



Committee of the Regions

CIVEX-V-038

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OPINION

ENLARGEMENT STRATEGY AND MAIN CHALLENGES 2012-2013

THE COMMITTEE OF THE REGIONS

- highlights that the aim of the enlargement process is to overcome the division of Europe and to contribute to the peaceful unification of the continent. Politically, EU enlargement has helped respond to major problems and has consolidated democracy, human rights and stability across the continent. Economically, enlargement has helped to increase prosperity and competitiveness, enabling the enlarged Union to respond better to the challenges of globalisation;
- wishes to make it clear that one of the CoR's major political priorities is to ensure the success of the enlargement process. For the Committee of the Regions, the role of local and regional representatives in the enlargement process is fundamental;
- actively tries to facilitate the task of the local and regional authorities in the enlargement countries in order to prepare them for their future responsibilities in the European Union, to obtain recognition of their role and to establish and develop contacts and cooperation with their EU counterparts;
- the EU should encourage candidate countries to make sure that the delegated powers reflect the level of responsibilities to be assumed when applying the community acquis at local and regional level; at the same time, these responsibilities should be supported by proportional financial means. Without these, LRAs remain powerless to properly implement reforms;
- stresses therefore that the enlargement countries have to continue to develop their respective governance models;
- underlines the very positive experience of the Local Administration Facility (LAF) programme, coordinated together with the DG Enlargement, TAIEX office of the European Commission, which help increase understanding on what the EU stands for at the regional and local level;

Rapporteur

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Reference document

Communication from the Commission to the Council and the European Parliament: Enlargement Strategy and Main Challenges 2012-2013
COM(2012) 600 final

**Opinion of the Committee of the Regions – Enlargement Strategy and Main Challenges
2012-2013**

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Political context and significance of enlargement for local and regional authorities and the CoR

1. emphasises that this opinion must be seen in the context of the historical commitment of the CoR to the enlargement process. It will develop the CoR's political message on the EU's enlargement strategy towards the countries of the Western Balkans (Croatia, Montenegro, the former Yugoslav Republic of Macedonia, Serbia, Albania, Bosnia and Herzegovina, and Kosovo¹), Turkey and Iceland;
2. highlights that the aim of the enlargement process is to overcome the division of Europe and to contribute to the peaceful unification of the continent. Politically, EU enlargement has helped respond to major problems and has consolidated democracy, human rights and stability across the continent. Economically, enlargement has helped to increase prosperity and competitiveness, enabling the enlarged Union to respond better to the challenges of globalisation;
3. points to the need for a decentralised information and communications policy on the enlargement process, particularly in order to strengthen both civil and political dialogue between the European Union and the enlargement countries;
4. wishes to make it clear that one of the CoR's major political priorities is to ensure the success of the enlargement process. For the Committee of the Regions, the role of local and regional representatives in the enlargement process is fundamental;
5. stresses that the prospect of EU accession brings with it political and economic reforms in the candidate countries and provides the citizens of those countries with new opportunities that are much-needed, especially in these times of crisis;
6. points out that enlargement policy must remain credible and must enjoy public support, both within the European Union and in the (potential) candidate countries. To create lasting bonds between citizens and the EU, it is of crucial importance to involve citizens both of the enlargement countries and of the current member states in the process. The support for

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.

European integration in the enlargement countries is a key resource. The European institutions should not take this support for granted but try to tap into this resource in order to improve public legitimacy for the EU as a whole;

