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Proposal for a

COUNCIL DECISION

**on the principles, priorities, and conditions contained in the European Partnership with
the former Yugoslav Republic of Macedonia**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Thessaloniki European Council of 19 and 20 June 2003 reiterated its determination to fully and effectively support the European perspective of the Western Balkan countries and stated that “the Western Balkans countries will become an integral part of the EU, once they meet the established criteria”. It endorsed the Council’s Conclusions of 16 June 2003 on the Western Balkans including the annex “The Thessaloniki Agenda for the Western Balkans: moving towards European integration”, which aims at further intensifying relations between the European Union and the Western Balkans, building also on practices used in the enlargement process, inter alia through the introduction of European Partnerships. The Commission has been invited to submit the first set of European Partnerships to the Council for approval with the next Annual Reports on the Stabilisation and Association process (SAP) due end of March 2004.

The European Partnership for the former Yugoslav Republic of Macedonia is based on the provisions of Council Regulation (EC) No. 533/2004. It lists short- and medium term priorities for the former Yugoslav Republic of Macedonia preparations for further integration with the European Union identified in the Commission’s 2004 Annual Report and serves as a checklist against which to measure progress. The European Partnership for the former Yugoslav Republic of Macedonia reflects its current stage of preparation and is tailored to its needs. The former Yugoslav Republic of Macedonia is expected to respond to the European Partnership by preparing a plan with a timetable and details of how it intends to address the European Partnership’s priorities. The progress in implementing the priorities will be monitored regularly by the Commission, notably in the SAP Annual Reports and through the structures set up under the SAP.

The European Partnership priorities should form the basis for programming of the financial resources making up Community assistance, which will continue to be the assistance provided for under existing financial instrument(s), in particular Council Regulation (EC) No 2666/2000 of 5 December 2000 (CARDS).

The proposed Council Decision has no financial implications.

In view of the above, the Commission invites the Council to adopt the attached decision.

Proposal for a

COUNCIL DECISION

on the principles, priorities, and conditions contained in the European Partnership with the former Yugoslav Republic of Macedonia

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 533/2004 on the establishment of European Partnerships in the framework of the Stabilisation and Association process¹ and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Thessaloniki European Council of 19 and 20 June 2003 endorsed the “Thessaloniki Agenda for the Western Balkans: moving towards European integration” where the drawing-up of European Partnerships is mentioned as one of the means to intensify the Stabilisation and Association process;
- (2) Council Regulation (EC) No 533/2004 sets out that the Council is to decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities and conditions to be contained in the European Partnerships, as well as any subsequent adjustments;
- (3) Council Regulation (EC) No 533/2004 states that the follow up of the implementation of the European Partnerships will be ensured through the mechanisms established under the Stabilisation and Association process, notably the Annual Reports;
- (4) The 2004 Commission's Annual Report presents an analysis of the former Yugoslav Republic of Macedonia's preparations for further integration into the European Union and identifies a number of priority areas for further work;
- (5) In order to prepare for further integration into the European Union, the former Yugoslav Republic of Macedonia should develop a plan with a timetable and details in terms of measures the former Yugoslav Republic of Macedonia intends to take to this end.

¹ OJL

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 1 of Council Regulation (EC) No 533/2004, the principles, priorities and conditions in the European Partnership for the former Yugoslav Republic of Macedonia are set out in the annex hereto, which forms an integral part of this Decision

Article 2

The implementation of the European Partnership shall be examined through the mechanisms established under the Stabilisation and Association process.

Article 3

This Decision shall take effect on the third day following its publication in the Official Journal of the European Communities.

Done at Brussels,

*For the Council
The President*

ANNEX

1. INTRODUCTION

The Thessaloniki Agenda identifies ways and means of intensifying the Stabilisation and Association process, inter alia through the introduction of European Partnerships.

