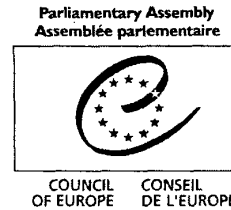


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Co-operation and sustainable development in the Adriatic basin

Report
Committee on the Environment, Agriculture and Local and Regional Affairs
Rapporteur: Mr Giovanni Crema, Italy, Socialist Group

Summary

The Adriatic Sea is a semi-enclosed sea between Italy and the Balkan Peninsula. The coastal states that surround it, all of which are members of the Council of Europe, form a distinct European region. The Adriatic regions of these countries have historical links and a common cultural heritage as well as a common responsibility for the sea that they share.

Political and security issues in South-Eastern Europe, as well as the need to manage a common resource in a sustainable way, justify and support the objective of increased cross-border, regional and inter-regional co-operation to achieve peace, democracy and sustainability in the Adriatic region.

The initiative to create an Adriatic Euroregion, strongly supported by the Congress of Local and Regional Authorities of the Council of Europe, fully deserves the wholehearted support of the Parliamentary Assembly.

I. Draft resolution

1. The Parliamentary Assembly stresses the importance of peace, democracy and stability in South-Eastern Europe. It further emphasises the role of regional and local authorities in achieving those objectives through co-operation on areas of common interest and concern such as sustainable development. The Adriatic region will greatly benefit from strengthened co-operation and partnerships on key issues, particularly those related to the protection and sustainable management of the Adriatic basin, similarly to other European regions and seas.
2. The Adriatic Sea, a semi-enclosed arm of the Mediterranean Sea, connects its bordering states, all of which are members of the Council of Europe. The Adriatic regions of bordering countries have historical links and a common cultural heritage as well as a common responsibility for the sea they share. Together, these coastal regions and countries form a distinct European region, in need of achieving sustainable development and stability.
3. The Adriatic Sea is a highly sensitive marine area facing serious environment and development challenges such as pollution, shipping of dangerous goods and hazardous materials, over-fishing, eutrophication, coastal development and tourism. All these issues, and the future of the region as a whole, need to be tackled in a comprehensive manner through transborder and interregional co-operation mechanisms.
4. The Adriatic region benefits from a range of programmes and tools of diverse nature to strengthen regional co-operation. Some have been set up at the initiative of the regions and countries concerned (e.g. Adriatic-Ionian Initiative, the Trilateral Commission for the Protection of the Adriatic, etc.), while others have been set up by the European Union (e.g. CARDS, INTERREG) or the United Nations (e.g. Barcelona Convention and Mediterranean Action Plan).
5. The Council of Europe has significantly contributed to the promotion of regional co-operation in Europe through the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (CETS n° 106). The Committee of Ministers, the Parliamentary Assembly and the Congress of Local and Regional Authorities of the Council of Europe have all adopted texts on transfrontier co-operation, linking transborder co-operation, democratic stability and sustainable development in Europe.
6. The coastal states bordering the Adriatic Sea rely heavily on this semi-enclosed sea that they share. Marine, maritime and coastal issues are consequently key concerns for the future development of the Adriatic region. Accordingly, Adriatic countries and regions have identified five priority areas for co-operation in order to focus the activities of the future Euroregion: environment, fisheries, tourism and culture, agriculture and transport.
7. The Assembly fully supports the initiative of the Congress of Local and Regional Authorities of the Council of Europe, together with local and regional authorities of Adriatic countries, to strengthen interregional co-operation and establish an Adriatic Euroregion. It will follow with interest the process to adopt the Statute of this Euroregion, which foresees the participation of the Assembly in the planned "Adriatic Council". The Assembly fully shares the ultimate objective of achieving sustainable development in the Adriatic region and improved quality of life for its population.
8. The Assembly considers that the Adriatic Sea should be managed in an integrated manner through the application of the ecosystem approach. It is therefore of the view that strengthened transfrontier co-operation, political will, co-ordinated actions, adequate funding and partnerships between governments, parliaments, local and regional authorities, the private sector and civil society in the Adriatic Euroregion, will be needed to make the future Adriatic Euroregion a successful pilot model for other European semi-enclosed seas.
9. Consequently, the Parliamentary Assembly recommends that local and regional authorities, as well as national parliaments and governments of the Adriatic region:
 - i. fully engage in the creation of an Adriatic Euroregion;

ii. address the following issues as a matter of urgency (together with relevant regional and international organisations):

- a. over-fishing, illegal fishing, and sustainable fisheries management, including the need to co-ordinate action under: Food and Agriculture Organisation's General Fisheries Commission for the Mediterranean; European Union's Regional Advisory Council for the Mediterranean; the United Nations Environment Programme's Mediterranean Action Plan and Sustainable Development Strategy for the Mediterranean;
- b. oil tankers safety and control, and treatment of ballast waters;
- c. tourism infrastructure and urban planning;
- d. the management of waste and wastewater;
- e. the use of nitrates in farming and water management for agricultural uses.