7. is aware that the political and social reforms currently being carried out in the enlargement countries cannot be introduced by force, but only by respecting diversity and genuine decentralisation;
8. actively tries to facilitate the task of the local and regional authorities in the enlargement countries in order to prepare them for their future responsibilities in the European Union, to obtain recognition of their role and to establish and develop contacts and cooperation with their EU counterparts;
9. wishes, through its external relations strategy, to promote political dialogue and economic and/or cultural cooperation between local and regional authorities of candidate and potential candidate countries and those of the EU. The Committee of the Regions represents an important meeting point and a useful forum for these actors in the EU framework;
10. notes that in its progress reports, the European Commission only draws limited attention to reforms that provide a new legal framework for regional and local authorities in these countries. The EU should encourage candidate countries to make sure that the delegated powers reflect the level of responsibilities to be assumed when applying the community *acquis* at local and regional level; at the same time, these responsibilities should be supported by proportional financial means. Without these, LRAs remain powerless to properly implement reforms;
11. is of the view that the integration of new Member States into the EU can only succeed if they are able to apply the existing body of EU law at all levels of political and administrative organisation (including the way in which these provisions are implemented), bearing in mind that the municipalities and the regions have a key role to play in the administration of EU programmes and funds. The role of regional and local authorities should not, therefore, be limited to the implementation of measures and decisions taken at national level, nor to the dissemination of information about the enlargement process to citizens;
12. emphasises that the multi-level governance approach, based on the subsidiarity principle, and including partnership between, and ownership of all levels of government, is a key element of European integration and any assessment of the enlargement process should therefore examine whether the process promotes multi-level governance. This applies not only to future cohesion and regional policy, but also to building the Single Market, the future environmental climate change and energy policies, the future common agricultural policy and maritime policy, the Stockholm programme, the neighbourhood policy and not least the building of the Europe 2020 strategy and the seven flagship initiatives in partnership by means of territorial pacts;

General comments

13. is pleased to note the sharper focus in the European Commission's Enlargement Strategy 2012-2013 on good governance criteria, such as the rule of law, an independent judiciary, an efficient public administration, the fight against corruption and organised crime, the development of civil society and free media;
14. welcomes the Commission's in-depth analysis and overall assessment but would like to see clearer suggestions on how to overcome shortcomings with regard to implementation of the *acquis*;
15. again stresses that the role of local and regional representatives in the enlargement process is highly important and therefore encourages enlargement countries to maintain their decentralisation and regionalisation efforts; this also makes decentralised information and communication policy easier, as well as civil and political dialogue between the European Union and the people of the enlargement countries;
16. stresses therefore that the enlargement countries have to continue to develop their respective governance models, not least by improving the responsibilities of regional and local authorities and through the promotion of genuine partnerships between different levels of governance, but also between different countries and regions;
17. feels that it is necessary to build up the capacity of regional and local institutions in the legislative, financial and administrative spheres so that they can best make use of existing pre-accession assistance and be ready to implement the *acquis communautaire* in a sustainable way;
18. regrets that despite its repeated recommendations, the Commission has not yet provided a full assessment of the state of the implementation of multi-level governance principles in the enlargement report; is aware that there is no *acquis* chapter dealing with decentralisation in countries wishing to join the EU but suggests to develop a set of parameters in this regard, which could provide orientation to the countries undertaking reform;
19. is furthermore disappointed that the social dimension features insufficiently in the enlargement process and calls on the Commission to pay attention to the necessary social reform in the candidate countries, in addition to economic reform;
20. reiterates its recommendation to the Commission that it go into greater detail in its future enlargement strategy reports about the regional and local self-government situation and point out the need for regionalisation and decentralisation reform more clearly to the enlargement countries, encouraging them to establish independent, sub-national levels of government;

21. underlines the very positive experience of the Local Administration Facility (LAF) programme, coordinated together with the DG Enlargement, TAIEX office of the European Commission, which help increase understanding on what the EU stands for at the regional and local level;
22. believes strongly in the need to respect the principle of good neighbourly relations among EU Member States, candidate countries and other countries and the role and importance of developing cross-border and regional cooperation between these countries;
23. considers that the protection of minorities and respect for human rights, which form part of the values that are the foundation of the European Union, must remain essential elements of the EU accession process;
24. in this respect, stresses the importance of the cooperation with the Council of Europe and in particular its Congress of Local and Regional Authorities, on the basis of all relevant texts such as the European Charter of Local Self-Government;