Based on the Commission's Annual Report, the purpose of the European Partnership for the former Yugoslav Republic of Macedonia is to identify priorities for action in order to support efforts to move closer to the European Union within a coherent framework. The priorities are adapted to the former Yugoslav Republic of Macedonia's specific needs and stage of preparation and will be updated as necessary. The European Partnership also provides guidance for financial assistance to the former Yugoslav Republic of Macedonia.

It is expected that the former Yugoslav Republic of Macedonia will adopt a plan including a timetable and details in terms of how they intend to address the European Partnership priorities. The plan should also indicate ways to pursue the Thessaloniki agenda, the priorities on fighting organised crime and corruption identified at the 2002 London Conference and at the Ministerial meeting held in Brussels on 28 November 2003 in the framework of the EU-Western Balkans Forum and the measures presented by each of the Western Balkan countries at the meeting of 5 November 2003 in Belgrade as a follow-up to the Ohrid Conference on integrated border management.

2. PRINCIPLES

The Stabilisation and Association process remains the framework for the European course of the Western Balkan countries, all the way to their future accession.

The main priorities identified for the former Yugoslav Republic of Macedonia relate to its capacity to meet the criteria set by the Copenhagen Council of 1993 and the conditions set for the Stabilisation and Association process, notably the conditions defined by the Council in its Conclusions of 29 April 1997 and 21-22 June 1999, the content of the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki agenda.

3. PRIORITIES

The Commission's Annual Report assesses progress made and notes areas where the country needs to increase its efforts. The priorities listed in this European Partnership have been selected on the basis that it is realistic to expect that the former Yugoslav Republic of Macedonia can complete them or take them substantially forward over the next years. A distinction is made between short-term priorities, which are expected to be accomplished within one to two years, and medium-term priorities, which are expected to be accomplished within three to four years.

The European Partnership indicates the main priority areas for the former Yugoslav Republic of Macedonia's preparations for further integration into the European

Union, based on the analysis in the 2004 Annual Report. It should be recalled that where legislation is concerned, incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to prepare for its full implementation.

3.1. Short Term

POLITICAL SITUATION

DEMOCRACY AND RULE OF LAW

- ***Ensure the functioning of State institutions in all the territory.***
- ***Implement the Ohrid Framework Agreement*** - Implement the legislation already adopted to implement the Framework Agreement (FA). Adopt remaining legislation required by the FA, in particular adopt and implement the Laws on the Territorial Organization, Municipal Finance and the City of Skopje. Achieve rapid progress in the implementation of the decentralisation process to allow proper local elections as scheduled, in particular strengthening the municipalities' capacity in financial management and management of transferred competences and assets through training, consultancy and provision of equipment. In parallel, strengthen administrative capacities to supervise and facilitate the decentralisation process, including at central level, in particular of the Ministry of Local Self-Government and of the Ministry of Finance in relation to fiscal decentralization as well as the line ministries in their own areas of competence. Ensure that appropriate budgetary resources are allocated in order to ensure a smooth transfer of competencies. Adopt a medium term strategic plan for equitable representation of minorities, including adequate budgetary means, and ensure speedy implementation. Take further measures to ensure the implementation of the FA provisions on the *Use of Language* and on community symbols. Improve the monitoring and evaluation capacity of the central government. Enhance efforts to revitalize former crisis areas.
- ***Improve the functioning of the public administration*** - Implement fully the Law on Civil Servants. Further develop the Agency for Civil Servants. Develop appropriate strategic planning and related allocation of resources in all Ministries and at Governmental level. Implement the Strategic Development Plan of the General Secretariat. Complete ongoing functional analyses in all public bodies and take measures to implement their recommendations, taking into account the decentralisation process. Improve administrative transparency and adopt a law on public access to information. Reform the Administrative Procedures and Administrative Disputes laws in order to strengthen the enforcement of citizens' rights. Implement fully the 2003 Law on the Ombudsman and complete the reform of the Ombudsman's office. Ensure that the Ombudsman's recommendations are followed up. Encourage the development of civil society including social partners' organisations and their active participation in the decision making processes.
- ***Strengthen the judicial system*** - Prepare a comprehensive reform of the Judiciary. Review the current system of selection, appointment and promotion of judges and prosecutors with a view to ensuring political independence, irremovability of judges and career development based upon merit. Prepare necessary constitutional and legislative amendments to guarantee the independence of the body in charge

