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Bosnia and Herzegovina: Interesting Country for Investors

Member of the European Committee of the Regions (CoR), Karl-Heinz Lambertz, was elected President of the European Committee of the Regions (CoR) on 12 July 2017. Karl-Heinz Lambertz, Senator of the German-speaking Community of Belgium (FES-member), was their new President for the next two and half years. Given the many challenges in recent years, he argued that the EU needs to listen to citizens and “rethink from the ground” by giving a greater say to local and regional governments. Laying out his Presidency priorities, he said that the CoR will continue to contribute to the reflection on the EU’s future and would fight to protect the cohesion policy. The President-elect committed to reinforcing the CoR’s ties with all of Europe’s cities and regions and strengthen relations across the EU’s institutions.

Mr. Markku Markkula after serving a two and a half year term as President of CoR was now elected as First Vice-President. These elections are in keeping with the agreement made between the Committee’s two largest political parties – European People’s Party (EPP) and Party of the European Socialists (PES) – which ensures an equal share of the leadership during the five-year term of the office.

Karl-Heinz Lambertz has been a PES-member of the CoR since 2001, was elected as Minister-President (1999-2014) and then as President of the German-speaking Community Parliament until 2016.

Supporting start-ups locally to scale-up internationally

Supporting innovative entrepreneurship and dismantling the obstacles to its development through improved access to finance and the single market, better connections between regional entrepreneurial ecosystems and raising awareness about the need to give failed but honest entrepreneurs a second chance are the objectives of an opinion drafted by Tadeusz Truskolaski, Mayor of the Polish City Bialystok. The opinion was adopted during CoR plenary session on 12 July.

SMEs will succeed through smart regulation

SME access to public procurement, the Single Market and finance, SME-friendly VAT and taxation rules and striking a better balance between SME needs and labour, consumer and environmental protection are critical factors behind SME success in Europe. The “smart regulation for SMEs” opinion of the CoR rapporteur Christian Buchmann (Member of the Styrian Parliament) was adopted during the CoR plenary session on 12 July.

Small and medium-sized enterprises (SMEs) are the main engines for growth and jobs in Europe, creating two out of three new jobs and generating more than half of Europe’s economic production. Nevertheless, regulation doesn’t always take into account the SME-specific circumstances, thus hampering local economic growth and innovation.

The Institute of the Regions of Europe (IRE) organized on the 26th of June 2017 in Salzburg an international panel discussion on “Bosnia and Herzegovina – The Unknown Partner For Local and Regional Relations”, which took place in the International Salzburg Association. In previous years, the IRE has arranged international panel discussions in various European countries to highlight the importance of interconnectedness and cooperation on municipal and regional levels.

Austrian companies have begun to settle in Bosnia and Herzegovina and companies from the Western Balkans are on the way to establish themselves in Austria, said Franz Schausberger, Chairman of the IRE at the opening of the discussion. Despite the fact that Bosnia and Herzegovina is one of the most complex governmental systems in the world, according to Schausberger, Austrian companies such as NETQM have successfully established themselves in Bosnia and Herzegovina (BiH) for more than 10 years. Founded in 2005, the Austrian company Network Quality Management GmbH, headquartered in Grödig near Salzburg as well as Messe Network Derventa d.o.o in Bosnia and Herzegovina, is a leading high-tech full-service provider in the area of mechatronics with a production site that employs about 300 people. The supply network – which ranges from electronics, plastics technology, mechanics, metal processing to assembly and final inspection – cooperates with Audi, Bosch and SKIDATA worldwide.

CEO and General Manager of NETQM Markus Strasser-Stickl emphasized above all the well-trained employees in the West Balkan countries as a key factor to invest in Bosnia and Herzegovina: “I stand by the people: They stand for their unity and try to get an education as well as work in their country. The personnel costs are relatively low and most of the people, especially the young generation, are very well trained.”

