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Brussels, 22 November 2001

OPINION

of the

Committee of the Regions

of 14 November 2001

on

**Supporting the development of institutional structures at local and regional level
in the applicant countries**

The Committee of the Regions

HAVING REGARD TO

- the resolution tabled by its political groups on the "Annual statement on the Priorities of the Committee of the Regions" (CdR 45/2001 fin)¹;
- its experts' final report on "A Europe of Regions and Cities: Strategies and prospects for EU enlargement" (CdR 268/2000 fin);
- its resolution on the ongoing EU enlargement process (CdR 424/1999 fin)²;

- its experts' report on "Preparing for EU enlargement - Devolution in the first wave candidate countries" (CdR 391/1999 fin);
- its opinion on "Institutional aspects of enlargement - Local and regional government at the heart of Europe" (CdR 52/1999 fin)³;
- its opinion on "Implementation of EU law by the regions and local authorities", CdR 51/1999 fin⁴;
- its opinion on "Eurotraining for Local and Regional Authorities in Europe" (CdR 404/1998 fin)⁵;
- the European Commission's strategy paper on enlargement - Report on applicant countries' progress towards enlargement, November 2000;
- its Bureau's decision on 12 June 2001 to draw up, under the fifth paragraph of Article 265 of the Treaty establishing the European Community, an opinion on this subject, and to instruct the Commission for Institutional Affairs to carry out the preparatory work;
- the Draft Opinion on "Supporting the development of institutional structures at local and regional level in the applicant countries" (CdR 102/2001 rev. 2), adopted unanimously by the Commission for Institutional Affairs on 5 October 2001 (rapporteur: **Roger Kaliff, Leader of Kalmar City Council, (S-PES)**);

unanimously adopted the following opinion at its 41st plenary session on 14-15 November 2001 (meeting of 14 November):

The Committee of the Regions' views and recommendations

1. General Comments

1. EU enlargement represents an historic challenge. With 27 Member States and a population of almost 500 million, the conditions for EU cooperation will be drastically different from those currently prevailing. Consequently, the need for reform of the EU's institutional frameworks, organisation and cooperation arrangements is all too evident. In the view of the Committee of the Regions, from a long-term perspective, it is not enough merely to make limited changes to the EU's operational arrangements.

2. The Committee of the Regions therefore looks forward to a thorough debate on the EU - the nature of cooperation and its role vis-à-vis the Member States and EU priorities. It is the responsibility of the Member State governments to ensure that the 2004 Intergovernmental Conference really does provide the right conditions for maintaining the EU's ability to act in the light of the forthcoming enlargement and enables the EU to work in the interest of its citizens.
3. The Committee of the Regions observes that ongoing negotiations indicate that relatively rapid progress can be made with several applicant countries. The resolution adopted at the Gothenburg Summit states that major breakthroughs have been achieved in the negotiations and that it has been possible both to meet and exceed the expectations and goals set at Nice.
4. The Committee notes with satisfaction the Gothenburg declaration's clear indication that the EU, under the Belgian and subsequently the Spanish Presidencies, will follow the set schedule for the enlargement process with undiminished energy. It would also point out that the applicant countries' accession depends on their fulfilment of the Copenhagen criteria.
5. The Committee observes that certain chapters of the negotiations are considered to be particularly challenging by one or both parties. For example, it is a political fact that transitional arrangements will be needed to address border problems between the Member States and the applicant countries, in areas such as the free movement of labour and the shape EU agricultural policy, and its policies for cohesion and regional development, should take.
6. The Committee of the Regions feels that the Union and its members have a basic duty to show a large measure of solidarity and understanding as the extensive economic and social problems in the applicant countries must be tackled as soon as possible with more emphasis on results. The Committee notes that reticence towards EU membership is increasing throughout the population in several applicant countries. The risk is that negotiation agreements which these countries see as negative and perhaps discriminatory will have a detrimental impact on their opinion of the EU.
7. It is of course also important to understand the particular conditions which will result from the EU's new external borders following enlargement. Here the Committee welcomes the EU's ambitions as regards the general stepping up of relations with Russia, particularly within the framework of the Northern Dimension and Cooperation on Kaliningrad.

2. Influence of the municipalities and regions

1. The conditions for successful EU membership for the applicant countries will largely be established already at the negotiation stage. This involves a consensus of opinion as to how to achieve the conditions which will enable an applicant country to implement EU legislation and programmes effectively in the various areas as well as directly negotiated solutions to single issues. In both respects the municipalities and regions of both the EU and the applicant countries will be heavily affected.
2. There is no doubt that implementation of EU policy is largely a matter of how local and regional structures can incorporate and work in accordance with the EU regulatory system. The Committee notes that it is also a well-established fact that the EU's work is greatly enhanced by efficient and largely autonomous municipalities and regions, which derive their mandate from directly elected political assemblies. The ongoing

negotiations place far too little emphasis on this fact.