of their selection and career development. Simplify court procedures. Improve the enforcement of the courts' decisions. Introduce alternative dispute resolution mechanisms including arbitration and mediation in criminal matters. Ensure the appropriate enforcement of property rights and court rulings in the area of civil law. Strengthen the institutional capacity to train judges and prosecutors and prepare the setting-up of a National School for Magistrates. Provide for adequate initial and vocational training schemes.

- ***Improve the fight against corruption*** - Implement the strategy for the fight against corruption. Increase institutional capacity to investigate and prosecute corruption. Improve coordination and ensure cooperation between the law enforcement agencies and the State Commission on the Prevention of Corruption. Improve exchange of intelligence on corruption-related cases between the services in charge of identifying, investigating and prosecuting established cases. Strengthen and implement the rules applying to officials' declaration of assets, conflict of interest, transparency in public procurement and internal and external control of the administration. Adopt appropriate legislation on financing of political parties.

HUMAN RIGHTS AND THE PROTECTION OF MINORITIES

- ***Improve the respect of human rights by law enforcement bodies*** - Ensure full compliance with the European Convention on Human Rights, the Convention for the Prevention of Torture and Inhuman and Degrading Treatment or Punishment and other relevant international conventions. Implement the Code of Ethics and ensure that irregularities are prosecuted. Deal with previous mistreatment cases through appropriate prosecutions. Upgrade internal controls and enforcement of professional standards in all law enforcement agencies and judiciary and prison administrations. Respect pre-trial detention rules. Promote police, judges, prosecutors and other law enforcement bodies awareness of their obligations in terms of human rights, and ensure that they implement them in accordance with international requirements.
- ***Promote freedom of expression and media*** - Review the legal framework for broadcasting to prevent political interference. Take concrete steps to ensure the independence of media regulatory bodies. Review the legislation on defamation to reflect European standards and the jurisprudence of the European Court of Human Rights.
- ***Ensure respect of minority rights*** - Ensure that the process of establishing a third State University in Tetovo is completed in a way that creates synergy with the South East European University and provides for academic standards in line with the Bologna declaration.

REGIONAL COOPERATION AND INTERNATIONAL COOPERATION

- ***Promote regional cooperation*** - Comply with the Stabilisation and Association process requirements and Thessaloniki commitments in terms of regional cooperation. Ensure implementation of all regional free trade agreements. Pursue the conclusion of agreements with neighbouring countries, including on cross border cooperation as regards the fight against organised crime, trafficking and

smuggling, judicial co-operation, border management, environment and energy, and ensure their effective implementation.

- ***Ensure proper implementation of the Stabilisation and Association Agreement in the field of regional co-operation*** - Conclude negotiations with Croatia on the bilateral convention on regional cooperation.
- ***Adopt an appropriate legal framework on cooperation with the International Criminal Tribunal for the former Yugoslavia.***
- ***Implement international agreements concluded by the former Yugoslav Republic of Macedonia*** - Guarantee the respect of commitments undertaken by the former Yugoslav Republic of Macedonia in the framework of its relations with the EU.

ECONOMIC SITUATION

FREE MARKET ECONOMY AND STRUCTURAL REFORMS

- ***Sustain macroeconomic stability*** - Maintain a stable macroeconomic framework in the context of the International Monetary Fund programme. Conclude an agreement on a follow-up programme.
- ***Pursue economic reforms*** - Introduce comprehensive market-oriented reforms aimed at reducing the role of the State in the economy, and establish a level playing field for all economic actors allowing them to operate in a stable and predictable environment. Clarify and enforce property rights, including in the context of privatisation.
- ***Improve the business environment*** - Adopt and implement an improved legal framework on company law. Upgrade the efficiency of the administrative and judicial system and streamline the efficiency of bankruptcy procedures. Develop a programme to simplify and reduce licensing procedures and improve the transparency of all administrative procedures impacting on enterprises .
- ***Employment policy*** - Develop and implement a comprehensive strategy to promote employment and reduce unemployment, in particular with regard to vocational training and labour market reforms, involving all relevant actors. Respect core labour standards and ensure their effective enforcement (including freedom of association and right to collective bargaining, non-discrimination in employment and occupation).