From left to right: Milenko Cvijanović (Director of MTEL Austria GmbH), Markus Strasser-Stickl (CEO and General Manager Network Quality Management GmbH), Tomislav Leko (Ambassador of Bosnia and Herzegovina in Austria), Franz Schausberger (IRE-Chairman), Igor Davidović (former Ambassador of Bosnia and Herzegovina in Washington and Brussels) and Mladen Filipovic (Head of the Representation Office of Republika Srpska in Austria).
EU support is crucial for BiH

IRE-Chairman Franz Schausberger visited the Authorities of the Federation of Bosnia and Herzegovina (FBiH) in Sarajevo on 7th and 8th June 2017. The visit complemented his visit to Bosnia and Herzegovina (FBiH) where he met with the Authorities of Republika Srpska (Newsregion reported in its last issue). Schausberger participated in the panel on the European perspective of BiH within the Conference on “Two years of SAA entry into force” and met with the highest officials of the Federation of BiH and Canton Sarajevo. In his meetings he discussed the current political situation in FBiH, reform processes and laws central to the process of the European integrations. Schausberger’s interlocutors briefed him on their work and priorities and emphasized their readiness to accelerate the activities within the EU accession process.

FBiH Prime Minister Fadil Novagic spoke about his reform programme and said that it was apparent that the EU support was crucial. Chairs of both Houses of FBiH Parliament Edin Musić and Lidija Bradara affirmed the will of the Government and the parliamentarian majority to step up the pace of the reforms. FBiH Deputy Prime Minister Jelka Milicevic underlined that the Ministry of Finance has taken its role in the Reform Agenda most seriously. About 80 percent of proposals have come out of the Ministry of Finance. The FBiH Budget has no more deficit and they take immense pride in this. FBiH Vice-President Milan Dunovic informed about his initiatives and requests for reviews of constitutionality. He spoke about the importance of the FBiH House of People. He called it the center of power in the State. Sarajevo Canton Prime Minister Elmedin Konakovic and in jobs to Franz Schausberger about all the positive economic indicators in the Canton. The Director of the FBiH Association of Towns and Municipalities Vesna Travajlo informed that the Association has a new leadership and will hold its first session on 28th June in Sarajevo. The Association gathers all the municipalities in FBiH but the Director’s observation is that some municipalities are more successful than others and this largely depends on enthusiasm of individual mayors. As the Association, they will try to help the municipalities learn how to apply for projects, but modalities of this are still not developed. The Association has been consulted on the EU Questionnaire.

Franz Schausberger with Sevýa Budimir, President of FBiH Constitutional Court

FBiH Prime Minister Fadil Novagic with Franz Schausberger

Zenica: Urgent call for solution of city heating problem

On May 31st IRE-Chairman Franz Schausberger met a delegation of the city of Zenica in Brussels. With mayor Fuad Kasumovic he discussed the main problems and projects of the city. The most urgent problem is the heating issue in the City of Zenica (Bosnia and Herzegovina) that citizens have been facing for years now. The city heating system broke down last winter and if no quick solution is found, people of Zenica will again suffer from extreme cold next winter.

From left to right: Cllr Tomic, President Karlheinz Lambertz, Mayor of Zenica Fuad Kasumovic, Member of the Cllr Franz Schausberger and Sanja Stanovic, EU-Delegation Sarajevo
“United in diversity” should not only be a motto, it needs to be lived! Therefore, regional cooperation and exchange have to be more than pretty words.

Claudia Schmidt
Schmidt_Clau

Ukraine has made considerable progress in a relatively short period of time in fiscal and sectoral decentralisation. Amendments to the budget and tax codes have given local governments new budgetary powers. In 2016, the local budgets of amalgamated municipalities amounted to 281 million UAH. Their own local revenues increased by three times compared to 2015. This increased municipalities’ ability to improve services and infrastructure. It is necessary that the Ukrainian government keeps continuity in funding for the newly amalgamated municipalities. Constant changes of funding from central government to local government and changes in rules for tax revenues are counterproductive. To get used to the new conditions, municipalities need reliable revenue flows.

Decentralisation reform in Ukraine is currently focused on the local level. An outstanding voluntary amalgamation process of small municipalities reduced the high number of small municipalities and villages. The new hromadas (communities) formed so far might be the “low hanging fruits.” These communities often unite the most active mayors and citizens and their amalgamation was voluntary. In under two years over 1800 municipalities have merged voluntarily to create 413 communities (“hromadas”), a number much higher than experts expected. For the remaining ones we expect much more difficulty. We must remember that hundreds more are needed, so the amalgamation process needs to be continued.

