

Non-Paper

OPENING OF EU ACCESSION NEGOTIATIONS WITH MACEDONIA IN 2008

Macedonia's overriding objective is to accomplish such reform results that will enable the European Council under the Slovenian Presidency to decide on opening accession negotiations.

Macedonia deserves the opening of accession negotiations. The country has made a credible reform implementation record. It has successfully implemented most of the priorities of the 2005 European Partnership. The 2007 EC Progress Report acknowledged the progress made in implementing the EU accession agenda, particularly the Ohrid Framework Agreement, decentralization process, fight against corruption, the reform efforts in the fields of judiciary and police, the commitment to the regional cooperation and Macedonia's constructive position regarding the Kosovo status process, progress in meeting the economic criteria, improvement of the business and investment climate, progress in the legal harmonization with the EU acquis, the implementation of the Stabilization and Association Agreement, etc. The EC has however identified certain shortcomings and recommended acceleration of reforms in key areas. Considering the EC assessment as objective and balanced, Macedonia promptly took action to address these recommendations and respond to the priorities of the Accession Partnership:

- The Parliament adopted a Resolution on the priorities in Macedonia's accession into the EU and the opening of membership negotiations, reaffirming the commitment to the EU integration process and requesting accelerated action from all relevant institutions in fulfilling the necessary conditions for opening accession negotiations.
- To operationalize the political consensus on the country's EU accession, the Parliament unanimously adopted a decision on the establishment of National Council for European Integration and elected Mrs. Radmila Sekerinska, the leader of the largest opposition party for the President of the Council. Its main task is to promote constructive and inclusive dialogue between all political forces in the enforcement of the reform agenda leading the country towards EU membership.
- The Government adopted an Action Plan for implementation of the priorities of the Accession Partnership, setting an ambitious but realistic agenda for meeting the key short-term priorities by February 2008.
- All measures and activities envisaged in the National Program for Adoption of the EU Acquis (NPAA) for 2007 related to the legal and institutional strengthening have been largely completed (81%). The Government commenced reviewing the NPAA. The recommendations from the 2007 EC Progress Report and the short and medium term priorities of the Accession Partnership are translated into detailed actions and measures for legal and institutional strengthening and are being incorporated in the NPAA. The revised NPAA is to be adopted by the Government by the end of January 2008.
- The Law on the Committee on Inter-Community Relations was adopted, specifying the list of laws (45) to be adopted with double - Badintaire majority. It also stipulates that all future laws related to the language, culture, education and use of symbols of non-majority communities will be adopted with the

Badintaire majority. The Parliament elected the last remaining member of the Parliamentary Committee on Inter-Community Relations, thereby enabling the opposition to acquire the majority of the Committee's members.

- The Parliament adopted the remaining laws of key importance for completing the reform of the judiciary: the Law on the Public Prosecutors and the Law on the Council of Public Prosecutors;
- The largest part of the remaining EU related laws (13 out of 15), envisaged for adoption in 2007 have been adopted by the Parliament in January 2008.
- In order to ensure effective implementation of the Law on police, agreement has been reached on 9 remaining by-laws (55 already adopted out of 64). The procedure for selection of the commanders of the police stations of general competence in the municipalities is ongoing.
- Talks continue at the level of working groups among the various political parties from the governing coalition and the opposition, on the remaining two issues over which there are differences: legislation regulating the use of the languages and the issue of social support for the victims of the 2001 conflict.

For two years, Macedonia has been with a candidate status but without a date for opening negotiations. Allowing Macedonia to take the next step on the EU ladder will not only be the most efficient incentive and mobilizing instrument for further accelerated reforms, but would also send a strong political signal of encouragement to the progressive forces across the Balkans. In light of the pending resolution of the remaining open issue in the Balkans – the status of Kosovo, it is indeed important that the EU once again concretely demonstrates its commitments to the integration of the countries in the region, based on their individual merits. Lack of visibility of the ultimate goal – membership in the Union – could not only have a discouraging impact on the reform efforts, but could actually bolster radical and nationalist agendas.