MANAGEMENT OF PUBLIC FINANCES

- ***Improve public finance management*** - Implement fiscal decentralisation. Implement the wage decompression of civil service salary structure. Strengthen internal control and audit capacity in the Ministry of Finance and broaden controls applied to the public administration as a whole. Review the Law on State Audit to align it to EU standards and strengthen the State Audit Office as an independent State institution with an independent budget. Exert greater control and supervision of expenditure of extra-budgetary funds. Establish an effective Treasury Bill and Bond market.

EUROPEAN STANDARDS

INTERNAL MARKET AND TRADE

- ***Complete negotiations with the EU on a Protocol to the SAA to adapt it to the upcoming EU enlargement before 1 May 2004.***
- ***Movement of goods*** - Make further progress on adopting European technical norms and standards. Implement the 2002 legislation on standards certification, metrology and conformity assessment, including the adoption of secondary legislation and the strengthening of administrative capacity to ensure enforcement. Progress with regard to the utilisation of the Combined Nomenclature.
- ***Financial services*** - Improve prudential regulatory framework and supervision of this sector.
- ***Personal data protection*** - Amend the legislation on protection of personal data in line with EU standards and set up an independent authority charged with the supervision of its implementation.
- ***Customs*** – Achieve significant results in the fight against fraud, smuggling and trafficking. Further strengthen the customs administration and ensure its proper functioning in order to reach EU standards. Carry forward the reform process and ensure the proper implementation of the Strategic Plan 2004-2008. In particular, ensure the proper operation of the new Professional Standards Unit and prosecute corruption cases within the customs Service. Strengthen administrative cooperation in the customs sector. Strengthen the services involved in the implementation of trade agreements and in particular with regard to the control of preferential rules of origin.
- ***Taxation*** – Start reviewing the present tax legislation and the administrative procedures in order to ensure effective and non-discriminatory enforcement of tax legislation. Eliminate the present different excise duty rates for tobacco products based on the origin of the goods (domestic or imported). Proceed with the ongoing reform of the tax administration, and in particular strengthen its capacity at local level for collection and control of the tax due. Address the problem of the increasing level of VAT refund arrears. Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures are in conformity with these principles.
- ***Competition and state aids*** - Adopt legislation against the restriction of competition. Entrust the competition authority with efficient means to directly enforce the law and impose sanctions. Promote transparency and basic enforcement of the State aid principles. Promote competition policy by fostering liberalisation, improving public procurement practices, ensuring a pro-competitive approach to privatisation. Adopt secondary legislation on state aids and strengthen the administrative capacity to implement the legal framework.
- ***Public procurement*** - Improve the current legal framework on public procurement in line with the EC *acquis* and set up an Agency for Public Procurement able to ensure the implementation of the legal framework.

- ***Intellectual, Industrial and Commercial Property rights*** - Adopt secondary legislation relating to the Law on Industrial Property and implement the law. Continue improvement of legislation Copyright and Related Rights.

SECTORAL POLICIES

- ***Industry and SMEs*** - Adopt the restructuring and conversion programme for the steel industry in line with the competition related EC *acquis* to create efficient and competitive firms. Implement the principles of the European Charter for Small Enterprises and implement targets set for 2004. Improve access of Small and Medium sized Enterprises to financial and non-financial services. Continue preparation of a national guarantee fund.
- ***Energy*** – Develop the newly-established Energy Regulatory Commission in order to meet EU guidelines and avoid a monopolistic situation emerging in the energy sector. Amend the Energy Law establishing the Transmission System Operator and addressing the Public Service Obligations.
- ***Telecommunication*** – Ensure that the electronic communications sector is liberalised effectively including the strengthening of regulatory bodies and the adoption of suitable laws and policies for the sector.
- ***Environment*** - Adopt Laws on environment, waste management, water management, protection of natural resources and air quality in line with EU standards.

