired cooperation with regional and local authorities on the cohesion acquis (chapter 22); **asks** to be regularly updated by the Commission and the Council on the benchmark for this negotiating chapter;
- 3.9 **stresses** that, in order to ensure the rapid progress of the forthcoming negotiations and the transposal of the Community acquis, the Croatian institutions must build up capacity to manage the administrative and legal systems; this requires an efficient, independent judicial system and a properly-functioning public administration which reflects European standards and concerns itself with the procedures for selecting and hiring staff in all public bodies; **proposes**, to this end, that cooperation and twinning schemes be provided for right from the pre-negotiation phase, including between Croatian regional and local administrations and those of the EU Member States;
- 3.10 **encourages** the Croatian authorities to continue to implement anti-corruption measures, particularly the awareness-raising campaign of the Office for the Suppression of Corruption and Organised Crime (USKOK);
- 3.11 **calls for** regional cooperation to be pursued in the Balkans in accordance with the Thessaloniki Agenda agreed in June 2003, in a spirit of cross-border cooperation – a tried and tested practice among the EU Member States; **calls**, in particular, for swift resolution of the regional dispute over the sea border with Slovenia and the Piran Bay;
- 3.12 **encourages** the Croatian counties to pursue their policy of active cross-border cooperation, and of participation in and creation of Euroregions, thereby confirming their European orientation.
4. **Community pre-accession assistance**
- 4.1 **welcomes** the decision to extend to Croatia the pre-accession financial instruments (Phare, ISPA and Sapard) as of 2005 and the new pre-accession financial instrument as of 2007, and **points out** that the cofinancing mechanism should always be used with due regard for sound financial management and cost-effectiveness;

- 4.2 **stresses** the need for the Commission, as the body responsible for the practical coordination of support measures, to monitor the rate of absorption of Community funds and assess the impact of the programmes set up in Croatia thus far, particularly the twinning programmes (Border Police, Customs, Statistical Agency, and Asylum), and **asks** to be regularly updated in this regard;
- 4.3 **calls upon** the Commission, under the CARDS regulation and upon the expiry of the Country Strategy Paper for 2002-2006, to provide an assessment of the effectiveness of administrative capacity-building measures;
- 4.4 **recommends** that, in future, Croatian regional and local authorities play an active role in the pre-accession assistance coordination mechanisms put in place by the Commission, and that they be involved in planning strategies and defining priorities for regional development; to this end, **stresses** the urgent need for pre-accession funds to be used to train the administrative staff of local and regional authorities for this task;
- 4.5 **highlights** the great disparities between the levels of development of the different NUTS II areas in Croatia, and **stresses** the need for priority to be given in the use of European funds to measures for reducing unemployment, particularly in the most disadvantaged areas;
- 4.6 **highlights** the benefit of basing national regional development policy on a single legal instrument in order to avoid different approaches being taken in the various measures, as has been the case thus far, and the benefit of planning national regional development measures on a multi-annual basis;
- 4.7 **calls for** Croatia to be able to participate, as of 2007, in the interregional and cross-border projects provided for under the new cohesion policy cooperation objective;
- 4.8 **proposes** that the case be considered for enabling representatives of cross-border regions of the candidate countries to take part, at least as observers, in future European groupings of cross-border cooperation (EGCC);
- 4.9 **calls upon** the EU budgetary authority to provide appropriate financial instruments, for use by Croatian regional and local authorities in twinning or cooperation schemes with EU regional and local authorities and the CoR, to inform the public about the benefits of EU accession.
5. **Implementation of the 2001 constitutional reform on devolution**
- 5.1 **points out** that implementation of the subsidiarity principle in Croatia is one of the keys to bringing the Croatian people closer to the European project;

- 5.2 **welcomes** the amendments made to the Croatian Constitution in 2001, relating to subsidiarity and regional and local self-government;
- 5.3 **notes** the Commission's criticism in its 2003 Stabilisation and Association report for Croatia, particularly with regard to the sluggishness of the devolution process, and **stresses** the overall pessimism expressed regarding the ability of counties, towns and municipalities to cope with their new responsibilities because they lack financial and management autonomy;
- 5.4 **is concerned** about the effective lack of own revenue and of the necessary autonomy in tax collection, which is fundamental for the consolidation of a genuine devolution process;
- 5.5 **calls for** the laws on regional and local self-government, particularly in the education and health sectors, to remain true to the spirit of the 2001 constitutional reform and not to dilute the devolution process which started then.

Brussels, 13 October 2005

The President
of the Committee of the Regions

The Secretary-General
of the Committee of the Regions

Peter Straub

Gerhard Stahl