Country-specific policy recommendations

Croatia

25. welcomes Croatia's accession to the EU on 1 July 2013, as set out in the Accession Treaty;
26. welcomes the fact that the Parliamentary elections held in December 2011 took place in a pluralistic environment and were administered in an efficient and transparent manner, but notes that improvements are still necessary with regard to maintenance of the voters' list with a view to local elections and the election of Croatia's members to the European Parliament scheduled for spring 2013;
27. reminds Croatia of its pledge to address its ongoing bilateral and regional problems in the spirit of good neighbourly relations and by the implementation of legally binding international agreements, including the one on succession issues;
28. underlines that the administrative capacity necessary to implement and monitor public administration reform requires further attention, in particular at local level. Further efforts are needed with a view to the role of local and regional administrations in the future management of the Structural Funds;
29. is pleased with the progress that has been made on the decentralisation process, but notes that this process is too heavily controlled by the central government;

30. calls on the Commission to continue to monitor, evaluate and support the developments at sub-national level and the progress made in decentralisation even after Croatia's accession to the EU;
31. points out that attention needs to be focussed on pre-emptive measures aimed at tackling corruption at the local level, particularly in public procurement procedures;
32. points out that further challenges remain in terms of reducing health and regional inequalities and in terms of inclusive rural development;

Iceland

33. welcomes the fact that Iceland's political institutions are stable, with high-quality Local Self-Government, which is anchored in the country's rich democratic tradition. This has been furthered recently with a new law of January 2012 that stipulates even more thorough consultation between the government and municipalities;
34. welcomes the adoption of several important measures, taken to strengthen local government finances, in light of the 2008 economic crisis but points out that despite these positive developments, the capacity for economic policy formulation and coordination still needs to be further improved at local and regional level. The distribution of finances from the central to the local level also requires stronger coordination;
35. welcomes the fact that the new Constitution was put to an advisory referendum on 20 October 2012 and passed by two thirds. The constitution includes for the first time a section on local government;
36. warmly welcomes the setting up of a Joint Consultative Committee with the CoR, following the good cooperation with the Icelandic Association of Local Authorities and, furthermore, underlines that it will continue its support for capacity building at local level, for instance, under the Local Administration Facility (LAF) programme;
37. would welcome if Iceland's accession negotiations could be concluded in due course and the result be put to the Icelandic people for decision based on accurate information on the final accession deal that will have been agreed between Iceland and the EU;

The former Yugoslav Republic of Macedonia

38. welcomes the continuation of the process of decentralisation of government, a key element of the Ohrid Framework Agreement and the adoption of the programme for implementing decentralisation and local self-governance for 2011-2014 and the corresponding action plan;

39. points out that progress in meeting the objectives of decentralisation need to be accelerated, and that the financial sustainability of municipalities remains the main challenge. Although the proportion of VAT transferred to the municipalities was increased to 4%, this is not enough to enable the municipalities properly to fulfil the tasks conferred on them;
40. underlines that the mechanisms available for addressing the significant disparities in the delivery of public services are limited, and that rural and small municipalities are especially disadvantaged;
41. is concerned at the lack of the administrative and managerial capacity needed to implement the EU acquis. This can be seen, inter alia, in the implementation and enforcement of environmental legislation at both national and local level. In the area of water quality, very little progress can be reported;
42. points out that limited progress can be reported in the area of regional policy and coordination of structural instruments. Management of IPA programmes needs to be improved in order to ensure full and timely absorption of EU funds;
43. would stress the importance of maintaining good neighbourly relations and finding a mutually acceptable solution to the issue of the country's name;
44. recommends that public authorities at the various levels of local government cooperate with civil society organisations, which need to be bolstered and secure greater independence from political influences;
45. wishes to express its concern about the political and ethnic polarization in FYROM, which risks jeopardising the stability of the country and the momentum necessary for political reforms;

Turkey

46. points out that the consultation period for the new Constitution has fostered an amount of debate with local civil society and local citizens which is to be welcomed, but is concerned that the lack of transparency regarding the question how these debates were fed into the drafting process and which parts were published on the internet, which has made it very difficult for Turkish citizens, as well as international actors (including the CoR), to keep up to date with developments;
47. regrets the lack of progress in devolving power to provinces and local government and is concerned by some reports that elected local governments or mayors are subject to intimidation or politically motivated legal prosecution. City councils (which were designed to encourage citizens' participation in local government) have not been used effectively in most cities. Additionally, the fact that in 2011, decree-laws *recentralised* powers in areas such as

land use planning and urban renewal, are signs that the process of decentralisation is not seriously being addressed. Whilst the Turkish government has spent some time reforming the public administration, this has not been in a way which benefits LRA, notably for the South East of the country;