COOPERATION IN JUSTICE AND HOME AFFAIRS

- ***Border management*** - As a follow-up to the Ohrid regional Conference on border security and management in May 2003, implement the short term measures which were adopted by the Government and presented at the meeting of JHA ministers within the framework of the EU-Western Balkans Forum on 28 November 2003. Implement the Integrated Border Management strategy adopted in December 2003 in cooperation between the agencies concerned. Strengthen the coordination between the Ministry of Interior and the Ministry of Defence to facilitate the transfer of competences on border control to the border police, and ensure the institutional development of border police service.
- ***Migration and asylum policies*** - Implement the 2003 Law on Asylum. Establish an independent and transparent appeal and review panel for asylum seekers. Adopt appropriate by-laws for the implementation and development of reception policies and facilities. Revise the migration legislation, in particular review the legislation related to legal and illegal immigration and trafficking in human beings. Establish a common strategy to fight illegal immigration and the trafficking of human beings, integrating the regional dimension. Adopt a new Law on Foreigners.
- ***Police*** - Ensure that the police services, in particular the special police forces, behave according to international standards and practices. Clarify the respective roles of the Ministry of Interior and the Ministry of Defence in crisis management situations in line with European practices. Adopt and implement an Action Plan for the reform of the police, taking into consideration equitable representation at

all levels, and plan the necessary resources for its implementation. Take urgent measures to reform human resources management. Improve co-operation with the Judiciary. Enhance training capacities and ensure the proper functioning of the Police Academy, including the proper allocation of budgetary resources. Reduce corruption and irregular behaviour within police ranks. Promote cooperation with Interpol and other international law enforcement organisation, in particular through improved consultation of their databases.

- ***Organised crime, trafficking, drugs, money laundering and terrorism*** - Implement the action-oriented measures that have been adopted by the Government and presented at the EU-WB JHA ministerial meeting of 28 November 2003. Complete the ratification of the 2002 UN Convention on Organised Crime and its related protocols on small arms, trafficking in human beings and smuggling of migrants, and ensure implementation. Enhance co-ordination between law-enforcement bodies involved in fighting organised crime. Enhance intelligence and risk analysis and set up a central criminal intelligence unit, working in cooperation with all law enforcement agencies. Adopt the legislative changes needed to allow for the use of special investigative means. Develop witness protection programmes. Increase capacity to fight against drug trafficking. Develop a national drugs strategy in line with the EU Drugs Strategy and Action Plan on Drugs. Clarify the respective roles of the Directorate against Money Laundering (DML) and of the Financial Police and upgrade the DML to the level of a financial intelligence unit in line with European standards. Take the necessary steps to prepare for the conclusion of an agreement with Europol. Increase international cooperation and implement relevant international conventions on terrorism. Improve cooperation and exchange of information between police and intelligence services within the State and with other states. Prevent the financing and preparation of acts of terrorism.

3.2. Medium Term

POLITICAL SITUATION

DEMOCRACY AND THE RULE OF LAW

- ***Implement the Ohrid Framework Agreement*** - Implement the strategic plan for equitable representation of minorities. Ensure the proper functioning of the decentralised levels of government. Sustain efforts in revitalizing former crisis areas.
- ***Further improve the functioning of the administration*** - Further promote independence of the administration, transparency in recruitment procedures and career development based on merit, professionalism and equitable representation of all communities. Pursue the reform of the public administration, in particular in view of the outcome of the “functional” analysis. Further develop the capacity of Ministries to perform a range of common functions needed to support the coordinating role for the General Secretariat and other central agencies (policy development, strategic planning, financial management, personnel management, information technology). Ensure that the sectors in the Administration responsible for the implementation of the SAA provisions are duly equipped to carry out their duties. Further encourage the development of civil society including social partners organisations and their participation in the decision making process.