3. The Committee observes that there are, of course, significant differences between the Member States in terms of the role and status of the municipalities and regions both on the national front and with regard to participation in EU activities. What they do have in common, however, is the fact that all Member States have established forms of self-government at these levels. It is also significant how membership is influencing structures in the direction of increasingly close involvement of elected political assemblies, both locally and regionally. It is important to draw the attention of the governments and parliaments of applicant countries to the need for strong local and regional government as a major factor in successful EU membership.
4. A decisive argument for a European Union drive to encourage active participation of municipalities and regions in EU work is, of course, the very nature of the political mandate, whether it be at national, regional or local level, since it requires the authorities to be responsible for providing holistic solutions in the best interests of citizens. Representative democracy is therefore also an indispensable asset to EU-cooperation - at all levels - thereby facilitating the necessary practical implementation, so that EU resources can be expected to have an impact on the ground. It also creates the right climate for a dialogue with citizens, and builds support for the EU project.
5. In other words, the municipalities and regions are an essential part of the EU machinery, both as a means of implementing and adapting EU policies and instruments, and of convincing the public of the legitimacy of the EU and its initiatives.
6. A key starting point for the Committee of the Regions with regard to how the Union can effectively carry out its policies and create legitimacy for its action at grassroots level, is to organise and carry out work in line with the dictates of the subsidiary principle. Scope must be allowed for a large measure of local and regional adjustment to EU funds and programmes. In stepping up public dialogue on EU issues, account must also be taken of local and regional political discussions. This is particularly important since reticence surrounding EU membership could spread in the applicant countries.
7. The Committee of the Regions feels that the interactions and starting points indicated above must have more impact on EU cooperation in general. They must therefore be given a far higher profile in the ongoing negotiations with the applicant countries and on the support these countries are given in preparing for EU membership.

3. **The importance of support for the local and regional structures in the applicant countries**

1. The Committee notes that all countries which are currently negotiating membership with the EU fulfil the Copenhagen criteria on full democracy. In order to develop and deepen democratic systems in these countries, it can be very useful to exchange experiences on various practical aspects of the democratic system's role and function. Such exchange of experience at local and regional level is therefore of considerable importance.
2. The Committee has observed that politicians and officials of municipalities and regions in applicant countries are keenly interested, in transnational and other projects, in taking on board experiences and views regarding democracy and local and regional self-government.

3. The Committee of the Regions, as a political assembly with established status in the EU and extensive grassroots support in all Member States, is in an unparalleled position to help ensure that municipalities and regions in the applicant countries are given an opportunity to prepare properly for future EU membership. The liaison group's activities have clearly demonstrated how important it is that the Committee continues to play a constructive and supportive role (on the basis of its mandate) vis-à-vis the municipalities and regions of the applicant countries. So that municipalities and regions in the applicant countries can be suitably prepared for their future role in the EU's institutional machinery, the CoR should send out standing invitations to the applicant countries to enable them to cooperate on an ongoing basis straightaway.
4. In the light of the need for more specific adjustment and support, the Committee should treat enlargement as one of its political priorities. All CoR opinions should take account of enlargement aspects as far as possible. The CoR Bureau should clearly assume overall responsibility for strategic contacts.
5. The Committee's methodology on enlargement issues should, in addition to established channels of contact with EU institutions, be to focus both on more specific initiatives to integrate the applicant countries more effectively into the EU institutions' day-to-day work and on supporting local and regional self-government in these countries by organising conferences and other platforms for dialogue, to build systematic contacts at EU level, and with national representatives and municipal and regional politicians. The aim should be to spell out the significance of local and regional self-government for EU enlargement and cohesion. One ambition, amongst others, should be for each forthcoming EU presidency to address this issue through special initiatives.