Macedonia's achievements in implementing the reform agenda

1. Implementation of the Ohrid Framework Agreement and strengthening of the Macedonian multi-ethnic democracy:

- The provisions of the Ohrid Framework Agreement are fully implemented in the Constitution and the national legislation (over 70 laws have been adopted or amended), thus it is continuously and thoroughly put into effect. **Equitable representation** of non-majority communities in the state and public administration significantly strengthened¹, especially in the Army and Police; 2007 budgetary allocation tripled, compared to 2006; Strategy and Action Plan adopted, providing coherent medium-term framework for further improvements in this regard; liability mechanism introduced for institutions that will not comply with the equitable representation targets of the Action Plan.
- **Use of languages** – As a result of a political agreement, the new Rules of Procedures of the Macedonian Parliament will extend the use of Albanian language when presiding over the various committees whose chairpersons are ethnic Albanians.

¹ In June 2007 the ethnic composition of institutions financed from the state budget (compared to December 2002) was as follows: Macedonians – 77,6% (83,27%), Albanians - 17,2%, (11,65%), Turks – 1,5% (1,18%), Roma – 0,6% (0,51%), Vlachs – 0,5% (0,46%), Serbs – 1,6% (1,73%), Bosniaks – 0,3% (0,23%) and others – 0,8% (0,97%). Between September 2006 - April 2007, a total of 2218 people were employed in the public administration, out of which 1407 Macedonians; 714 Albanians; 10 Roma; 39 Turks; 14 Serbs and 34 others.

Additionally, in the areas of the local self-government units where at least 20% of the citizens speak an official language other than the Macedonian language, road traffic signs are being placed in that language as well. These measures complement the already extended right to the use of languages in the local self-government, issuing of personal documents, elections, courts, communication with the central administration, Parliament, National TV, etc. State funding for university education in Albanian language ensured, while the number of enrolled students from non-majority communities significantly increased.

- **Reforms of local self-government and the decentralization process** proceed with the envisaged dynamics. The transfer of the competencies and resources from the state to the municipalities successfully completed; municipalities perform all 58 transferred competencies in a total of 13 areas, of which 46 are exclusively municipality-controlled. The second phase of the fiscal decentralisation commenced in July 2007, when 42 out of 85 municipalities qualified to implement the fiscal competencies in the areas of education, social and child protection, fire-fighting and culture; meanwhile 9 municipalities also qualified for the second phase, the process remains open and the remaining municipalities will be evaluated at latest by 1st of January 2008.
- Maintaining good **inter-ethnic relations**: Significant amount of budget resources allocated for renovation of mosques, religious facilities and cultural monuments of the non-majority communities (Albanian Theater in Tetovo, Institute of Albanology in Skopje, monument of the Albanian national hero Skenderbeg in Skopje, University library in Tetovo, etc.). Amendments to the Law on Public Holidays were adopted, whereby several religious and community holidays of the various non-majority communities (Albanian, Turkish, Serb, Bosniac, Roma, Vlach and Jewish Community) were declared state/public holidays. Government supported projects on inclusion of Roma children in pre-school education and opened 8 Roma information centres throughout the country. Law on the legal status of churches, religious communities and religious groups adopted.

2. Implementation of reforms in the judiciary system - strengthening its independence and efficiency and ensuring better public access to justice:

- New **Law on Courts** applied as of 1 January 2007; redeployment of judges conducted as per the new organization and competencies of courts; all cases transferred accordingly. Five specialized court units for cases related to organized crime and corruption established, two of them fully operational; establishment of two new Courts - Administrative Court and Appellate Court in final phase. Other laws related to the judiciary reform - Misdemeanor Law, Notary Public, Mediation, the Bar, Public Attorney's Office, Execution of Sanctions, etc. - are successfully implemented. The Law on Judges Salary was recently adopted, defining the criteria for determining salaries based on the court type, the function performed in a certain court and the status of the judge in that court. With this Law the salaries of judges and the court administration were increased by 10%.
- The new **Judicial Council**, established in December 2006, is operational; currently composed of 14 members – 8 judges elected by judges under direct and secret ballot, 2 ex officio members (all appointed in December 2006) and 4 judges appointed by the Assembly (October 2007), the appointment of the remaining one member is pending. Judicial Council brought decisions on the number of judges in each court; appointed judges for the Administrative and Appellate Courts; initiated 16 procedures against

judges for incompetent and unconscious performance of judicial function, adopted decisions for dismissal of two judges.

