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Proposal for a

COUNCIL DECISION

on the principles, priorities and conditions contained in the Accession Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2006/57/EC

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Thessaloniki European Council of 19 and 20 June 2003 endorsed the "Thessaloniki Agenda for the Western Balkans", which introduced the European Partnerships as a means of realising the European perspective of the Western Balkan countries.

On 30 January 2006 the Council adopted the revised European Partnership for the former Yugoslav Republic of Macedonia, based on the Commission's proposal presented on 9 November 2005. The partnerships contain short–term and medium–term priorities. The European Council of 17 December 2005 granted the former Yugoslav Republic of Macedonia candidate country status.

Therefore the Commission considers it appropriate to present a proposal for an Accession Partnership for the former Yugoslav Republic of Macedonia. This renewed partnership is based on the provisions of Council Regulation (EC) No 533/2004 of 22 March 2004 and takes into account the new developments as described in the 2007 Progress Report. It lists short- and medium-term priorities for the country's preparations for further integration with the European Union.

In order to respond to the Accession Partnership, the competent authorities in the former Yugoslav Republic of Macedonia should develop a plan with a timetable and specified measures the country intends to take to this end. The Commission will monitor progress in implementing the priorities regularly.

The Accession Partnership priorities form the basis for programming the financial assistance of the Community, which will continue to be provided under relevant financial instruments, in particular Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing the Instrument for Pre-Accession Assistance (IPA).

The proposed Council Decision has no financial implications. In view of the above, the Commission invites the Council to adopt the attached proposal for a Council Decision.

Proposal for a

COUNCIL DECISION

on the principles, priorities and conditions contained in the Accession Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2006/57/EC

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 533/2004 of 22 March 2004 on the establishment of partnerships in the framework of the stabilisation and association process[1], as amended, and in particular 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 introduction of the Partnerships as a means to materialise the European perspective of the Western Balkan countries.

(2) Regulation (EC) No 533/2004 provides that the Council is to decide on the principles, priorities and conditions to be contained in the partnerships, as well as any subsequent adjustments. It states also that the follow-up to the partnerships will be ensured through the mechanisms established under the Stabilisation and Association Process, notably by the annual progress reports.

(3) The European Council of 17 December 2005 granted the former Yugoslav Republic of Macedonia candidate country status. Therefore, a proposal has been made to amend Regulation 533/2004 to change the name of the Partnership for this country from "European Partnership" to "Accession Partnership"[2].

(4) On 30 January 2006 the Council adopted the second Accession Partnership with the former Yugoslav Republic of Macedonia[3,] following the proposal from the Commission of November 2005.

(5) The Commission's Paper on enlargement strategy and main challenges 2006–2007 indicated that the partnerships would be updated at the end of 2007.

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1 OJ L 86, 24.3.2004, p. 1. Regulation as last amended by Regulation (EC) No 269/2006 (OJ L 47, 17.2.2006, p. 7).

2 Decision EC XX of [date] (proposal launched on 6 November 2007).

3 Council Decision 2006/57/EC of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2004/518/EC (OJ L 35, 7.2.2006, p. 32).

(6) On 12 June 2006 the Council adopted Regulation (EC) No 1085/2006 establishing an Instrument for Pre-accession Assistance (IPA)[4], which renews the framework for financial assistance to pre-accession countries.

(7) It is therefore appropriate to adopt an Accession Partnership which updates the current partnership in order to identify renewed priorities for further work, on the basis of the findings of the 2007 Progress Report on the former Yugoslav Republic of Macedonia's preparations for further integration with the European Union.

(8) In order to prepare for further integration with the European Union, the competent authorities in the former Yugoslav Republic of Macedonia should develop a plan with a timetable and specific measures to address the priorities of this Accession Partnership.

(9) Decision 2006/57/EC should therefore be repealed,

HAS DECIDED AS FOLLOWS:

Article 1

The principles, priorities and conditions in the Accession Partnership with the former Yugoslav Republic of Macedonia are set out in the Annex.

Article 2

The implementation of the Accession Partnership shall be examined through the mechanisms established under the stabilisation and association process, notably the annual progress reports presented by the Commission.