Sectoral decentralisation in a number of sectors e.g. in the areas of health and education were implemented, with others to follow. Major obstacles, such as inexperience of local authority staff especially in managing budgets and legal uncertainties on the rights and responsibilities of new municipalities – must be accounted for. Rayon/Oblast state administrations continue to block local initiatives and substitute functions of local self-government bodies. There are still weak links between regional planning, budget management and project formulation and a lack of public oversight alongside low citizen awareness and trust.

One key element of the support of the EU, including the Committee of Regions, is to share relevant experiences about risks and even failures. The system of government and responsibilities at different levels in EU Member States are very different and reflect very different administrative traditions. Ukraine needs to find its own system of checks and balances between national and local levels.

It seems that there is a need for careful reflection on how to proceed further with the reform of state administration and self-government bodies at a regional level. A careful step-by-step approach is recommended. However, Government and Rada (parliament) seem incapable or insufficiently interested in adopting legislation in support of the decentralisation process.

The European Union supports the decentralisation reform not only with words but with concrete actions, technical assistance and significant financial support. One of the main EU programmes is U-LEAD, a joint programme of the EU and its Member States Denmark, Estonia, Germany, Poland and Sweden. The EU is committed to support the reform process with significant amount of funds, exceeding EUR 200 million, mostly (102 million) from U-LEAD. The assistance is delivered through 24 regional centres all over Ukraine. These regional centres are very important platforms, providing tools to support the bottom-up dimension of the reforms.

The decentralisation process is crucial for achieving this result and therefore is an integral part of the European integration process of Ukraine.

These were the main results of the Third Meeting of the “Task Force on Ukraine”, organised by the European Committee of the Regions, held in Khyriv, Ukraine, on 30th of June 2017.

IRE-chairman Franz Schausberger, in his capacity as special advisor of Johannes Hahn, Commissioner on Enlargement and Neighbourhood Policy, mentioned in his speech the European Court of Auditor’s criticism that the EU funds unfortunately are not always allocated to the intended beneficiaries in a proper, transparent and impartial way by the national authorities of Ukraine.
Election in North Rhine-Westphalia: defeat for SPD

**CDU wins Landtag election in North Rhine-Westphalia**

The red-green state government has been de-selected in SPD’s home country: 65.2 percent of 13.1 million voters elected on 21st May 2017. In the Landtag election in North Rhine-Westphalia, the CDU has won considerably, as has been the case recently in Saarland and Schleswig-Holstein. The election in the most populous German federal state was, as every country’s election in Germany before, an important referendum for the German Bundestag elections on 24th September 2017.

The CDU under top candidate Armin Laschet won with 33.0 percent of the votes and is clearly ahead of the SPD. The SPD of pre-vious NRW Minister President Hannelore Kraft came to 31.2 percent points, plunging to a historic low in NRW just before the Bundestag elections. For the SPD, it is the worst result since 1947 and the third defeat in the Landtag election.

The third largest party was the FDP, which achieved 12.6 percent, its best result in North Rhine-Westphalia. The extreme right AfD followed with 7.4 percent and for the 13th time succeeded to enter into the Bundestag elections. For the SPD, it is the worst result since 1947 and the third defeat in the Landtag election.

Success for the CDU in Schleswig-Holstein

In the Landtag (regional parliament) election in northern Schleswig-Holstein, the CDU, as has been the case recently in Saarland, has clearly won. Each Landtag election is considered an important barometer with regard to the Bundestag elections in autumn. In Germany, the Landtag elections took place on 7th May 2017 in Schleswig-Holstein. The voter turnout was 64.2 percent.

The CDU achieved 32 percent and the SPD, which reached 27 percent, is about five percentage points lower. The Greens came to 12.9 percent, while the FDP achieved an increase in votes and now stands at 11.5 percent. The FDP and the Greens are now hoping for a government involvement in the North. The right-wing party AfD has narrowly managed to get into the Landtag and the Left missed with 3.8 percent the entry into the Landtag.