48. expresses dissatisfaction regarding Turkey's failure to fully abide by its commitments arising from the Additional Protocol of the EU-Turkey Association Agreement and urges Turkey to move towards full compliance, without exception, noting that further delays might impact afresh upon the accession process;
49. welcomes the change in the attitude shown by the Council of the EU regarding the possible opening of chapter 22 of the negotiations concerning 'regional policy and coordination of structural instruments' and hopes that this positive signal can be translated into a normalisation of the negotiation process between Turkey and the European Union;
50. regrets the fact that at all state levels there are still considerable shortcomings as regards respect for religious freedom, woman's rights, minority rights – notably the Kurdish, gender equality, as well as basic rights to freedom of expression and press freedom; thereby overshadowing reform-oriented legislation;
51. encourages the dialogue that has been established between the Turkish government and representatives of the Turkish Kurds;
52. is pleased to note the implementation of the positive agenda, in line with the Negotiating Framework and the relevant conclusions of the Council and the European Council;
53. states its dissatisfaction against the backdrop of the United Nations and UN Security Council resolutions, and the principles and values on which the EU is founded, at the lack of commitment on the part of Turkey and the other parties to the conflict to reach an acceptable solution to the issue of its illegal occupation of northern Cyprus, and urges the Turkish government to give practical support to the negotiations taking place under the good offices of the UN Secretary-General and to take steps towards an overall settlement of the Cyprus question by immediately withdrawing its military forces from Cyprus, resolving the issue of settlers and allowing the return of the forbidden zone of Famagusta to its lawful inhabitants, in application of UN Security Council Resolution 550 (1984);
54. notes that on the one hand reform-oriented legislation has been introduced, but this is overshadowed on the other by attacks on press freedom and freedom of expression;
55. welcomes the establishment of an independent Ombudsman service in Turkey, which needs to be implemented adequately;

56. underlines that transparency, accountability and participatory mechanisms must all be strengthened on the local level, and encourages continued fight against corruption, especially on municipal level;
57. wishes to underline that continued cooperation on the subnational level will be beneficial for both Turkey and the EU. Therefore repeats its commitment to upgrade the Committee of the Regions' Working Group with Turkey to a Joint Consultative Committee;

Montenegro

58. welcomes the enactment of the law on the territorial organisation of Montenegro and the amendment of the law on local self-government, which should enhance the transparency, efficiency and accountability of local administration;
59. points out that Montenegro needs to strengthen administrative capacity in the established IPA structures and adequately prepare them in order to increase the absorption capacity of the pre-accession funds;
60. notes that under-qualified staff is one of the biggest problems at the local level, raising the possibility that powers devolved through the decentralisation process cannot be exercised;
61. regrets that no progress can be reported in the field of social protection, that the absorption of refugees, IDPs and ethnic minorities in the cities remains problematic; and that progress in the field of administrative and fiscal decentralisation of social services remains limited;
62. recommends the intensification of efforts to prevent and combat corruption in the identified vulnerable areas: local self-government, spatial planning, public procurement, privatisation, education and healthcare;
63. welcomes the inauguration of the Committee of the Regions' Joint Consultative Committee with Montenegro in 2012 and hopes for a mutually beneficial cooperation with Montenegrin sub-national authorities for the coming years;

Serbia

64. is pleased to note that the Serbian constitution guarantees the right to provincial autonomy and local self-government, but regrets that there is a gulf between the principles as set out in the laws and their implementation in practice;
65. deplores the actions of the central government (such as reducing contributions to local authorities) which make it even harder for local authorities to fulfil their duties;