Article 3

Decision 2006/57/EC shall be repealed.

Article 4

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

Done at Brussels,

For the Council
The President

[4] OJ L 210, 31.7.2006, p. 82.

ANNEX: THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA 2007 ACCESSION PARTNERSHIP

1. INTRODUCTION

The European Council endorsed the introduction of the partnerships as a means to realise the European perspective of the Western Balkan countries. The proposed Accession Partnership updates the European Partnership of January 2006, on the basis of the findings of the 2007 Commission Progress Report on the former Yugoslav Republic of Macedonia. It identifies new and remaining priorities for action. The new priorities are adapted to the country's specific needs and stage of preparation and will be updated as necessary. The former Yugoslav Republic of Macedonia is expected to develop a plan including a timetable and specific measures intended to address the Accession Partnership priorities. The partnership also provides guidance for financial assistance to the country.

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

3. PRIORITIES

The priorities listed in this Accession 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 few 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 priorities concern both legislation and its implementation.

In view of the need to set priorities, clearly there are other tasks for the former Yugoslav Republic of Macedonia to complete which may become priorities in any future partnership, also taking into account future progress made by the former Yugoslav Republic of Macedonia.

Among the short-term priorities, the key ones have been identified and grouped together at the beginning of the list. The order of these key priorities does not imply a ranking of their importance.

3.1. Short-term priorities

Key priorities

– Ensure proper implementation of all commitments undertaken in the Stabilisation and Association Agreement.

– Promote a constructive and inclusive dialogue, in particular in areas which require consensus between all political parties, in the framework of the democratic institutions.

– Ensure effective implementation of the Law on police.

– Establish a sustained track record on implementation of judiciary reforms and strengthen the independence and overall capacity of the judicial system. Complete the reform of the prosecution and finalise the appointment of the Judicial Council.

– Establish a sustained track record on implementation of anti-corruption legislation.

– Ensure that recruitment and career advancement of civil servants is not subject to political interference, further develop a merit-based career system and implement fully the Law on civil servants.

– Reduce impediments to employment creation and address in particular youth and long term unemployment.

– Enhance the general business environment by further improving the rule of law, strengthening the independence of regulatory and supervisory agencies, speeding up legal procedures and continuing registration of property rights.

Political criteria

Democracy and the rule of law

– Sustain implementation of the Ohrid Framework Agreement with a view, *inter alia*, to promoting inter-ethnic confidence-building.

Parliament/Elections

– Ensure that the next presidential and municipal elections are conducted in accordance with the electoral code.

– Deliver prompt decisions on any election irregularities and impose penalties that will deter further cases.

– Enhance the capacity of parliament, notably by increasing its resources.

Government

– Strengthen the transparency and accountability of the local administrations. In particular, strengthen internal control and audits.

– Establish a satisfactory standard of municipal tax collection throughout the country.

– Develop the capacity of municipalities to manage state-owned land.

– Ensure that the number and competence of staff of municipalities are sufficient.

Public administration

– Introduce a merit bases career system in order to build an accountable, efficient and professional public administration at central and local level.

– Ensure effective implementation of the code of ethics for civil servants.

– Strengthen administrative capacity, notably by developing the capacity for strategic planning and policy development as well as enhancing training, and develop a general strategy on training for civil servants.

– Implement effectively the measures adopted to ensure transparency in the administration, in particular in the decision-making process, and further promote active participation by civil society.

– Pursue implementation of the reforms of the law enforcement agencies.

Judicial system

– Further develop initial and continuous training in the academy for judges and prosecutors.

– Complete the setting-up of the new court structures and allocate appropriate resources to ensure that they are fully operational and enhance their efficiency.

– Ensure proper and full execution of court rulings.

Anti-corruption policy

– Ensure an adequate follow-up to the recommendations made by the State Commission Against Corruption and the State Audit Office.

– Implement fully the recommendations made by the Group of States against Corruption (GRECO).

– Strengthen the administrative capacity needed to implement the rules adopted on the financing of political parties and electoral campaigns. Impose effective sanctions in case of infringements.

– Follow up the reviews carried out of discretionary rights of certain public officials.

– Ensure full implementation of the law on public access to information.