The CDU has clearly won the election, even though its top candidate Daniel Günther was not even well-known in Schleswig-Holstein. He has won this election with a clear course and with clear messages in regard to transport policy, education policy and internal security. In forging a new coalition government, he is the first CDU politician to become Prime Minister from the opposition during the Chancellorship of Angela Merkel.

The result now provides the CDU with hope for the nationwide election in autumn. Rather saddened appears the inferior SPD, which is likely to lose the post of Prime Minister. The initially positive “Martin Schulz effect” faded. Regardless which coalition is formed in Kiel, the elections did not cause a fundamental change in the majority situation in the Bundestag.

The new CDU parliamentarian Daniel Günther was aiming for a coalition of CDU, FDP and the Greens. However, a large coalition with the SPD, a coalition with the SPD, FDP and Greens; but also a coalition Black, Green and the Greens. However, a large coalition with the SPD, a coalition with SPD, FDP and Greens; but also a coalition Black, Green and the Greens would have been conceivable. Now the CDU reigns in Schleswig-Holstein with the FDP and the Greens.

Local elections in Great Britain in time of Brexit:

Clear Victory for Conservative Party in Great Britain

In the midst of tensions between London and Brussels for the completion of the EU exit, local elections were held in Great Britain on 4th May 2017. Great Britain voted for new municipal parliaments in England, Scotland and Wales. In Scotland, Wales and parts of England, almost 1,500 seats were placed in the municipal parliaments. Additionally, the mayors from six metropolitan regions, including Birmingham, Manchester and Liverpool, were also elected. The election was considered as an important barometer for the forthcoming parliamentary elections on 8th June 2017.

The end result shows a clear victory for the Conservative Party (To ries) of Prime Minister Theresa May. After counting all 88 constituencies, the Tories won 1,899 seats. The opposition Labour Party as well as the right-wing populist United Kingdom Independence Party (UKIP), suffered heavy losses. The clear-cut loser is the right-wing populist anti-EU party UKIP, which will no longer be represented in many municipal parliaments. The party lost all its previous 145 seats and won only one seat. The Labour Party has also experienced better times, reaching only 116 seats.

Among other things, the mayors of Manchester and Liverpool were elected. Both cities went to the Labour Party. Four of the six newly created mayors’ posts went to the Conservatives. A total of 28 constituencies went to the Tories, only nine went to Labor. The Scottish National Party SNP was for the first time the strongest par ty in Scotland’s largest city Glasgow.

According to the BBC, the final election results are as follows: The Conservatives achieved 38 percent, the Labour Party came to 27 percent and the Liberal Democrats reached 18 percent of the votes. UKIP on the other hand, dropped to five percent.

The municipal elections in Finland took place on 9th April 2017. The Green party won 3.9 percentage points and achieved 12.4 percent in total. The governing par ties have experienced the biggest loss, especially the right-wing Finn party. The Social Democrats, as the largest opposition party, have suffered a slight loss of votes, whereas all other opposition parties were able to record gains.

In Helsinki, the Greens achieved 24.1 percent of the vote, becoming the second-biggest party in the capital. The euro-critical Finn party won only 8.8 percent. The Social Democrats came to 19.4 percent and the center party of Prime Minister Juha Sipilä stands at 17.5 percent. However, the big winner of this election is Jan Vapaavuori, who won the election in the capital with his National Coalition Party (Kokoomus). Former Minister of Economy Jan Vapaavuori established himself early on and won 28.4 percent of the votes making him the new mayor of Helsinki.

The National Coalition Party has been able to take its stand since 2015 and was also able to win the overall majority in Finland with 20.7 percent. The turnout rate was 58.8 percent.