- On the basis of the renewed and intensified dialogue among all relevant political stakeholders in Macedonia, the Parliament adopted the remaining laws of key importance for completing the reform of the judiciary: **the Law on the Public Prosecutors and the Law on the Council of Public Prosecutors**;
- **Strengthened efficiency** of the judiciary, reduced backlog of cases: In the first half of 2007 compared to the same period of 2006, the number of solved cases increased by 8.3%, of unsolved cases decreased by 11.6%. With the application of the new Law on Litigation Procedure, the number of solved civil cases increased by 6.9%, while of commercial cases by 16,5%. With the application of the Law on Enforcement, the enforcement record of court decisions improved. The application of the Law on Mediation decreased the number of court cases and improved access to justice. Electronic distribution of court cases through random assignment to judges introduced. Strategy for Information and Communication Technology in the Macedonian judiciary endorsed. **The Draft Law on Judicial Service** is in parliamentary procedure and strengthens the status of the court administration thereby contributing to the increased effectiveness of the courts.
- **The Academy for training of judges and prosecutors** established its entire institutional structure, adopted internal regulations and is fully operational. The first generation of initial training for future judges and prosecutors (27 candidates chosen on the merits of the anonymous qualification and entrance exam) began in September 2007.
- As regards the **IT technology** in the judiciary, VPN network was established between 74 institutions, unique in the region. Information Technology Centre was set up at the Ministry of Justice. A Strategy for Communication and Information Technology in Judiciary 2007-2010 was endorsed in July 2007.
- **Strategy for Criminal Law Reform** endorsed by the Government in July 2007, aiming to strengthen and modernize the penal-legal framework in line with European standards.
- The Law on Cooperation with ICTY adopted in June 2007. The Government continues the activities for taking over the four cases from ICTY, ensuring the right to fair trial and improving the judicial and witness protection capacities, including further training of judges and public prosecutors.

3. Reforms in the field of Justice, Freedom and Security

- The **Law on Police** adopted in October 2006, entered into force on 11 November 2007. Chiefs of the eight Sectors for Internal Affairs within the Ministry of Interior appointed, following a competition carried out in July 2007. In August 2007, competition was launched for selection of commanders in the police stations of general competence in the municipalities. The MoI Selection Commission carried out the selection procedure and submitted to the Minister of Interior five short-listed candidates for each of the police stations of general competence. On the basis of the proposed list, the Minister of Interior submitted three short-listed candidates to each Municipal Council to select and appoint the police commander. The OSCE Mission will organize training on leadership and management for the newly appointed commanders. The Government decided to establish Qualification and Training Centre within the Ministry of Interior in charge of continuous police education.