66. points out that as regards local self-government, the legislation on municipal finance needs to be clarified and properly implemented to ensure that municipal funding is predictable;
67. regrets that the National Council for Decentralisation continues to be inactive and that there has been insufficient consultation with local authorities in the decision-making process relating to the development of new legislation or amendments to existing laws that have implications at the local level;
68. points out that administration and management capacity at the local level are weak and significant disparities between municipalities persist. Regrets that the Law on Civil Servants does not apply to local government employees;
69. welcomes the progress in the area of regional policy and coordination of structural instruments. Acknowledges that fact that Serbia has completed the preparatory stages for the decentralised management of IPA for four Components and points out that adequate implementation capacity needs to be further ensured especially in terms of preparing a solid project pipeline based on relevant strategies;
70. welcomes the significant role played by civil society in the social, economic and political life of the country and in promoting democratic values, and highlights its importance at local level and within the decision-making process;

Albania

71. is pleased to note Albania's progress on meeting the political criteria for EU membership; welcomes the improved political dialogue between the government and the opposition, and points to the crucial importance of the successful holding of the 2013 parliamentary elections to the smooth running of the basic democratic institutions; urges the Albanian authorities to step up their efforts to promote and implement the reforms necessary for the pre-accession process, especially as regards human rights, gender equality, the protection of minorities as well as of property rights, tackling corruption and organised crime and the pursuit of a constructive migration policy;
72. acknowledges the European Commission's analyses that "no progress" has been made in terms of territorial administration reform. The 2009 Law on Territorial Planning has only been implemented very slowly. There appears to be a widening gap between the regions "with regard to economic and social development potentials". This is something which must be addressed urgently;
73. notes that small local administrative centres are often not financially viable. Local decision-making is not transparent and civil society organisations and other stakeholders are not consulted;

74. points out that when it comes to funding, in particular revenue collection, the situation of local authorities has not improved since 2011; underlines moreover the need of building capacities for Regional and Local Authorities to administer budget revenues, control the operational systems and control the Instrument for Pre-Accession Assistance (IPA) funds;
75. is satisfied at the appointment of an Ombudsman and calls on the Albanian government to provide that body with sufficient means;
76. points out that that there are encouraging signs that the deep political divisions, which have obstructed political reform for a number of years now, seem to be narrowing; encourages therefore the two associations representing the sub-national authorities (the Albanian Association of Municipalities and the Albanian Association of Communes) to intensify their cooperation in all relevant matters and to prevent the undermining of local and regional representation in the country;
77. underlines that whilst the small progress in the area of regional policy and coordination of structural instruments is welcome, more needs to be done here;

Bosnia and Herzegovina

78. acknowledges the fact that Bosnia and Herzegovina (BiH) is still a country with an "international system of governance and security", which means that at the moment even the central domestic institutions are not in full ownership of the political and legislative process, let alone the local and regional authorities;
79. points out that the current political situation in BiH is impacting negatively upon the country's ability to speak with one voice on EU matters; also notes that as a result of the political and institutional deadlock, Bosnia and Herzegovina is unable to meet its commitments to local self-government and regional autonomy, which means that "the functioning of local self-government has been seriously affected" and this is "preventing any form of decentralisation in the country". The increasing fragmentation of the country and communities along ethnic lines simply reinforces the lack of trust in local government;
80. regrets that the complex governance system and institutional deadlock means that legislation is not properly standardised on the level of the Bosnian entities, thereby hampering in particular pressing issues, such as the fight against trafficking in human beings;
81. calls for a coordination mechanism to be set up between the various levels of government for the transposition, implementation and enforcement of EU legislation, to enable the country to speak with one voice on EU matters and to make effective use of the pre-accession funds;
82. acknowledges that the European Commission's report praises entity legislation for largely being in line with the European Charter of Local Self-Government and a positive view must

be taken of this. However it must be noted that BiH has not signed the Additional Protocol to the European Charter of Local Self-Government on the right of citizens to participate in the affairs of a local authority;