In England, Scotland and Wales, the Conservatives won 53.5 percent of the votes and achieved 56.4 percent in total. The governing parties have experienced the biggest loss, especially the right-wing Finn party. The Social Democrats, as the largest opposition party, have suffered a slight loss of votes, whereas all other opposition parties were able to record gains. In Helsinki, the Greens achieved 24.1 percent of the vote, becoming the second-biggest party in the capital. The euro-critical Finn party won only 8.8 percent. The Social Democrats came to 19.4 percent and the center party of Prime Minister Juha Sipilä stands at 17.5 percent. However, the big winner of this election is Jan Vapaavuori, who won the election in the capital with his National Coalition Party (Kokoomus). Former Minister of Economy Jan Vapaavuori established himself early on and won 28.4 percent of the votes making him the new mayor of Helsinki.

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Local Elections in Croatia: Favorites won

**Zagreb’s mayor Bandic re-elected**

The first round of the local elections in Croatia took place on Sunday 21st May 2017. Around 3.7 million voters were called upon to choose zupas (provincial governors) and mayors as well as local and regional representatives. Officials of 18 counties, 56 cities and 103 municipalities were elected in the run-off ballot on 4th of June 2017. In the key elections, candidates who could not achieve an absolute majority of the votes during the first round competed against each other in the run-off ballots. These elections included Croatia’s largest cities, Zagreb, Rijeka, Osijek and Split.

In the Croatian capital Zagreb, long-time mayor Milan Bandic (BM 356), who has been head of the Croatian capital for 17 years, has won the election against his liberal counterpart Anka Mrak-Taritas (HNS-LD): Bandic received 51.8 percent and Mrak-Taritas received 44.3 percent. Surprisingly, in the run-off ballot, the liberal-conservative HDZ has continued to perform well at the regional level. In the Zagreb County, the HDZ won an absolute majority of the votes during the first round.

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In the Slavonic city of Osijek, the independent Ivan Vrkic (62.7 percent) will continue to hold the mayor’s office. He bested the HDZ candidate Ivana Sojat (33.9 percent).

The election campaign was overshadowed by the disintegration of the government coalition of the right-wing conservative HDZ and the liberal-conservative Party of Most. To this extent, these elections were regarded as an important indicator for the next early parliamentary election.


In Rijeka and Osijek the results confirmed the victory of the election favorites.

The reigning Social Democrat Vojko Oberšnel (SDP), who has been running in Rijeka since 2000, led the first round with 40 percent ahead of the challenger, the independent Hrvoje Buric (17.5 percent). In the final ballots the social democrat Vojko Oberšnel, won with 53.6 percent before his challenger Hrvoje Buric (42.7 percent).

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### Results of Croatian local elections 2017

<table>
<thead>
<tr>
<th>County</th>
<th>County council</th>
<th>County prefect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bjelovar-Bilogora</td>
<td>HDZ 39.36%</td>
<td>Damir Bajs, Ind</td>
</tr>
<tr>
<td>Brod-Posavina</td>
<td>HDZ 41.76%</td>
<td>Danijel Manulić, HDZ</td>
</tr>
<tr>
<td>Dubrovnik-Neretva</td>
<td>HDZ 44.99%</td>
<td>Nikola Dobroslavić, HDZ</td>
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<tr>
<td>Istria</td>
<td>IDS 56.78%</td>
<td>Valter Flego, IDS</td>
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<tr>
<td>Karlovac</td>
<td>HDZ 44.42%</td>
<td>Damir Jelić, HDZ</td>
</tr>
<tr>
<td>Koprivnica-Krizevci</td>
<td>SDP 31.38%</td>
<td>Darko Koren, HZDAF</td>
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<td>Krapina-Zagorje</td>
<td>SDP 49.66%</td>
<td>Zeljko Kolarić, SDP</td>
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<td>Lika-Senj</td>
<td>HDZ 53.30%</td>
<td>Darko Milinović, HDZ</td>
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<tr>
<td>Medimurje</td>
<td>HNS 37.21%</td>
<td>Matija Posavec, HNS</td>
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<tr>
<td>Osijek-Baranja</td>
<td>HDZ 36.62%</td>
<td>Ivan Anulić, HDZ</td>
</tr>
<tr>
<td>Polače-Slavnica</td>
<td>HDZ 41.76%</td>
<td>Ajko Tomasević, HDZ</td>
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<tr>
<td>Primorje-Gorski Kotar</td>
<td>SDP 41.66%</td>
<td>Zlatko Komadina, SDP</td>
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<td>Sisak-Moslavina</td>
<td>HDZ 42.77%</td>
<td>Ivo Žinić, HDZ</td>
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<td>Split-Dalmatia</td>
<td>HDZ 38.24%</td>
<td>Blaženko Boban, HDZ</td>
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<td>Šibenik-Knin</td>
<td>HDZ 44.40%</td>
<td>Goran Pauk, HDZ</td>
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<td>Varaždin</td>
<td>HNS 40.28%</td>
<td>Radimiro vića, NS-R</td>
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<tr>
<td>Virovitica-Podravina</td>
<td>HDZ 58.67%</td>
<td>Igor Andrić, HDZ</td>
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<tr>
<td>Vukovar-Syrmia</td>
<td>HDZ 49.57%</td>
<td>Bobo Gašić, HDZ</td>
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<tr>
<td>Zadar</td>
<td>HDZ 52.07%</td>
<td>Božidar Lončin, HDZ</td>
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<tr>
<td>Zagreb County</td>
<td>HSS 37.01%</td>
<td>Stjepan Kolić, HSS</td>
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<tr>
<td>City of Zagreb</td>
<td>BM 365</td>
<td>Milan Bandić, BM 365</td>
</tr>
</tbody>
</table>