10. The Assembly recognises the important role that the Congress of Local and Regional Authorities of the Council of Europe plays in the creation of the Adriatic Euroregion and calls on its continued and active involvement and support during both the founding and operational phases of the Adriatic Euroregion.

11. Finally, the Assembly notes that only four Adriatic countries (Albania, Croatia, Italy and Slovenia) are Parties to the 1980 European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities. It urges Greece and Serbia and Montenegro to sign and to ratify it, and Bosnia and Herzegovina to ratify it. As only Albania and Slovenia have ratified the two protocols under that Convention, the Assembly urges the other Adriatic countries to consider doing so shortly.

II. Explanatory memorandum by Mr Crema

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1. Brief description of the Adriatic region and the need for improved co-operation

1. The Adriatic Sea is a semi-enclosed arm of the Mediterranean Sea between Italy and the Balkan Peninsula. It extends for around 800 km from the Gulf of Venice, at its head, to the Strait of Otranto, which leads to the Ionian Sea. It is from 93 to 225 km wide, and has a maximum depth of approximately 1,250 metres. Italy, Slovenia, Croatia, Serbia and Montenegro, Bosnia and Herzegovina, Albania, and Greece, border the Adriatic Sea.

2. The Adriatic Sea is a highly sensitive marine area, where fishing is an important activity, although it has gradually declined in past years. A number of acute problems can be found in the Adriatic Sea and coastal regions, mostly related to eutrophication, over-fishing, pollution, shipping, coastal development and tourism.

3. The Adriatic Sea links its coastal states, all members of the Council of Europe, into a distinct European region, bringing together EU and non-EU members. Once candidate countries and future candidate countries join the EU, the Adriatic Sea will become a truly EU internal sea.

4. Historical linkages, a common cultural heritage, and a common responsibility for the sea that they share, unites the countries and peoples of Adriatic countries, but these countries also share diversity, disparity in wealth and development, and the problems associated to recent conflict in South-Eastern Europe. In this respect, regional and local authorities, the private sector and civil society have all an important role to play in the future of the region in order to achieve sustainable development, peace, democracy, stability, and European integration. The political situation in the region makes the need for co-operation beyond frontiers even more important, as transnational co-operation enriches culture and brings peace and stability.

2. Existing co-operation initiatives and tools

5. The Adriatic region has benefited from a diversity of initiatives to strengthen regional co-operation at various levels and focusing on diverse issues, some of which are linked. Other 'Euroregions' have already been created in the countries bordering the Adriatic, such as those of 'Prespa/Ohrid', 'Danube-Drava-Sava', 'Eurobalkans', and 'Drina-Sava-Majeвица'. The most important co-operation instruments and fora are briefly presented below, in a list which does not intend to be comprehensive but illustrative of the current situation and needs.

2.1 *Specific to the region*

- Forum of Cities of the Adriatic and Ionian Region: An International Association of Coastal Municipalities set up in 1999. It includes 46 cities in seven countries. Its goal is "to create and develop the economic, social, cultural and environmental integration among the towns and cities on the Adriatic and Ionian Sea" as well as "to provide a real contribution to the fulfilment of the European integration and enlargement."
- Adriatic-Ionian Initiative (All): It was established at a conference in May 2000. Seven countries cooperate in the framework of All: Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Serbia and Montenegro and Slovenia. All is aimed to link together the coastal countries of the Adriatic and Ionian seas to co-operate for the development and safety of the region.
 - The Adriatic Action Plan 2020, adopted in 2003, aims to reconcile development with sustainability, and integrate sustainability policies at the local level, using the existing network of the Forum of Adriatic and Ionian Cities and Towns.
 - The All also includes parliamentary co-operation between national parliaments, as important to determine the priorities for co-operation between All countries.
 - The 'ADRICOSM project' builds upon the Italian-Slovenian and Croatian agreement for scientific and technological collaboration in the Adriatic Sea and aims to establish an integrated management model for coasts and river basins. It involves sixteen scientific institutions from three Adriatic riparian Countries (Croatia, Italy and Slovenia) as well as France, and it is financed by the Italian Ministry for the Environment and Territory. As the sustainable development of coastal areas depends on the enhancement of the marine environment, the ADRICOSM data products will help to fulfil urgent needs for the Adriatic Sea, such as the sustainable exploitation of the marine resources and the protection of the coastal environment.
- Trilateral Commission for the Protection of the Adriatic: An initiative for trilateral co-operation between Hungary, Italy and Slovenia, launched by the latter in 1996 (with the admission of Croatia in September 2000, the Trilateral became the Quadrilateral). It focuses on co-operation between countries situated in the same geopolitical and interest area. Important work to strengthen regional and sub-regional co-operation between Adriatic countries. A sub-committee was set up in 2004 to address the specific problem of ballast water and draft a management plan in line with IMO standards.
- FAO AdriaMed project : Regional Project "Scientific Cooperation to Support Responsible Fisheries in the Adriatic Sea" funded by the Italian Ministry of Agriculture and Forestry Policies (MiPAF) and executed by the FAO. AdriaMed was conceived to contribute to the promotion of co-operative fishery management between the participating countries: Albania, Croatia, Italy, Serbia and Montenegro and Slovenia, with the full participation of the national fisheries administrators, research structures, fishing enterprises and professional fishers as recommended in the United Nations Code of Conduct for Responsible Fisheries.
- Sarajevo Joint Declaration: Signed on 12 May 2003, it was aimed at co-ordinating activities at central and regional level. This was an innovative initiative between a state and regions: the Italian Ministries for Regional Affairs and Foreign Affairs, the Abruzzi and Marche regions, and the Friulia Venezia Giulia region.