- ***Further strengthen the judicial system*** - Implement a comprehensive reform of the judicial system, including the necessary changes in the Constitution and in the legal framework, and strengthen the overall capacity of the judicial system. Ensure the effective functioning of the National School for Magistrates. Enhance training on EU legislation, cross-border cooperation in criminal matters and practices. Decrease the backlog of cases in all courts. Ensure provision of appropriate equipment and well-trained and specialised administrative staff with the appropriate status. Ensure sufficient budgetary resources to guarantee access to justice and legal aid. Increase salaries.
- ***Further improve the fight against corruption*** - Achieve significant, tangible results in the fight against corruption, at all levels, through adequate legislation and the proper implementation of the national programme against corruption.

HUMAN RIGHTS AND THE PROTECTION OF MINORITIES

- ***Ensure the respect of human rights by law enforcement bodies*** - Ensure that the police, judges, prosecutors and other law enforcement bodies are fully aware of their obligations and that they are implemented. Ensure that human dignity is respected in detention centres and prisons.
- ***Further promote freedom of expression and media*** - Ensure that the laws in the media sector are in line with the European standards and are properly implemented.
- ***Further promote the principle of non-discrimination and equal representation*** - Foster employment opportunities for all ethnic communities and facilitate access to education. Promote higher education for minorities and ensure that higher education in Albanian respects European standards as defined in the Bologna declaration.

REGIONAL AND INTERNATIONAL CO-OPERATION

- ***Further promote regional cooperation*** - Maintain a constructive and balanced regional policy which promotes dialogue, stability, good neighbourhood and co-operation. Implement the Memorandum of Understanding of the South East Europe (SEE) Core Regional Transport Network. Implement the commitments undertaken in the framework of the 2003 Athens Memorandum of Understanding on the Regional Energy Market in SEE, and prepare for the establishment of the Integrated Regional Energy Market.
- ***Implement international agreements concluded by the former Yugoslav Republic of Macedonia*** - Fully implement international agreements and conventions ratified by the former Yugoslav Republic of Macedonia, in particular conventions in the fields of Justice and Home Affairs, human and minority rights and trade.

ECONOMIC SITUATION

FREE MARKET ECONOMY AND STRUCTURAL REFORMS

- ***Ensure sustainability of economic reforms***

- ***Further improve the business environment*** – Ensure effective implementation of main international and EC standards on company law, accounting and auditing. Further upgrade the efficiency of the administrative and judicial system, fully implement the programme to simplify and reduce licensing procedures and further improve the transparency of all administrative procedures impacting on enterprises. Ensure the enforcement of creditors' rights within a transparent legal framework and through reforming the cadastre. Promote the implementation of a code on corporate governance.
- ***Employment and social policy*** - Develop a social policy to promote social cohesion, effective social protection systems, improve social standards and address poverty and social exclusion. Further develop an employment policy, involving all relevant actors.

MANAGEMENT OF PUBLIC FINANCES

- ***Further improve public finances and their management*** - Enhance public internal and external financial control. Remove the main obstacles for the development of the second pillar of the pension system, in particular the financing of the transition from a solidarity system to a mandatory accumulation system.
- ***Fraud*** - Establish effective procedures for the detection, treatment and follow-up of cases of (suspected) fraud and other irregularities affecting national and international funds.

EUROPEAN STANDARDS

INTERNAL MARKET AND TRADE

- ***Movement of goods*** - Reinforce the Government's capacity to implement the SAA, in particular through developing internal expertise to assess whether draft legislation is in line with the EC *acquis*.
- ***Financial services*** – Ensure effective implementation of independent and well-trained supervisory authorities in accordance with internationally recognised standards
- ***Personal data protection*** - Continue institutional strengthening of the data protection authority in line with EU standards and practices.
- ***Customs*** - Further strengthen the Customs Administration and ensure its proper functioning in order to reach EU standards. Implement the Strategic Plan 2004-2008. .
- ***Taxation*** – Continue strengthening the tax administration, in particular tax collection and control, and ensure its proper functioning in order to reach EU standards. Develop an audit strategy and adequate IT systems.
- ***Competition and state aid*** - Implement the legislation against the restriction of competition. Further strengthen the competition authority by giving the power to enforce the law and pronounce sanctions. Further promote transparency in State aid.