### Strategic Partner of the IRE

**KAPCSOLAT**

**From left to right:** Franz Schausberger Predrag Štrumak, New Deputy Prime Minister of Croatia, and Andrej Plevkovik (Prime Minister of Croatia) at an IRE conference in Varaždin.
Local elections in Italy: Italy’s Five Star suffers setback in municipal polls:

The 2017 Italian local elections were held on Sunday 11th June 2017 and on the 25th June 2017. The voter turnout in the first round was down to just over 60.07 percent and 47 percent in the second round. Almost ten million Italians went to the polls in the last major vote before a hotly anticipated general election in which 60.8 million inhabitants are eligible to vote. Votes were cast in 1005 of the country’s towns and smaller cities, including five regional capitals: L’Aquila, Palermo, Parma, Verona and Genoa. The elections were characterized by a strong performance for the centre-right coalition and some important results for the Centre-left, which became the most voted coalition in this election with more than 37 percent of votes, while the Five Star Movement was excluded from the runoffs in all the most important cities.

The key takeaway from the votes was that the anti-establishment Five Star Movement failed to make the second round of voting in any regional capitals or larger cities. The party failed to reach in 24 out of the 25 provincial capital the run-offs that included hotly-watched contests in Genoa, home of the Movement’s leader Beppe Grillo, and in Parma, where the Movement’s candidate received just over three percent of the vote. The Five Stars have positioned themselves as anti-establishment and neither left nor right-wing. The failure to advance to the second round in any of Italy’s major cities was a disappointment for Grillo’s party, which has been shown as neck-and-neck with the Democratic Party in nationwide opinion polls. After garnering around 23 percent of the vote in 2013’s general election, the Movement went on to win major victories in local elections, with its candidates elected as mayors in Turin and Rome last year.

While Grillo (Five Star Movement) and former Prime Minister Renzi (Democratic party) both claimed a victory in the votes, it was the centre-right which performed best. Its candidates received the most votes in Genoa as well as in the Calabrian capital Catanzaro, Taranto, Padua, and Verona. The Northern League’s leader, Matteo Salvini, highlighted to the Gang of Four, where the centre-right candidate was five points ahead of the centre-left in the first round. In Palermo, the centre-left candidate won outright thanks to a lower majority threshold in Sicily, and the centre-left candidate was also ahead in the Abruzzo capital of L’Aquila.

In the run-off elections that occurred on the 25th of June 2017, centre-right parties secured large victories over their centre-left opponents.

In the traditionally left-leaning city of Genoa, Marco Bucci, a centre-right candidate, took home 54 percent of the vote while his centre-left opponent Giareni Crivel- le received only 46 percent. This is the first time in 50 years that the centre-right will control Genoa and is quite the setback for the candidate left ahead of national elections, which will occur in less than a year.