2.2 *European Union, UN and bilateral agreements*

6. There are a number of EU regulations, programmes and projects, UN programmes and bilateral agreements on areas of common interest for Adriatic countries. Not all of them are applicable to all countries, but the list below illustrates the types of co-operation mechanisms currently available and/or operating in the region.

- European Union

- The Regional Environmental Reconstruction Programme: It is the main environmental component of the Stability Pact for South Eastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, "the former Yugoslav Republic of Macedonia", Romania, Serbia and Montenegro and Kosovo). Funding provided by CARDS (Community Assistance for Reconstruction, Development and Stabilisation) – with € 4.6 billion for the period 2000 to 2006 for investment, institution-building, and other measures. In April 2005, the European Commission has adopted its Annual Programmes for "the former Yugoslav Republic of Macedonia", Serbia and Montenegro, and Kosovo. Within the CARDS Programme, € 34.5 million will be spent for "the former Yugoslav Republic of Macedonia", € 184 million for Serbia and Montenegro (on State Union level and in the two Republics), and € 54 million for Kosovo. The CARDS Annual Programmes for Albania, Bosnia and Herzegovina and the CARDS Regional Annual Programme are under development and will be approved later this year.
- EU regional policy funding programmes - INTERREG III: Designed to strengthen economic and social cohesion throughout the EU by fostering the balanced development of the continent through cross-border, transnational and interregional co-operation, and with a special emphasis on integrating remote regions and those which share external borders with candidate countries. **Strand A**: Cross-border co-operation between adjacent regions (aims to develop cross-border social and economic centres through common development strategies). **Strand B**: Transnational co-operation involving national, regional and local authorities (aims to promote better integration within the EU through the formation of large groups of European regions). **Strand C**: Interregional cooperation (aims to improve the effectiveness of regional development policies and instruments through large-scale information exchange and sharing of experience through networks).
 - The Adriatic region is covered by INTERREG III A (Italy-Balkans programme), as well as by the EU Community Initiative Programme for Transnational Co-operation in Spatial Development: CADSES (Central European, Adriatic, Danubian, South-Eastern European Space) – which is part of INTERREG III B. The four priorities of CADSES relate to: (1) spatial development for socio-economic cohesion; (2) transport systems and information society; (3) landscape, natural and cultural heritage; and (4) environment protection, resource management and risk prevention.
- EU plans to establish a European Grouping of Cross-border Co-operation: In July 2004, the European Commission published a proposed regulation to introduce a new co-operative instrument allowing the creation of 'European groupings of cross-border co-operation' (EGCC). The objective of the EGCC is to facilitate and promote cross-border, trans-national and inter-regional co-operation between EU countries, as well as regional and local authorities, aimed at strengthening economic, social and territorial cohesion.
 - The EGCC will be optional, will have legal personality, and will be tasked with either implementing cross-border co-operation programmes co-financed by the EU, or carrying out other actions of cross-border co-operation with or without EU funding. All European groupings will be the subject of a convention specifying their tasks, duration and conditions.

- Both the EU's Committee of the Regions and the Congress of Local and Regional Authorities of the Council of Europe support this initiative but have proposed to change the name to 'European grouping of trans-European co-operation' (EGTC) to better reflect its potential use in transnational and inter-regional co-operation. Key features of this new instrument should be to make it fully compatible with the Council of Europe 'European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities', and safeguard the *acquis* of co-operation between EU and non-EU countries.
 - It is expected that the legislative procedure will be completed in the second half of 2005 so that this European grouping can apply from 1 January 2007.
- United Nations Environment Programme
 - The Mediterranean Action Plan (MAP) covers all countries bordering the Adriatic. The MAP is a regional co-operative effort involving 21 countries bordering the Mediterranean Sea, aimed at meeting the challenges of protecting the marine and coastal environment while boosting regional and national plans to achieve sustainable development.
 - The MAP's legal framework is the 1978 Barcelona Convention, as amended in 1995 (revised and renamed 'Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean and in force since July 2004), and its six Protocols (with a new protocol on Integrated Coastal Areas Management under preparation). Another important body is the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC). The next meeting of the Parties to the Barcelona Convention will be held in Slovenia in November 2005.
 - The Mediterranean Commission on Sustainable Development was set up in 1996 as a forum for dialogue and proposals where the MAP countries work to define a sustainable development strategy for the Mediterranean. As MAP's advisory organ, the MCSD is composed of representatives of the Parties to the Barcelona Convention, and civil society.
 - Examples of bilateral agreements and other arrangements
 - Community Initiative Programme – INTERREG III A - Italy-Balkans.
 - Regional law in the Venice region, establishing links with Istria and Dalmatia.
 - Bilateral agreements between Kärnten, Friuli Venezia Giulia and Veneto