- The **Action Plan for transformation of the Central Police Services** adopted in January 2007, in accordance with the Police Reform Strategy, whose implementation will finalize the process of transformation of the Police. The Police Code of Ethics adopted and training on the Code of the police officers is carried out.
- The Ministry of Interior started issuing **new travel documents with biometric data** on 1 April 2007, as part of the “New personal identification documents” project (developing and implementing electronic travel document, new ID and new European driver’s license, according to EU, ISO and ICAO standards). The passports are made with biometric chip technology (photograph, signature, fingerprints of two fingers). According to the envisaged dynamics, the old passports should be replaced within a 5-year period. Issuing of the new ID and driving licences started in October 2007.
- Macedonia signed Strategic Cooperation Agreement with **EUROPOL** and is fully committed to fulfilling the criteria for further strengthening of the cooperation and signing the Operational Agreement with EUROPOL.
- The new **Law on Aliens** was adopted in March 2007 and will be applied as of 1 January 2008. It regulates the conditions on admission, leave and stay of the foreigners in the Republic of Macedonia, and their rights and obligations. The Law on Employment and Work of Aliens was adopted in June 2007. Both laws are harmonised with the relevant EU standards.
- Government pays special attention on the implementation of the National Strategy and Action Plan for **fight against trafficking in human beings**, as well as the Action Plan for Protection of Minors. The Office of the National Coordinator established in April 2007 and the Manual on the training of the services in charge for the implementation of the law, was adopted. Activities undertaken to detect and prevent organised forms of illegal migration and smuggling of migrants in the first half of 2007 resulted in detecting 26 crimes and 67 perpetrators, representing a 30% increase of the detecting function. In the period 2006 - May 2007 first degree verdicts reached in 42 cases of human trafficking and smuggling of immigrants.
- The implementation of the **Integrated Border Management (IBM)** Strategy and Action Plan is well under way. The IBM Management Centre was established and the telecommunication linking of the border crossings completed. Work is underway on setting up IBM IT system to be operated by the Management Centre, enabling flow of data between the institutions involved. A Study on introducing the one-stop-shop concept for import, export and control was prepared. The by-laws to the Law on Control of the State Border were adopted, following the standards from the Schengen Convention and the Schengen Border Code. On the basis of the Annual Programme for Advanced and Special Training, continuous training is being implemented for the border police officers. In the first half of 2007, 553 illegal border crossings were registered (1.919 in the same period of 2006) and Macedonian border authorities prevented 999 foreign citizens from illegal border crossing (941 in the same period of 2006).
- **Visa policy:** Establishment of Visa Information System with Visa Center at MFA (to be opened in February 2008), according to EU standards, in progress; visa regime harmonized to a great extend with EU visa regime; applies visa-free regime for EU-27, has visa regime for 148 countries; maintains strict criteria for visa issuance; tightened the rules for issuance and use of diplomatic and service passports and visas (diplomatic and service passports in use reduced by 40%); adopted new visa related bylaws and introduces new visa stickers in accordance with the EU standards;

concluded visa facilitation and readmission agreements with the EU; committed to engage in visa liberalization dialogue with the EC.

4. Prevention and suppression of organized crime and corruption – advancing the legal framework and strengthening institutional capacities:

- **Anticorruption measures** continuously implemented, tangible results produced: Macedonia ranks 84th on the Transparency International 2007 Country List, as opposed to 105th in 2006; legal framework improved with the Law on Interception of Communications, the amended Law on Prevention of Corruption (the new amendments prohibit the political parties to gather and use funds from anonymous sources, and stipulate the publication of officials' assets declarations on the web site of the State Commission for Prevention of Corruption), the amended Criminal Code and the Law on Criminal Procedure; the Financial Police, Law on conflict of interests; etc.; technical conditions for the implementation of the Law on Witness Protection created. Full implementation of the GRECO recommendations contained in the Second Evaluation Report on Macedonia envisaged. Former Romanian Minister of Justice Ms. Monika Makovei engaged as anti-corruption counselor to the Prime-Minister.
- New members of the State Commission for Prevention of Corruption (SCPC) appointed by the Assembly in January 2007. Updated **State Program for Prevention and Repression of Corruption** adopted by the SCPC in May 2007, describing specific problems and listing measures and activities to tackle them. The Government endorsed **Anti-Corruption Action Plan**, complementary to the SCPC State Program, and continues implementing the plan for limiting the discretionary rights of public officials.
- Broad media campaign "Macedonia without corruption" launched in September 2007, aimed at raising public awareness and general mobilization for fighting corruption. National telephone number 199 for reporting cases of corruption introduced.
- Numerous successful **actions** for detecting and preventing several cross-border and international channels of trafficking in human beings, migrants, weapons and narcotics undertaken; comprehensive action taken against criminal and corruptive phenomena, especially in the institutions of the system; numerous cases processed at the Public Prosecution Office. During 2007, 84 effective court sentences were taken and 221 persons were convicted for corruption (bribery, misconduct, fraud, forging official documents, abuse of official duty), with imposed penalties of 14 years imprisonment, confiscation of property, freezing of property and bank accounts, seizure of money in deposited box, confiscation of property benefits proceeded from crime. Some of the sentenced are former and present holders of offices, directors, judges, public attorneys, notaries, policemen and customs officers.