4. **Weak finances**

1. The Committee of the Regions notes that the substantial financial problems the applicant country municipalities and regions are faced with - must be seen as a major issue in the continued development of local and regional self-government in the applicant countries.
2. A breakthrough is needed here to provide all applicant country municipalities and regions with fair economic opportunities to build an efficient institutional administration for a practical welfare policy. This should be seen as a priority issue for the EU, in view of the need for effective implementation of the Community acquis and the different policy area ambitions which follow on from EU membership.
3. There are already examples of the Phare programme leading to twinning schemes in which Europe's municipalities and regions have worked successfully together on key issues such as administrative reform, application of the Community acquis, and management of the Structural Funds. The Committee of the Regions should, however, immediately launch discussions with the Commission on ways of improving incentives and opportunities for the applicant countries' governments to use Phare funds to strengthen the administrative/management structures of local and regional government.
4. The Committee of the Regions should also take initiatives as soon as possible to enable national bodies for municipalities and regions in the applicant countries and European level cooperation organisations for local and regional authorities such as CEMR, AER, and CPMR to be involved in a systematic drive to help the applicant countries develop the skills needed to create efficient management and administration. Contacts with the Commission should clarify the need for specific financial resources

to involve these parties to a greater extent.

5. The Committee of the Regions should contact all applicant country governments, in order to make the case for pressing ahead at national level with the devolution of powers to the municipalities and regions, and for prioritising pre-accession support for this purpose. In addition the importance of tax raising powers should be stressed as a fundamental pillar of effective local and regional government.
6. The Committee of the Regions should also launch discussions with the European Investment Bank and other European financial institutions (EFI) on increased investment in the development of local and regional infrastructure in the applicant countries, including physical investment and in welfare initiatives in education, healthcare, etc.

5. The conditions for effective EU efforts

1. The Committee of the Regions has on numerous occasions put forward and developed the democratic, societal and economic arguments for political independence at **both** local and regional level. There is a general need for regions to act as an arena for important aspects of welfare and development policy, and this has been increasingly highlighted as internationalisation has gained ground and the European Union has developed. In all the applicant countries except for the smallest, an effective **regional** policy and administration will be very important in implementing the Community *acquis*, and in enabling those countries to benefit from forthcoming EU membership.
2. The Committee of the Regions should make clear its view to applicant country governments, local and regional representatives and the Commission that local and regional involvement in EU efforts must be directly linked to elected politicians at those levels.
3. The Committee of the Regions should, together with local and regional representatives of the country concerned, launch discussions with applicant country governments into the pros and cons of forms of dialogue between the national level and local and regional self-government during the ongoing negotiations. The dialogue should give way to a regular consultation process after the country has joined the EU.
4. Transnational cooperation between municipalities and regions in the Member States and the applicant countries is sometimes currently conducted in order to transfer experience and information about those EU requirements and rules which might impact on municipalities and regions. EU, bilateral and also private funds are used in this context.
5. The Committee of the Regions should launch discussions with the Commission into the case for large-scale, local and regional cooperation initiatives between municipalities and regions in the applicant countries and the existing Member States. The CoR should endeavour to involve the CEMR, AER, and CPMR etc., in this broad drive.
6. The Committee of the Regions should take steps to boost cooperation with the Council of Europe's Congress of Local and Regional Authorities of Europe (CLRAE). The aim should be, *inter alia*, to adopt a common line of action towards national governments in support of further local and regional autonomy in the applicant countries, and to foster a climate conducive to transnational cooperation between the municipalities and regions in those countries.

7. In its contacts with the Commission, the Committee of the Regions should specifically highlight the need to ensure Interreg III and the Phare programme make better provision for relatively small and medium-sized projects of between EUR 50,000-250,000. Experience has shown that municipalities and regions prefer projects of this type where exchanges of experience and know-how are concerned. Very good results have been achieved by such projects which focus on various forms of personal contact and small-scale investment in initiatives such as institution strengthening/building.

6. Joint committees

1. The Committee of the Regions sees joint committees with the applicant countries as an important opportunity to provide an effective introduction to the demands and requirements arising from EU membership, and not least an opportunity for direct dialogue with Association Council governments.
2. The Committee of the Regions should strive to ensure continuous contact with the applicant countries' municipalities and regions. It is convinced that the joint committees will provide a good basis for strengthening contacts.
3. The Committee of the Regions should pay close attention, in conjunction with the representatives of the municipalities and regions in the countries concerned, to determining as soon as possible the priorities for the respective joint committees' work.
4. It is the Committee of the Regions' responsibility to ensure that the joint committees function effectively. Close attention should be paid to the composition and organisation of the committees, and to the need for secretarial support.

Brussels, 14 November 2001.

The President

The Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

Jos Chabert

Vincenzo Falcone

¹ OJ C 148 of 18 May 2001, p. 29

² OJ C 57 of 29 February 2000, p. 1

³ OJ C 374 of 23 December 1999, p. 15

⁴ OJ C 374 of 23 December 1999, p. 25

⁵ OJ C 198 of 14 July 1999, p. 68

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