Human rights and protection of minorities

– Fully comply with the European Convention on Human Rights, the recommendations made by the Committee for the Prevention of Torture as well as the Framework Convention for the Protection of National Minorities.

– Implement fully the rules applying to ethics, internal control, professional and human rights standards in law enforcement agencies, the judiciary and the prison administration, including by regular training.

– Provide sufficient resources to bring prison conditions up to a higher standard.

– Set up effective mechanisms to identify, pursue and penalise all forms of discrimination by state and non-state bodies against individuals or groups.

– Upgrade and implement the strategy on equitable representation of non-majority communities, notably by providing adequate resources and imposing effective sanctions for failure to meet targets.

– Promote access to education, justice and social welfare for members of minority groups.

Regional issues and international obligations

– Continue to cooperate fully with the ICTY and, in view of the possible return of files from the ICTY, meet all the necessary preconditions that would ensure due process.

– Continue to promote the transition from the Stability Pact to a more regionally owned cooperation framework and effective implementation of the Central European Free Trade Agreement (CEFTA).

– Ensure good neighbourly relations, in particular by intensifying efforts to find a negotiated and mutually acceptable solution to the name issue with Greece, in the framework of UN Security Council Resolutions 817/93 and 845/93.

– Foster cooperation with neighbouring countries and ensure effective implementation, notably on cross border cooperation, the fight against organised crime, trafficking and smuggling, judicial cooperation, border management, readmission and the environment.

Economic criteria

– Proceed with the registration of land and real estate and strengthen the cadastre in order to enhance legal certainty for economic operators and improve the functioning of market economy mechanisms.

– Improve the efficiency of public services, notably by providing additional funds for training and for upgrading the current infrastructure.

Ability to assume the obligations of membership

Chapter 1: Free movement of goods

– Adopt and implement horizontal framework legislation to complete the necessary infrastructure, and ensure a segregation of tasks between the various functions (regulation, standardisation, accreditation, metrology, conformity assessment and market surveillance) for conformity assessment procedures.

– Draft a comprehensive strategy with milestones for implementation of the *acquis* for the relevant horizontal organisations (standardisation, accreditation, metrology and market surveillance) together with target dates and clear responsibilities for introducing and effectively implementing legislative measures and enhancing administrative capacity in the different sectors.

– Draft an action plan for compliance with Articles 28 to 30 of the EC Treaty with milestones for internal screening of domestic legislation and administrative practices, for introducing mutual recognition clauses and for the necessary subsequent amendments.

– Speed up the rate of adoption of European standards and step up efforts to become a full member of the European standardisation organisations.

Chapter 3: Right of establishment and freedom to provide services

– Remove the remaining barriers to establishment and to provision of cross-border services facing natural or legal persons from the EU.

– Introduce in the legislation a differentiation between provision of services through permanent establishment and provision on a temporary basis.

Chapter 4: Free movement of capital

– Further strengthen the anti-money laundering framework, in particular by raising awareness among reporting institutions and by establishing a credible enforcement record on the part of the relevant institutions.

– Make progress in the removal of remaining restrictions on capital movements.

Chapter 5: Public procurement

– Strengthen the Complaints Committee, in order to provide for an effective remedies system.

Chapter 6: Company law

– Develop effective and independent quality assurance and public oversight systems for statutory auditors and audit firms. Strengthen relevant administrative capacities.

Chapter 7: Intellectual property law

– Prepare a national strategy and action plan for building up the capacity necessary to implement and enforce the *acquis* in each area covered by this chapter, with particular focus on the need to provide specialised training for law enforcement bodies, judges, prosecutors and customs officials.

– Develop public awareness campaigns and improve cooperation among law enforcement bodies and between all relevant stakeholders.

Chapter 8: Competition policy

– Establish a credible enforcement record in the area of anti-trust and focus on the most serious infringements of competition law.

– Establish effective *ex-ante* control of state aid.

– Strengthen the administrative capacity of the Commission for Protection of Competition and provide the adequate budget and staff.

Chapter 9: Financial services

– Reinforce the legislation and the supervisory framework, including enforcement, for the financial sector, in particular for the insurance sector and securities markets.