83. supports the decentralisation of the judicial system. On the other hand regrets that little progress has been made in the area of public administration reform where at the moment, the problem appears to be weak coordination between the various levels of administration and a lack of public support for the reforms;
84. welcomes all initiatives towards improvement of the protection of Human Rights and Fundamental Freedoms and specially the adoption of the amendment to the Constitution of Sarajevo Canton in line with the ruling of the Grand Chamber of the European Court of Human Rights on the Sejdić-Finci case, giving ethnically undeclared and ethnic minorities the possibility to form independent caucus in the Assembly and urges all levels of authorities in BiH to adopt similar amendments;
85. is satisfied that the October 2012 local elections were well prepared and conducted in an orderly manner and in accordance with the standards of the Council of Europe and the international community for democratic elections even though electoral administration at the local level is highly politicised;
86. notes with satisfaction that the development of civil society continues to be supported by the Civil Society Facility (CSF) – an EU organisation set up in 2008 to support civil society organisations (CSOs) – with a project entitled "Reinforcement of Local Democracy" (LOD);

Kosovo

87. welcomes the significant progress made over the last years on decentralisation and the efforts made by the Ministry of Local Government Administration (MLGA) to ensure more efficient monitoring of the local government structures, but feels that the efforts to implement decentralisation, such as the strengthening of the administration at the municipal level need to continue;
88. notes with satisfaction that Kosovo has an advanced system of local governance in place, which enables the public to participate in local decision-making; this is reflected by the fact that Kosovo's citizens are broadly satisfied with their local authorities and the ways in which they exercise their powers;
89. calls on Kosovo to demonstrate clearly that it is striving to combat corruption and organised crime;

90. recommends the use at local level of evidence-based planning processes in dealing with administrative matters and budgeting processes. The municipal authorities need tailor-made guidance in order to strengthen their administrative capacity;
91. acknowledges that the newly established Serb-majority municipalities face specific challenges given their small size and require further assistance from the central level to ensure their sustainability;
92. calls on all of the involved parties to find constructive solutions to the specific challenges faced by the decentralisation process in the north of Kosovo in order to provide quality services to people;
93. points out that under a Stabilisation and Association Agreement (SAA), Kosovo would need to respect and implement the democratic principles of governance through an adequate and more effective executive at all levels of administration.

Brussels, 11 April 2013

The President
of the Committee of the Regions

Ramón Luis Valcárcel Siso

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

II. PROCEDURE

Title	Enlargement Strategy and Main Challenges 2012-2013.
Reference(s)	COM(2012) 600 final
Legal basis	Art. 307(1) TFEU
Procedural basis	Optional consultation
Date of Commission letter	Letter of C. Day, 18/4/2012
Date of Bureau decision	
Commission responsible	Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX)
Date adopted by commission	11 February 2013
Result of the vote in commission	Adopted by a majority
Date adopted in plenary	11 April 2013
Previous Committee opinions	<ul style="list-style-type: none"> – Opinion of 3 May 2012 on Enlargement Strategy and Main Challenges 2011-2012 (CdR 365/2011) – Opinion of 1 July 2011 on Enlargement Strategy and Main Challenges 2010-2011 (CdR 405/2010) – Opinion of 14 April 2010 on Enlargement Strategy and Main Challenges: candidate countries (CdR 344/2009) – Opinion of 9 June 2010 on Enlargement Strategy and Main Challenges 2009-2010: potential candidate countries (CdR 345/2009) – Opinion of 17 June 2009 on Enlargement Strategy and Main Challenges 2008-2009: potential candidate countries (CdR 383/2008) – Opinion of 17 June 2009 on Enlargement Strategy and Main Challenges 2008-2009: candidate countries (CdR 382/2008) – Opinion of 27 November 2008 on Western Balkans: Enhancing the European perspective (CdR 143/2008 fin) – Opinion of 10 April 2008 on Enlargement Strategy and Main Challenges: pre-candidate countries (CdR 246/2007 fin) – Opinion of 6 June 2007 on Enlargement package 2006: candidate countries (CdR 384/2006 fin) – Opinion of 6 June 2007 on 2006 enlargement package: integration capacity (CdR 386/2006 fin) – Opinion of 6 June 2007 on 2006 enlargement package: pre-candidate countries (CdR 385/2006 fin)

Date of subsidiarity monitoring consultation	-
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