- **Public procurement** - Achieve fully operational public procurement structures which ensure the conduct of public procurement procedures in full accordance with the law and SAA principles.
- **Intellectual Property Rights** - Ensure the implementation of the legislation on intellectual and industrial property.

SECTORAL POLICIES

- **Industry and SMEs** - Implement the restructuring and conversion programme for the steel industry. Complete the implementation of the strategy for the implementation of the European Charter for Small Enterprises. Promote SMEs' access to credit facilities. Further develop experience of non-financial SME support mechanisms (i.e. clusters and technology parks). Implement the FIAS action plan on reduction of barriers to investment.
- **Telecommunication** – Transpose and implement the new EU framework for electronic communications.
- **Agriculture** - Adopt and implement structural reforms in the field of agriculture. Adopt and implement comprehensive reform including border and internal inspection services and practices regarding plant and animal health, policy analysis, sector information systems and statistics and co-ordination functions for existing public- and private-sector institutions and services.
- **Environment** – Further approximate legislation with European standards. Implement the legislation adopted. Improve environmental monitoring and further build administrative capacity. Integrate environmental concerns in various policies, in particular through developing Environmental Impact Assessments in line with European standards.

CO-OPERATION IN JUSTICE AND HOME AFFAIRS

- **Border management** - Complete the implementation of the Integrated Border Management strategy in cooperation between the competent agencies.
- **Migration and Asylum policies** - Strengthen the development of national asylum structures in line with international and European standards to enable them to provide appropriate protection and assistance to asylum seekers and refugees. Implement the strategy to fight illegal immigration and trafficking of human beings.
- **Police** - Complete the implementation of the reform of the police. Enhance training to fight new forms of criminality, including computer and trans-border crime. Further improve police information systems.
- **Organised crime, trafficking, drugs, and money laundering** - Achieve significant results in the fight against organised criminality. Ensure the implementation of the UN instruments against organised crime. Further improve the State's capacity to prevent and combat crime, through coordination between law enforcement agencies and with the judiciary, increased analytical capacity to deal with criminal intelligence and further training in new forms of criminality. Decrease the number

of illicit small arms and light weapons. Ensure the full operation of the financial intelligence unit in line with European standards. Implement the national drugs strategy. Reinforce the fight against economic and financial crime (including money-laundering and counterfeiting of currencies) and fraud as well as improve the related national legislation.

4. PROGRAMMING

Community assistance under the Stabilisation and Association process to the Western Balkan countries will be provided by the relevant financial instruments, and in particular by Council Regulation (EC) No 2666/2000²; accordingly, this Decision will have no financial implications. In addition the former Yugoslav Republic of Macedonia will have access to funding from multi-country and horizontal programmes. The Commission is working with the European Investment Bank and the International Financial Institutions, in particular the European Bank for Reconstruction and Development and the World Bank, with a view to facilitate the co-financing of projects relating to the Stabilisation and Association process.

5. CONDITIONALITY

Community assistance under the Stabilisation and Association process to the Western Balkan countries is conditional on further progress in satisfying the Copenhagen political criteria and in particular progress in meeting the specific priorities of this European Partnership. Failure to respect these general conditions could lead the Council to take appropriate measures on the basis of Article 5 of Council Regulation (EC) No 2666/2000.

Community assistance shall also be subject to the conditions defined by the Council in its Conclusions of 29 April 1997 and 21-22 June 1999, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms.

6. MONITORING

The follow up of the European Partnership is ensured through the framework of the mechanisms established under the Stabilisation and Association process, notably the Annual Report on the Stabilisation and Association process.

² OJ L 306, 7.12.2000, p.1.