2.3 Council of Europe contributions to regional co-operation

7. A significant contribution by the Council of Europe to regional co-operation is the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (Madrid, 1980). Parties to the Convention 'undertake to facilitate and foster transfrontier co-operation between territorial communities or authorities within its jurisdiction and those within the jurisdiction of other Parties'. In particular, and very pertinent to this report, Article 1 of the Convention states that Parties 'shall endeavour to promote the conclusion of any agreements and arrangements that may prove necessary for this purpose'.

8. The Madrid Convention has two Protocols, with a third one dealing with Euroregions under preparation. In 1995, an Additional Protocol to the Outline Convention was adopted to supplement it in order to strengthen transfrontier co-operation between territorial communities or authorities. This Protocol establishes the need to recognise and respect 'the right' of territorial communities or authorities to conclude transfrontier co-operation agreements with their counterparts in other countries. Such agreements concluded by territorial communities or authorities 'may set up a transfrontier co-operation body', with or without legal personality, and under public or private law.

9. Protocol No.2, of 1998, aims at providing an international legal framework to interterritorial co-operation. The main difference between 'transfrontier co-operation' and 'interterritorial co-operation' is that the former applies to territorial communities or authorities of neighbouring countries, while the latter also covers co-operation between authorities of two or more Parties but not necessarily from neighbouring countries. The provisions of the Madrid Convention are also applied to interterritorial co-operation, including the possibility for territorial communities of different countries to conclude co-operation agreements.

10. Regarding participation of the seven countries bordering the Adriatic sea, only four of them are Parties to the Madrid Outline Convention (Albania, Croatia, Italy and Slovenia). Bosnia and Herzegovina signed the Convention in April 2004 but has not yet ratified it, while Greece and Serbia and Montenegro have not signed it. Ratification of the two Protocols among Adriatic countries is low, as only Albania and Slovenia are Parties to the above mentioned Additional Protocol and Protocol No.2.

11. Due to the adverse effects on transfrontier co-operation created by the legal diversity in which it operates, discussions on a third protocol to the European outline Convention, focusing on Euroregional Co-operation Groupings, were initiated in 2004. The draft additional protocol is intended to complete and supplement the 1995 Additional Protocol, allowing for the creation of a co-operation body bringing together territorial communities or authorities from neighbouring states, and giving a single legal status to Euroregions.

12. The draft protocol No. 3 has been developed with the objective of harmonising the legal framework to foster transfrontier co-operation at the pan-European level, including EU countries and neighbouring non-EU states. The Council of Europe's Committee of Experts on Transfrontier Co-operation (LR-CT) is presently studying this draft protocol.

13. The Council of Europe's Committee of Ministers, Parliamentary Assembly and Congress of Local and Regional Authorities have all adopted resolutions and recommendations on transfrontier co-operation. A selection of them is listed below:

- o Recommendation (2005)2 of the Committee of Ministers on 'good practices in and reducing obstacles to transfrontier and interterritorial co-operation between territorial communities or authorities'
- o Recommendation 1630 (2003) of the Parliamentary Assembly on 'erosion of the Mediterranean coastline: implications for tourism'
- o Resolution 192 (2005) and Recommendation 160 (2005) of the Congress on 'coastal management and local and regional authority policy in Europe'.
- o Recommendation 146 (2004) of the Congress on the 4th Forum of Cities and Regions of South-East Europe, Prijedor, Bosnia and Herzegovina, 22-23 Sept. 2003
- o Recommendation 117 (2002) of the Congress on 'promoting transfrontier co-operation: an important factor of democratic stability in Europe'
- o Recommendation 85 (2000) of the Congress on 'the democratic stability through transfrontier co-operation in Europe'

2.4 Recent meetings to strengthen interregional co-operation in the Adriatic

- Meeting on Interregional Co-operation in the Adriatic Basin (Pula, Croatia, 28 June 2004)

14. This meeting was a joint initiative of the Congress of Local and Regional Authorities of the Council of Europe, and the Region of Istria. Its main outcome was a Declaration on International Co-operation where the representatives of the local and regional authorities of the Adriatic coast proposed to pave the way for setting up an Adriatic Euroregion, which could co-ordinate the use of EU Structural Funds for the period 2007-2013 through the INTERREG programmes. The meeting further set a working group (the 'Pula Group') to regularly monitor and assess the progress made.