– Ensure the independent supervisory authority for the insurance sector becomes operational and is properly staffed.

Chapter 10: Information society and media

– End the breach of the Stabilisation and Association Agreement by taking all necessary measures to fulfil the obligation to liberalise the electronic communications sector, including adoption of all the secondary legislation required and further strengthening of the regulatory bodies.

– Enforce competitive safeguards for operators with significant market power.

– Reinforce the independence and administrative capacity of the regulatory authorities for electronic communications and media.

– Ensure a stable and sustainable source of funding for the public service broadcaster and the Broadcasting Council.

Chapter 11: Agriculture and rural development

– Speed up the registration of agricultural land in the real estate cadastre.

– Ensure collection and processing of sound and reliable agricultural data.

– Continue preparations to establish effective and financially sound paying bodies for the management and control of agricultural funds, in line with EU requirements and international auditing standards.

Chapter 12: Food safety, veterinary and phytosanitary policy

– Continue to align legislation with the veterinary and phytosanitary *acquis*, focusing on framework legislation compatible with the *acquis*.

– Continue to reinforce the capacity of the veterinary service at both central and local levels in order to put in place an EU-compatible control system, particularly for import controls.

– Ensure the operational character of the system for identification of bovines and registration of their movements and start a system of identification of pigs, sheep and goats.

– Further align animal disease and animal health control systems with the EU legislative and institutional requirements and the contingency plans for notifiable diseases.

– Assess the compliance of agri-food establishments with EU requirements, which will serve as a basis for a future upgrading plan of those establishments.

Chapter 14: Transport policy

– Continue implementation of the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network and strengthen cooperation with the South East Europe Transport Observatory.

– Pursue alignment with the road transport *acquis*, notably on transport of dangerous goods, access to the market, social conditions, implementation of the digital tachograph and improvement of road safety.

– In the rail sector, establish a regulatory body that is independent of the infrastructure manager and railway undertakings, establish a safety authority responsible for issuing safety certificates and align legislation with the EU rules on transport of dangerous goods by rail. Ensure financial stability by compensating for public service obligations in passenger transport and reducing debts.

– Implement commitments taken under the first transitional phase of the European Common Aviation Area Agreement including the implementation of the relevant aviation legislation.

– Strengthen the administrative capacity of the civil aviation authority.

Chapter 15: Energy

– Continue to align the legislation on the internal electricity and gas markets, energy efficiency and renewable energy sources with the *acquis* in order gradually to open up the energy market to competition.

– Continue to strengthen the independence of the Energy Regulatory Commission.

– Fulfil the obligations arising from the Energy Community Treaty as regards the full implementation of the acquis on the internal gas and electricity market and on cross border exchanges in electricity.

– Enhance administrative capacity in all energy sectors. including the Energy Agency in the area of energy efficiency and renewable energy resources.

– Construct an appropriate storage facility for radioactive materials.

– Ensure the proper and independent functioning of the Radiation Safety Directorate.

Chapter 16: Taxation

– Increase the administrative capacity to implement tax legislation and to fight fiscal evasion.

– Take structural measures urgently to reform control policy and improve control capacity.

– Develop an audit strategy and adequate IT systems.

– Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures comply with them.

Chapter 18: Statistics

– Strengthen the capacity of the State Statistical Office to ensure timely implementation of the next population census and to allow continuous development of national accounts and their underlying statistics; in particular, address remaining gaps in collection and processing of agricultural statistics and business statistics in line with EU standards and methodology and increase reporting of statistical data to Eurostat.

– Finalise establishment of the statistical business register and farm register, including routines to ensure that the registers contain up-to-date information.

Chapter 19: Employment and social policies

– Continue transposition of the *acquis* and strengthen the related administrative and enforcement structures, including the Labour Inspectorate.

– Ensure administrative capacity to implement social inclusion and social protection policies.

– Ensure a functioning and representative social dialogue.

– Take further efforts improve the situation of persons with disabilities.

Chapter 20: Enterprise and industrial policy

– Define and implement an industrial strategy conducive to growth and innovation.

– Introduce systematic assessment of the impact of new regulations on enterprises.