Leoluca Orlando, center-left candidate, held on to his position as mayor of Palermo after being the only candidate in a major city to secure an outright victory on June 11th. He garnered 46 percent of the vote in the run-off election, comfortably above the 40 percent majority needed. Orlando won against centre-right party candidate Fabrizio Ferrandelli, who garnered 33 percent of the vote. Orlando, famous for his hard stance against the mafia, will now be serving his fifth term as mayor.

Elsewhere, another center-left stronghold, L’Aquila, fell to the center-right even though the center-left candidate held a lead after the first round. All told, 12 cities that were once held by the center-left have been won by the centre-right. The anti-establishment 5-Star Movement made the run-off in only one of the 25 largest cities in Italy.

Frederico Pizzarotto, who ran as an independent after leaving the 5-Star Movement, won 38 percent of the vote and campaigned for the citizens’ movement ‘Effetto Parma’, defeated centre-left leader Flavio Scarpa, who achieved 28 percent of the vote for mayor in Parma.

In the Verona mayoral election, centre-right candidate Federico Sboarina replaced incumbent Civic Flavia Tosi. His victory marked another major win for the centre-right in a city with a population of over a quarter million. Sboarina was backed by former Prime Minister Silvio Berlusconi and his Forza Italia party.

There are also questions about whether these local results can be replicated on a national level, where a proportional system will now be used rather than the first-past-the-post voting system that typically favors coalitions. Some hope that these election results will help to galvanize right-wing parties to form a coalition ahead of national elections in May 2018. Under one leader, the center-rights would be a formidable challenge for the Democratic Party and many leaders are already looking forward to that possibility.
Nationalist and ethnic tensions block EU accession of Western Balkans-countries

At the third enlargement days in Brussels on 31st May and 1st June 2017, representatives of local and regional authorities from the enlargement countries as well as from EU states were able to present their views on the enlargement of the European Union in joint advisory committees and working groups. The latest political developments and their impact on the regional level as well as the promotion of business start-ups to create jobs were discussed. Hence, strong and functioning regions as well as municipalities play an utterly important role in this process. According to CoR-Vice-President Karlheinz Lambertz, a top-down approach for enlargement processes is in no means sufficient, the regions and local authorities would have to be incorporated from the outset of the development.

EU-Commissioner Johannes Hahn agreed with Lambertz opinion and further highlighted the citizens’ role of the regions and municipalities in the enlargement process. With Salzburg’s former governor and IRE-Chairman Franz Schausberger as his special advisor for the regional and local level in the enlargement countries, they are trying to do justice to this and to involve the various regions.

Franz Schausberger himself analyzed that the Western Balkans countries are currently developing positively through judicial and administrative reforms. “In almost all of these countries the process of reform is constantly being blocked by nationalist and ethnic tensions as well as the inability for a political dialogue”, Schausberger explained. Furthermore, other topics focused on youth unemployment, constitutional reforms and regional co-operation to strengthen potential candidate countries for EU-membership.

In all countries of the Western Balkans high unemployment is an immense problem, especially unemployment among young people who lie over 50 percent in each country. This high result is due to the fact that the existing education systems produce too many university graduates from sectors that are not necessarily needed by the economy. The model of dual vocational training in Austria and successful tourism schools, such as in Salzburg, would majorly contribute to improving the employment of young people in the countries of the Western Balkans”, said Franz Schausberger, Chairman of the working group “Western Balkans”. This would give young people and future generations a prospect of a future in their various home countries and hence would not be forced to move into an uncertain future abroad.

The complexity of the administrative and control system of cohesion policy is disproportionate to the added value. So, the bureaucratic effort needs to be radically reduced for the affected recipients as well as for local authorities and EU authorities have to restrict themselves to the achievement of objectives as well as the fight against fraud and corruption. The impact of BREXIT on the future of cohesion policy must also be clarified. Within the framework of the EU cohesion policy, the state of Salzburg classified as a “more developed region” accounted for 21.780 million in the 2014-2020 period from the ERDF-fund.

CoR-Plenary Session in Brussels

EU cohesion funding has to become simpler, more rapid, more flexible and less bureaucratic.