- Meeting held in Dubrovnik, Croatia, on 6 September 2004

15. Held at the initiative of the Congress of Local and Regional Authorities of the Council of Europe and the Municipality of Dubrovnik, this meeting was a follow-up of the 'Pula Declaration' that launched the idea of creating an Adriatic Euroregion. The meeting identified the major issues for co-operation in the Adriatic region (environment; tourism; agriculture; fisheries; and transport) and also discussed the institutional framework of the future Adriatic Euroregion.

- Colloquy on 'Sustainable development of the Adriatic: Co-operation between Local and Regional Authorities' (Chioggia, Italy, 23-24 September 2004)

16. This colloquy was organised by the Committee on the Environment, Agriculture and Local and Regional Affairs of the Parliamentary Assembly. The main themes of the meeting were (i) the sustainable development of the Adriatic, and in particular the ecological situation of this sea, its marine resources and the fisheries sector; and (ii) transfrontier co-operation in the region, at the governmental and parliamentary level.

17. The colloquy aimed at strengthening transfrontier co-operation between the countries, regions and communities bordering the Adriatic Sea, on issues of common concern such as sustainable development, fisheries, tourism, and shipping in highly sensitive areas. A key issue to ensure the future sustainable development of the area lies in the reduction of the pressure and threats to the Adriatic Sea and its coastline

18. The need for close transfrontier co-operation among Adriatic regions through a single body was highlighted at this meeting, as the way forward to realise the sustainable development of the region. Participants in this colloquy agreed in their support for an Adriatic Euroregion, and pointed to the need to address its legal framework, funding, and activities.

- International Conference on the Adriatic Euroregion: A contribution to European Integration (Termoli, Italy, 8-9 November 2004)

19. Organised by the Congress of Local and Regional Authorities of the Council of Europe, the meeting provided strategic direction to co-operation in the Adriatic region. It addressed key issues for bordering countries, such as fisheries, the marine environment, transport, tourism and culture.

20. The main outcome of the meeting was the full support given to the creation of a Euroregion through the signature of a 'Protocol on the Establishment of the Adriatic/Ionian Euroregion'. The Termoli Protocol marks the beginning of the 'operational phase' of this initiative on the basis of a temporary 'Council of the Adriatic' and five 'permanent committees' (on environment; tourism and culture; agriculture; fisheries; and transport infrastructures). The Protocol further details that the activities of the future Euroregion should concentrate on the following objectives: stability; sustainable development; social and economic cohesion; integration into the EU; and co-operation in the framework of EU projects.

- Meeting of the Adriatic Euroregion Partners (Pula, Croatia, 22 April 2005)

21. The meeting discussed a draft version of the Statute of the Adriatic Euroregion and decided to circulate it for further input. A revised version of the Statute will be prepared incorporating the comments received as well as legal advice. The final launch of the Adriatic Euroregion is foreseen to take place in Venice, Italy, in the last quarter of 2005.

3. Key issues of common interest for Adriatic countries

22. All regions bordering the Adriatic Sea aim at achieving the sustainable development of the area through improved co-operation. The Adriatic Sea links and unites them, and therefore marine and maritime issues are a key concern for the future development of the Adriatic region. In particular, the following issues have been selected as focal areas for co-operation among Adriatic countries and

regions: environment; fisheries; tourism and culture; agriculture; and transport. The main economic activities in the region both rely and have an impact on the environment. The integration of environmental concerns into sectoral activities of strategic importance for the region, such as fishing, tourism and transport, will be crucial to ensure their sustainability.

23. Alongside the importance of a clean and healthy Adriatic Sea for fishing, tourism and transport in the region, recent meetings have highlighted the following non-exhaustive lists of key issues that need to be addressed within each of the five thematic committees to be created in the Adriatic Euroregion:

- Fisheries:
 - Fishing capacity, over-fishing and declining fish stocks in the Adriatic Sea;
 - The spread of aquaculture, such as tuna farming;
 - Illegal fishing, fisheries management in international waters, shared stocks
 - Need for co-ordinating overlapping fisheries fora such as: FAO's General Fisheries Council for the Mediterranean; the new EU Regional Advisory Council for the Mediterranean; the Mediterranean Action Plan; and the future Sustainable Development Strategy for the Mediterranean.

- Environment:
 - Marine pollution (land-based and ship-based: oil tankers, ballast waters)
 - Marine protected areas
 - Waste management

- Agriculture:
 - Use of nitrates and related eutrophication
 - Wastewater management

- Tourism and culture:
 - Coastal management, illegal construction and infrastructure development
 - Shared cultural heritage alongside cultural differences ('Adriatic identity')
 - Historic towns, twinning arrangements
 - Training needs in the service and tourism industries

- Transport:
 - Safe shipping (traffic, routing)
 - Transport infrastructure: Pan-European corridors linking Adriatic countries with other countries and regions

24. The ecosystem approach should be applied to the Adriatic Sea, which needs to be considered and managed as a single sea. If the Adriatic Euroregion is to achieve the ultimate goal of the sustainable development of the region through strengthened transfrontier co-operation, political will, co-ordinated actions and adequate funding will be needed to make this future Euroregion a successful pilot model for other future Euroregions. In this sense, the experience of other semi-enclosed seas in Europe, such as the Black Sea and the Baltic Sea, would be very valuable.