– Strengthen resources of the SME department and the SME Agency and ensure implementation of SME strategy and Action Plan and the European Charter for Small Enterprises.

– Continue work on regulatory simplification, "regulatory guillotine" and reduction of bureaucratic barriers to doing business; introduce regulatory impact assessments.

Chapter 22: Regional policy and coordination of structural instruments

– Reinforce the establishment of institutional structures and strengthen administrative capacity in the areas of programming, project preparation, monitoring, evaluation and financial management and control, particularly at the lever of line ministries, to implement EU pre-accession programmes as a preparation for the implementation of the Community's cohesion policy.

– Finalise the national regional development strategy.

Chapter 23: Judiciary and fundamental rights

– Implement the national law on personal data protection. Sign and ratify the additional protocol to the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal data regarding supervisory authorities and trans-border data flow.

– *See for other priorities the section on political criteria.*

Chapter 24: Justice, freedom and security

– Continue to implement the integrated border management action plan, develop the main databases for border management and ensure that they are connected, upgrade equipment for document analysis and border surveillance, introduce high-quality travel and identity documents and provide further training for staff.

– Provide adequate funding and training for implementation of the police reform, strengthen coordination and cooperation both among police bodies and between the police and other law enforcement agencies and strengthen cooperation between the criminal police and the public prosecutors.

– Develop and implement a comprehensive human resources and training strategy for the police and upgrade their equipment.

– Further intensify the fight against organised crime, notably by making better use of special investigative measures and by promptly issuing and following up international arrest warrants (including for computer crime, with a special focus on child pornography), and create an integrated intelligence system for inter-agency use in the fight against organised crime, including trafficking in human beings, arms and drugs.

– Strengthen efforts to implement the national action plan to combat human trafficking and the capacity to investigate computer crime.

– Implement the EC/ former Yugoslav Republic of Macedonia readmission agreement and negotiate readmission agreements with the countries of origin of transiting migrants.

– Intensify the process of introduction of legal instruments guaranteeing the rights of persons in need of (international) protection.

– Ensure alignment of asylum and aliens acts with the relevant *acquis*.

Chapter 25: Science and research

– Strengthen research and technological development capacity in order to ensure successful participation in the Community framework programmes.

– Start designing an integrated research policy and take actions to integrate into the European Research Area.

Chapter 26: Education and Culture

– Complete the legislative and administrative framework for the management of the Lifelong Learning and Youth in Action programmes and strengthen the implementing bodies.

Chapter 27: Environment

– Continue legislative alignment with the *acquis*, in particular in the fields of air quality, waste management and water quality, and improve significantly implementation of legislation and environmental monitoring.

– Strengthen the Environmental Inspectorate and other enforcement bodies, establish a credible enforcement record and ensure that fines and other sanctions are effectively applied and have a dissuasive effect.

– Strengthen administrative capacity at national and local levels and improve coordination between administrative bodies in charge of environment-related issues.

– Prepare strategic plans, including financial strategies, and prepare a national waste management strategy and waste management plan.

– Develop an environmental investment strategy based on estimates of the cost of alignment.

– Integrate environmental protection requirements into other sectoral policies, in particular by developing environmental impact assessments.

– Increase investments in environmental infrastructure, with particular emphasis on waste water collection and treatment, drinking water supply, tackling air pollution and waste management.

Chapter 29: Customs union

– Increase administrative capacity to implement customs legislation and to fight cross-border crime.

– Further approximate legislation and procedures to the *acquis*, in particular in the areas of transit and allocation of tariff quotas.

– Align the Law on technological/industrial development zones with the acquis.

Chapter 31: Foreign, security and defence policy

– Implement the legislation for enforcement of the common position in the field of international restrictive measures.

Chapter 32: Financial control

– Review the public internal financial control (PIFC) policy paper and present laws on PIFC and internal audit, in order to make both the PIFC policies and current legislation comprehensive and consistent, and update the action plan for implementation of the medium-term priorities related to PIFC.

– Complete the establishment of internal audit units in central state institutions, create similar units at municipal level where appropriate and ensure adequate staff, training and equipment.

– Develop efficient management, monitoring, control and audit systems necessary for decentralised implementation of programmes under the EU pre-accession instruments.