5. Stimulating economic growth and development, improving the investment climate and reducing unemployment:

- Significant legislative projects commenced and are being implemented, as regards standardization, accreditation and metrology; product safety; one-stop-shop system and simplification of business registration procedures; implementation of single window and one-stop-shop system in the Customs Administration; company law; market inspection, etc. This resulted in improvement of the market access (entry and exit), competitiveness, business environment, transparency and fight against corruption. In the World Bank report "Doing Business in 2008", Macedonia ranks 4th among the top ten reform countries in the world.

- The **regulatory reform** (“Regulatory Guillotine”) is being successfully implemented; all regulations remaining in force will be placed in a Single Electronic Register. The process of introducing the mechanism for impact assessment of the new regulative (Regulatory Impact Assessment) began in September 2007.
- The measures undertaken, introducing flat taxation, reduction of the administrative procedures, investment campaigns, etc., have delivered results. The number of foreign companies that have been investing or have announced new investments increased.
- The **macroeconomic stability** and the fiscal discipline have been maintained. The policy of decreasing the public debt through its active management continues. The Government adopted decision for early repayment of the debts to the Paris Club, IMF, World Bank and EIB in total amount of USD 290 million, which resulted with the reduction of the external debt for 20%, and reduction of the public debt in total of 32% of the GDP respectively.
- In the first seven months of 2007, compared to the same period of 2006, the export of goods increased by 34.1%, while the import of 19.7%. GDP growth rate was 7% in the first quarter of 2007, 5% in the second quarter. In the first half of 2007, the amount of collected tax revenues was by 10,8% higher than projected, which is an increase of 15,44% compared to the same period in 2006; customs revenues increased by 9%; total public debt reduced by 8,5% and presents 30,7% of GDP. The ongoing economic reforms are expected to result with 6 – 6,5% GDP growth rate in 2007, inflation rate of around 2%, current account deficit under 2% of the GDP and 4% employment growth.
- The **National Employment Strategy 2010** foresees various measures, targets, projects and programmes aimed at boosting employment, setting the national target for total employment rate of 48% to be reached by 2010 (from 37,9% in 2005). The employment rate in the first quarter of 2007 was 35.7% - 1.1% higher than the same period in 2006; the unemployment rate 35.8% - 0.4% lower. There are ongoing reforms on the labour market through legal harmonization and implementation of operational employment plans containing measures for self employment and for starting own businesses. By introducing mandatory secondary education, the Government aims to improve human capital, reduce unemployment and poverty, increase the level of social cohesion and eliminate social injustice and discrimination.
- New comprehensive **Investment Program 2007-2010** endorsed. Revised National Strategy for SME Development adopted in May 2007, on the basis of which the Entrepreneurship, Competitiveness and Innovations Development Program was prepared and adopted.

6. Public administration reform: more efficient and transparent services for the citizens and strengthening of the administrative capacities:

- Government actively works on the implementation of the Working Program 2006-2010 aimed towards complete depolitisation and professionalisation of the public administration by applying criteria for recruitment and promotion based on professionalism and knowledge.
- Citizen’s Charter Mechanism and the Evaluation Form were introduced in January 2007, offering the citizens the possibility to **evaluate the quality of public services**. On the basis of quarterly reports, the Government evaluates the quality of the services and undertakes appropriate measures against liable persons in the administrative bodies.

- In April 2007, the Code for supplementing the **Ethical Code** for civil servants was adopted, obliging civil servants to report a suspect or proof of corruption, and cases violating the Ethical Code; Ethical Code for members of the Government and other holders of public functions in the Government was adopted.
- Preparation of the **strategic plans for 2008-2010** is in progress, in accordance with the priorities of the Government and the Fiscal Strategy for 2008-2010. The Civil Service Agency ensures the full and consistent implementation of the merit system in the procedure of employment and allocation of the civil servants. Multi-annual programs for training – Advanced Administrative Training and the Program for Development of Managerial Capabilities of Mid-level Managers - are being implemented. The wages of the state and public administration, for the period October 2007-October 2009 will be gradually increased by 34%.
- Further strengthening of the **horizontal capacities for the process of accession** is being carried out, through the implementation of the NPAA, which envisages 2790 new employments by 2010. Departments for EU integration were established in the ministries (upgrade and transformation of the previous Units) and their administrative capacity strengthened. Also the administrative capacities for the Instrument for Pre-accession Assistance have been strengthened.
- The reform of the public administration also applies to the employees of the **municipal administrations** that have civil servant status. The Government implements annual training programs, based on the Strategy for Local Government Training 2006-2010.