25. Specific sectoral actions will be needed in the fields covered by the five committees of the Adriatic Euroregion. In all of them, adequate enforcement of existing instruments and measures should be given priority, as well as monitoring compliance. To carry out these important tasks, scientific and technical co-operation among the Adriatic regions will be needed. Subsidiarity and solidarity need to be applied, and partnerships formed between governments, parliaments, private sector and civil society to tackle the challenges facing the Adriatic Euroregion.

26. The importance of 'intra-regional co-operation' should also be highlighted, as some consider it a 'duty' to co-operate and collaborate given that the Adriatic Euroregion will be made of countries which are at different economic and development levels.

4. The creation of an Adriatic Euroregion

27. The inclusion of countries bordering the Adriatic Sea, all members of the Council of Europe, in a future Adriatic Euroregion is one of its most innovative and strongest features. The overall goal of achieving stability, democracy, and prosperity in Adriatic countries and the region as a whole presents both opportunities and challenges, but the best guarantee of success will be the support of authorities, communities and citizens alike.

4.1 Legal and institutional issues

28. On 9 November 2004, a 'Protocol on the Establishment of the Adriatic/Ionian Euroregion' was signed by the representatives of international, national, regional and local authorities of Europe present at the International Conference held in Termoli, Italy, under the aegis of the Congress of Local and Regional Authorities of the Council of Europe.

29. The Protocol includes a preambular section with references to (i) the value of transfrontier, transnational and interregional co-operation among the regions, provinces and cities of the Adriatic and Ionian coast; (ii) the importance of EU enlargement to include South-Eastern European countries; and (iii) the contribution that local and regional co-operation can make to the promotion of peace, stability and prosperity in Central and South-Eastern Europe.

30. The signatories of the Protocol specifically 'decided to enter an operational phase' for the creation of an Adriatic Euroregion, and agreed on the objectives that activities of the Euroregion will focus on: stability; sustainable development; social and economic cohesion; EU integration; and co-operation in EU projects.

31. The 'Termoli Protocol' further includes the institutional framework of the future Euroregion, with a temporary 'Council of the Adriatic' and five 'permanent committees':

- The Adriatic Council is planned to include representatives from the Council of Europe and the EU, governments, national parliaments, local and regional authorities, and Non-Governmental Organisations. The president of the temporary Adriatic Council and candidate president of the Adriatic Euroregion is Mr Ivan Jakovic (President of the Istrian Region in Croatia).
- The five permanent committees will cover the following issues: fisheries, agriculture, transport, tourism and culture. The committees will be chaired by representatives from the different institutional levels concerned, and they could call on the expertise of the EU, the United Nations, and relevant scientific institutes and organisations.

32. The legal frameworks within which "Euroregions" operate are so varied that it is difficult to associate one particular legal framework with the term "Euroregion". In addition, it is considered that the legal framework within which Euroregions have to operate is not suited to the cross-border nature of their activities. In this sense, the proposal for a new protocol to the 1980 Outline Convention would provide a single legal status for Euroregions, although it would not be imposed on all Euroregions due to the need to allow for different national and regional circumstances. The issues of the legal personality of Euroregions, and the law applicable to their activities, have also been subject to analysis in the framework of EU proposals to establish a European Grouping of Cross-border Co-operation.

33. The draft version of the Statute of the Adriatic Euroregion, discussed at a meeting on 22 April 2005, includes in its Article 1 a definition of the Adriatic Euroregion as 'a voluntary international association of regions and municipalities' located on the Adriatic coast and forming a geographical entity. Furthermore, Article 3 of the draft statute gives the legal status of a non-profit organisation to the Adriatic Euroregion.

34. Particular national problems may affect transfrontier co-operation at a European or regional basis, such as participation in the Adriatic Euroregion. Adriatic Sea issues must be tackled on a regional basis within the wider European context and, in this sense, the Adriatic Euroregion would greatly benefit from learning about successful experiences in other regions. This is why a process of autonomous co-operation between Europe's three semi-enclosed seas - the Adriatic, Baltic and Black seas - could prove very valuable.

35. An Adriatic Euroregion with the features described in this report would be the first of its kind. Although some legal challenges are expected, due to its nature and activities, the political will of countries and regions has been strong in supporting this initiative. The Adriatic Euroregion will create a sea of unity, not division, between regions and countries on both sides of the Adriatic Sea, based on subsidiarity, practicality and partnership among all members.

4.2 Funding issues

36. Funding will be critical to achieve the objectives of the Adriatic Euroregion. The only reference in the Termoli Protocol to this issue is made indirectly through the need for the Adriatic Euroregion to co-operate 'in the framework of EU projects'. However, the Pula Declaration of June 2004 had been more specific as the participants in that meeting on 'Interregional Co-operation in the Adriatic Basin' had proposed that the Adriatic Euroregion 'could co-ordinate the use of 2007-2013 European structural funds by exploiting the potential of INTERREG Programmes'.