– Enhance the operational and financial independence of the State Audit Office and ensure follow-up to the findings in its reports.

3.2. Medium-term priorities

Political criteria

Democracy and the rule of law

Government

– Complete the decentralisation process.

Public administration

– Further develop the capacity of the administration to implement the Stabilisation and Association Agreement.

Anti-corruption policy

– Complete the implementation of the strategy to fight corruption.

– Enforce regulations related to the prevention of conflict of interests, in line with international standards.

Human rights and protection of minorities

– Further promote respect for human rights by law enforcement bodies and in detention centres and prisons.

– Further implement the strategy on equitable representation of non-majority communities.

Regional issues and international obligations

– Promote regional dialogue, stability, good neighbourliness and cooperation.

Economic criteria

– Step up efforts to safeguard the sustainability of the electricity market, in view of the country's commitments to liberalisation, by eliminating existing distortions due to non-cost-recovery prices and by strengthening the regulatory institutions and the physical infrastructure.

– Raise the quality of public spending by strengthening the public sector's capacity for medium-term planning and improving the budgetary execution.Continue to improve the quality of education, by providing the follow-up funding for infrastructure and staffing necessary to implement thoroughly recent reforms in the education sector.

– Continue to improve the labour market performance and to reduce unemployment, in particular by taking additional measures to address youth and long-term unemployment and by modernising the social security and educational system.

– Continue efforts to integrate the informal sector into the formal economy.

– Upgrade the country's infrastructure, in particular for energy and transport, in order to strengthen the competitiveness of the economy at large.

Ability to assume the obligations of membership

Chapter 1: Free movement of goods

– Develop a market surveillance structure in line with the *acquis*.

Chapter 3: Right of establishment and freedom to provide services

– Align with the EU *acquis* on mutual recognition of professional qualifications, including training provisions, and develop the required administrative structures.

– Align with the postal services acquis, including establishment of an independent national regulatory authority.

Chapter 5: Public procurement

– Achieve fully operational public procurement structures which ensure that public procurement procedures are conducted fully in accordance with the EC standards. Develop e-procurement.

Chapter 7: Intellectual property law

– Build up the capacity necessary to implement and enforce the *acquis* in each area covered by this chapter and establish a satisfactory track record on investigation, prosecution and judicial handling of piracy and counterfeiting.

Chapter 8: Competition policy

– Further align the legislation with the EU anti-trust and state aid *acquis*.

– Further improve the enforcement record in the areas of anti-trust and state aid control.

– Increase awareness among government institutions, business and the general public.

Chapter 9: Financial services

– Establish a credible enforcement record on combating uninsured driving.

– Further align with EU legislation in financial services.

Chapter 11: Agriculture and rural development

– Upgrade the capacity of the agricultural administration and complete preparations for enforcement and practical application of the management mechanisms of the common agricultural policy, in particular the integrated administration and control system (IACS), and ensure a functioning land parcel identification system (LPIS).

Chapter 12: Food safety, veterinary and phytosanitary policy

– Further align the legislation with the *acquis* regarding transmissible spongiform encephalopathies (TSE) and animal by-products, implement and control its enforcement and set up the necessary collection and treatment system.

– Establish a properly staffed plant health authority. Further align the phytosanitary legislation with the *acquis*.

– Adopt a plan for the upgrading of agri-food establishments and start its implementation.

– Strengthen the laboratory capacity in the food safety, veterinary and phytosanitary domain.

Chapter 14: Transport policy

– Continue to work towards complete alignment with the *acquis* in the area of road transport (including the implementation of the digital tachograph), continue alignment with the railway *acquis* (first and second railway packages and interoperability), achieve full alignment with the aviation legislation and ensure vigorous enforcement of the corresponding legislation.

– Implement commitments taken under the second transitional phase of the European Common Aviation Area Agreement.

Chapter 17: Economic and monetary policy

– Align the legal framework in order to ensure full central bank independence.

Chapter 18: Statistics

– Further develop all areas of statistics, achieve full harmonisation in key areas in terms of frequency, scope, classifications, timeliness and quality and put in place a uniform management and production system.

– Put in place a well coordinated national statistical system.