7. Successful implementation of the Stabilization and Association Agreement:

- Progress in legal **harmonization** achieved in various areas covered by the SAA, such as customs, transport, internal market, competition, etc.; continuous strengthening of the administrative capacity to ensure effective implementation and enforcement of laws.
- Full compliance with the SAA obligations in the area of **state aid** due to strengthened capacities of the Commission for protection of competition and its efficient functioning, effective monitoring mechanisms and intensified activities in the relevant state bodies. Amendments to the Law on Technological Industrial Development Zones prepared, in line with the EC recommendations, to ensure its harmonization with the EU acquis and SAA.
- The **competition in telecommunication** sector strengthened with the entry of the third mobile operator and the start of the functioning of small companies providing various services in the fixed telephony. Amendments to the concession contracts in the area of fixed and mobile telephony agreed, to ensure full compliance with the requirements for liberalization of the telecommunication market.
- Tangible results in **intellectual and industrial property rights protection**, as a result of the clearly demonstrated political will, increased administrative capacities and strengthened coordination.
- **Joint Consultative Committees** with the Economic and Social Committee and the Committee of Regions of the EU to be established, which will further contribute to the SAA implementation and deepen the dialogue with the local administration and civil society.
- In line with the SAA provisions on regional cooperation, Macedonia and Croatia concluded an Agreement on cooperation in the context of the rapprochement and

accession to the EU and the first meeting of the Joint Committee held in January 2007 in Skopje. Macedonia initiated conclusion of such an Agreement with Albania.

8. Strong commitment to regional cooperation and good neighborly relations:

- Actively participates in the SEECP, supported the transformation of the Stability Pact for SEE and the establishment of the Regional Cooperation Council. As present chairman-in-office of CEFTA, is leading the process towards efficient implementation of the Agreement. Pursuing its commitment for regional ownership, Macedonia hosts the MARRI Center (Migration, Asylum, Refugees Regional Initiative) and was official candidate for the seat of the Secretariat for regional parliamentary cooperation and the seat of the CEFTA Secretariat. Macedonia continuously strengthens its role of a generator of stability in the Balkans and contributes to the European security.
- Maintained constructive position on the Kosovo status process; supported the Ahtisaari proposal as a good basis for final resolution, as well as the new format of negotiations mediated by the Troika. Contact Group principles on Kosovo status must be strictly adhered to and the status solution to be achieved must contribute to lasting stability and strengthen the European and Euro-Atlantic prospect of the region. The issue of technical demarcation of the border, with a defined procedure and a schedule as envisaged in Ahtisaari's proposal, remains top priority and must be contained in the status solution. Macedonia continues to further promote cooperation with Kosovo in different areas - trade, customs and police cooperation, railway transport, etc. At the same time, maintains good-neighborly relations with Serbia.
- Regarding the difference with Greece over the constitutional name of the Republic of Macedonia, Macedonia remains committed to the continuation of the bilateral talks with Greece under UN auspices for finding bilateral solution for this imposed issue. The name issue neither is nor should become part of the conditions related to the EU accession process.

9. Progressive alignment to CFSP and contribution to ESDP:

- Declared capacities and personnel for possible participation in future military and civilian crisis management missions, led by the EU. Since July 2006, Macedonia contributes to the EU military mission in Bosnia-ALTHEA with two helicopters and staff of 30 people.
- Strengthens institutional capacities and legal framework for the participation in CFSP; Law on implementation of international restrictive measures in force as of June 2007; Law on deployment of personnel in civilian crisis management missions and international organizations in parliamentary procedure.
- Alignment to the EU policy on the fight against terrorism, organized crime, arms control, etc. Unilaterally accepted the Code of Conduct on Arms Exports and adhered to EU documents related to arms control. The EU Common Military List entirely incorporated in the national legislation. In June 2007 submitted the II National Report on Arms Exports.

January, 2008