37. More specifically, the draft statute of the Adriatic Euroregion includes a list of sources of funds, necessary to achieve the objectives of the Euroregion. The list included in Article 31 mentions membership fees; grants, donations and other voluntary contributions; and 'international sources of funds' and other sources of project financing.

38. One of the strategic sources of funding targeted by the founders of the Adriatic Euroregion is the EU structural funds. Plans for the 2007-2013 financial period are currently under discussion among the EU institutions, but it is envisaged that a percentage of them will be allocated to interregional and transfrontier co-operation. In this sense, the EU's INTERREG programme would be an ideal target for the Adriatic Euroregion, as non-EU countries can participate as equal partners in INTERREG programmes.

39. INTERREG III is an EU Initiative aimed at promoting interregional cooperation in the EU between 2000 and 2006, and it is financed by the European Regional Development Fund. Under INTERREG III A (cross-border co-operation) there is a specific programme 'Italy - Balkans' covering all the Adriatic regions of Italy, as well as Croatia, Bosnia and Herzegovina, and Serbia and Montenegro. Under INTERREG III B (transnational co-operation), the CADSES programme (see section 2.2 above) covers all Adriatic regions, plus Central European countries. Plans for the financial period 2007-2013 are currently under discussion but it is expected that a similar mechanism will be able after 2006. In this sense, the European Commissioner responsible for enlargement has recently stressed the importance of regional co-operation for achieving stability and security the Western Balkans, highlighting that as progress is made in those areas 'the more we can channel our resources to economic and social development'. The type of programmes and projects to be supported and/or managed by the Adriatic Euroregion will need to be considered by its institutions, in the framework of the Euroregion's Statute to be adopted.

40. The Western Balkans are not included in the scope of the EU's New Neighbourhood Policy, which targets EU's neighbours which currently do not have the perspective of EU membership. So the future 'New Neighbourhood Instrument', a financial instrument currently under discussion as part of the financial perspectives for 2007-2013, will not be accessible to the Adriatic Euroregion, even though its planned objectives seem very relevant as it will combine both EU external policy objectives and economic and social cohesion, to offer continuity with the type of local and regional co-operation already developed successfully under INTERREG. However, the EU has a specific funding programme for South-Eastern Europe: the CARDS Programme (Community Assistance for

Reconstruction, Development and Stabilisation), which covers Albania, Bosnia and Herzegovina, Bulgaria, Croatia, "the former Yugoslav Republic of Macedonia", Romania, Serbia and Montenegro and Kosovo, and has € 4.6 billion for the period 2000 to 2006 (see section 2.2 above).

41. In conclusion, the future CARDS programme (to be replaced by the new 'Pre-accession Instrument') and the future programme to replace INTERREG III, seem to be the main sources of EU funding for trans-border and interregional co-operation among Adriatic regions and countries post-2006. Ongoing discussions on the EU's financial package for 2007-2013 will shed more light on possible sources of funds for Adriatic co-operation.

4.3 The role of the Council of Europe

42. The Council of Europe is an ideal forum to bring together local, regional and national authorities, parliamentarians and citizens to discuss transborder regional co-operation issues. All countries bordering the Adriatic Sea are members of the Council of Europe, and their members of the Parliamentary Assembly and the Congress of Local and Regional Authorities represent the 20 million people who live around the Adriatic. The Council of Europe is therefore in a privileged position, which also presents the challenge to act as a stimulus to bring together national and regional governments.

43. In this sense, the Council of Europe's Parliamentary Assembly and the Congress of Local and Regional Authorities have joined efforts and co-organised a series of European conferences on transborder co-operation. The next one will be the 8th Europran Conference of Border Regions, to be held on 15-16 September 2005 in Lutsk, Ukraine.

44. The Council of Europe plays an important and active role in conflict prevention and, as such, stresses the need for peace, democracy and stability in South-Eastern Europe. The initiative to establish an Adriatic Euroregion deserves the Council's full support and the Parliamentary Assembly joins in providing strong political support to this new Euroregion.

45. The Council of Europe also promotes regional and local co-operation among its member countries. Collaborative activities of local communities represent a model for solidarity between regions.

46. Parliamentary initiatives such as this report promote political co-operation. In this sense, a useful step forward could be the consideration by the Parliamentary Assembly of a co-ordinated action with the Congress of Local and Regional Authorities of the Council of Europe addressed to member governments to support the creation and objectives of an Adriatic Euroregion for the sustainable development of the Adriatic region and the improved quality of life of its population.

5. Conclusions

47. The Adriatic Sea is a semi-enclosed sea between Italy and the Balkan Peninsula. The Adriatic Sea brings together the coastal states that surround it into a distinct European region, bringing together EU and non-EU members, all members of the Council of Europe. The Adriatic regions of these countries have historical linkages and a common cultural heritage, as well as a common responsibility for the sea that they share.