Chapter 19: Employment and social policies

– Develop permanent mechanism for social dialogue.

– Develop long term social inclusion policies and enhance access to the labour market of vulnerable groups.

– Further enhance social protection policies.

– Develop mechanisms to monitor the situation of persons with disabilities.

Chapter 20: Enterprise and industrial policy

– Further develop support mechanisms for SMEs and improve access for SMEs to financial services- Define and implement an industrial strategy conducive to growth and innovation.

– Consider strategy development on the mainstreaming of entrepreneurship education based on successful donor supported pilot projects .

Chapter 22: Regional policy and coordination of structural instruments

– Strengthen at central level and develop at regional and local level the administrative capacity Ensure a clear distribution of responsibilities and strengthen capacity of coordination between designated implementing authorities/structures including local authorities.

Chapter 24: Justice, freedom and security

– Ensure alignment with the relevant *acquis* in the area of asylum and immigration.

Chapter 25: Science and research

– Apply an integrated research policy.

Chapter 26: Education and Culture

– Continue efforts to improve the quality of education, including primary education, and to create a modern vocational education and training system and a higher education sector linked with the labour market and economic needs and promoting of regional cooperation in the field of higher education.

Chapter 27: Environment

– Continue to integrate environmental protection requirements into other sectoral policies, in particular by developing environmental impact assessments.

– Further increase investments in environmental infrastructure, with particular emphasis on waste water collection and treatment, drinking water supply, tackling air pollution and waste management.

Chapter 28: Consumer and health protection

– Complete alignment with the EU *acquis* in the field of consumer protection and strengthen the administrative capacity needed for effective market surveillance.

– Continue alignment with the EU *acquis* in the field of public health policy, more specifically in the fields of tobacco, blood, tissues and cells and communicable diseases. Strengthen the institutional, administrative and financial capacity in the field of public health.

– In the area of mental health, develop community-based services as an alternative to institutionalisation, and ensure allocation of sufficient financial resources for mental health care.

Chapter 31: Foreign, security and defence policy

– Bring the agreement concluded with the USA regarding the conditions of surrender of people to the International Criminal Court into line with the EU guiding principles adopted by the European Council in September 2002.

Chapter 32: Financial control

– Further develop and implement the EU's public internal financial control (PIFC) model (decentralised managerial accountability and functionally independent internal audit) by means of coherent legislation and adequate institutional capacity under the guidance of the Ministry of Financial Affairs.

– Further strengthen the operational capacity and the functional and financial independence of the State Audit Office.

– Implement procedures and administrative capacity to ensure effective protection of the EC's financial interests.

4. PROGRAMMING

Community assistance under the stabilisation and association process to the Western Balkan countries will be provided under the existing financial instruments, in particular by Council Regulation (EC) No 1085/2006 (IPA), and for programmes adopted before 2007, Council Regulation No 2666/2000 of 5 December 2000 (CARDS regulation)[5]. The financing agreements serve as legal basis for the implementation of the concrete programmes. Accordingly, this Decision will have no financial implications. The former Yugoslav Republic of Macedonia can have access to funding from multi-country and horizontal programmes.

5. CONDITIONALITY

Assistance to the Western Balkan countries is conditional on progress on satisfying the Copenhagen criteria and on meeting the requirements of the Stabilisation and Association Agreement and the specific priorities of this Accession Partnership. Failure to respect these conditions could lead the Council to take appropriate measures on the basis of Article 21 of Council Regulation (EC) No 1085/2006 or, in the case of pre-2007 programmes, on the basis of Article 5 of Regulation (EC) No 2666/2000. The assistance is also subject to the conditions defined by the Council in its conclusions of 29 April 1997, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms. Specific conditions are also included in individual annual programmes. The financing decisions will be followed by a financing agreement signed with the Yugoslav Republic of Macedonia.

6. MONITORING

Implementation of the Accession Partnership will be examined by the mechanisms established under the Stabilisation and Association Process, notably the annual reports presented by the Commission.

[5] OJ L 306, 7.12.2000, p. 1. Regulation as last amended by Regulation (EC) No 2112/2005 (OJ L 344, 27.12.2005, p. 23).