48. Political and security issues in South-Eastern Europe, as well as the need to manage a common resource in a sustainable way, justify and support the objective of increased crossborder, regional and inter-regional co-operation to achieve peace, democracy and sustainability in the Adriatic region.

49. The initiative to create an Adriatic Euroregion, strongly supported by the Congress of Local and Regional Authorities of the Council of Europe, fully deserves the strong support of the Parliamentary Assembly.

50. In addition, the Parliamentary Assembly strongly encourages countries bordering the Adriatic Sea which have not yet signed or ratified the Council of Europe's European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities, and its protocols, to consider doing so in the short term.

51. Furthermore, and in the context of the priority issues to be dealt with by the Adriatic Euroregion, the Committee on the Environment, Agriculture, Local and Regional Affairs of the Parliamentary Assembly calls on the local, regional and national authorities of Adriatic countries to address the most serious threats to the Adriatic Sea. In particular, the Parliamentary Assembly recommends that local, regional and national governments of the Adriatic Euroregion address the following issues as a matter of urgency:

- Fisheries: Over-fishing, and the co-ordination of action under overlapping fisheries management bodies in the Adriatic (FAO's General Fisheries Commission for the Mediterranean; EU's Regional Advisory Council for the Mediterranean; and UNEP's Mediterranean Action Plan and Sustainable Development Strategy for the Mediterranean).
- Marine pollution: Oil tankers safety and control, ballast waters, and wastewater management.
- Coastal development: Tourism infrastructure and urban planning.
- Agriculture: The use of nitrates and water management.

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Reporting committee: Committee on the Environment, Agriculture and Local and Regional Affairs

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Members of the Committee: Mr Walter **Schmied** (Chairman), Mr Alan **Meale** (1st Vice-Chairman), Mr Antonio Nazaré Pereira (2nd Vice-Chairman), Mr Renzo Gubert (3rd Vice-Chairman) (alternate: Mr Giovanni **Crema**), Mr Ruhi Açıkgöz, Mr Olav Akselsen, Mr Gerolf Annemans, Mrs Sirkka-Liisa Anttila, Mr Ivo Banac, Mr Jean-Marie Bockel, Mr Malcolm **Bruce**, Sir Sydney **Chapman**, Mrs Pikria Chikhradze, Mrs Grażyna Ciemniak, Mr Valeriu Cosarciuc, Mr Osman Coşkunoglu, Mr Alain Cousin, Mr Miklós Csapody, Mr Taulant Dedja, Mr Hubert **Deittert**, Mr Adri Duivesteyn, Mr Mehdi Eker, Mr Bill **Etherington**, Mrs Catherine Fautrier, Mr Adolfo **Fernández Aguilar**, Mrs Siv Fridleifsdóttir, Mr György Frunda, Mr Fausto **Giovanelli**, Mrs Maja Gojković, Mr Peter Götz, Mr Vladimir Grachev (alternate: Mr Valeriy **Sudarenkov**), Mrs Gultakin Hajiyeva, Mr Mykhailo Hladiy, Mr Anders G. Högmark, Mr Jean Huss, Mr Ilie **Ilaşcu**, Mr Jaroslav Jaduš, Mrs Renate Jäger, Mr Gediminas **Jakavonis**, Mr Ivan Kalezić, Mrs Liana Kanelli, Mr Karen Karapetyan, Mr Orest Klympush, Mr Victor Kolesnikov, Mr Zoran Krstevski, Mr Miloš **Kužvart**, Mr Ewald Lindinger, Mr Jaroslav **Lobkowitz**, Mr François Loncle, Mr Theo Maissen (alternate: Mr John **Dupraz**), Mr Andrzej Mańka, Mr Tomasz Markowski, Mr Giovanni Mauro, Mrs Luísa Mesquita, Mr Gilbert Meyer (alternate: Mr Daniel **Goulet**), Mr Goran Milojević, Mr Vladimir Mokry, Mrs Carina Ohlsson, Mr Gerardo Oliverio, Mr Pieter Omtzigt, Mr Mart Opmann, Mrs Elsa Papadimitriou, Mr Cezar Florin **Preda**, Mr Jakob Presečnik, Mr Lluís Maria **de Puig**, Mr Jeffrey Pullicino Orlando, Mr Maurizio Rattini, Mr Marinos Sizopoulos, Mr Rainer Steenblock, Mrs Inger Støjberg, Mrs Maria **Stoyanova**, Mr Gábor **Szalay**, Mr Nikolay Tulaev (alternate: Mr Yuri **Kovalev**), Mr Iñaki **Txueka**, Mr Vagif Vakilov, Mr Borislav Velikov, Mr Geert Versnick, Mr Klaus Wittauer, Mr G.V. Wright, Mr Kostyantyn Zhevago

N.B. The names of those members present at the meeting are printed in **bold**.

Secretariat to the Committee: Mr Sixto, Mr Torcăturiu and Ms Lasén Díaz