From left to right: Dimitrios Kalo-geronopoulos (member of the Municipal Council of Palaio Falir, Greece), Heinz Lehmann (member of the Saxon Landtag), David McAibister (former president of Lower Saxony and now Member of the European Parliament and Rapporteur on Serbia) and Franz Schausberger.

Austrian school class visited EU-institutions

On May 12th, the IRE-Chairman and former governor of Salzburg, Franz Schausberger, held a lecture in front of a student class from Austria at the liaison office of the region of Salzburg to the EU in Brussels. 20 students from St. Johann/Salzburg were on a field trip in Brussels on the occasion of the Geo-Caching Competition 2016, which the class won.

Franz Schausberger, representative of the Committee of the Regions, was on the occasion of the plenary session of the Committee of the Regions in Brussels. Together with Michaela Petz-Michels, head of the liaison office of the region of Salzburg to the EU, Schausberger discussed the latest European issues in a personal exchange with the students.

Source: IRE-International Expert Conference

"Logistics and Transport - Intermodality & Cross Border Facilitation" from 8th to 9th November 2017 in Rijeka, Croatia

Thursday, 9th November 2017

09:00 hrs until 16:00 hrs

09:00 - 10:30 hrs Opening Statements
11:00 - 13:30 hrs Panel Debate I: "Green Transport Corridors - intermodal terminals in Europe" - Presentation of 5 to 6 best practice examples in transport and logistics issues from CEI Member Countries and their regions. Austria / Hungary / Slovenia / Czech Republic / Serbia and Italy
13:00 - 14:00 hrs Networking Lunch Break
14:00 - 16:00 hrs Panel Debate II: "International funding for cross border transport and logistics chains in the Western Balkans"
16:00 hrs Summary and Closing Statement

RESULT of the Rijeka Activity November 2017: Presentation and Communication of Guidelines for Western Balkan Countries on transport and logistics issues – optimize cross border facilitation.
European Union as a “model of the future”: Europa-Forum Wachau discussed challenges for the EU

Europa-Forum Wachau, a place for European discourse, in the proximity of its citizens

Since the accession of Austria to the EU twenty years ago, the Europa-Forum Wachau has annually provided a unique framework for European political discussions. This year's theme of the Forum, which took place from 10th to 11th June 2017 on “A Europe Closer to Its Citizens” and focused mainly on the future of the European Union. High-ranking political guests such as Minister of Foreign Affairs Sebastian Kurz, Lower Austria's Governor, Johanna Mikl-Leitner and EU-Commissioner Johannes Hahn called subsidiarity as one of the core prerequisites for people to perceive the EU as a source of hope. Ukrainian Foreign Minister Pavlo Klimkin and incumbent Serbian Prime Minister Ivica Dačić expressed their commitment to the EU’s values and the desire for further convergence between their countries and the Union. EU Commissioner Hahn stressed above all the proximity to the citizen. “We must work together to be successful” and governor Mikl-Leitner discussed the importance of regional policy in order to regain people's trust in the EU.


Sustainable water management for South-East European countries

NALAS: Way to a new era

The 12th NALAS (Network of Associations of Local Authorities of South-East Europe) General Assembly Meeting was held in Vienna on 19th April 2017 to discuss issues of sustainable water supply, provision and management for the development of South-East European countries. Over 50 participants, South-Eastern European mayors, delegates, partners and supporters from different countries of Europe and non-EU countries were present.

Franz Schausberger highlighted in his opening speech that the “NALAS is a very important strategic partner for the European Union, especially for the Enlargement Negotiations. An enlargement strategy and the accession of new Member States are the EU’s most powerful foreign policy tools!” Furthermore, the Special Advisor of Commissioner Hahn emphasized, that local governments’ capacities in the legislative, financial and administrative sphere have to be further developed: “In all ongoing processes local and regional authorities are playing a key role. A comprehensive strategy for development is only possible if it is declared and guaranteed at regional and local level. In order to be successful in these endeavors, local authorities are primarily necessary, above all mayors, who represent the foundations of a society.”

NALAS is a network of associations of local authorities of South-East Europe. The Network brings together 16 associations which represent roughly 9000 local authorities, directly elected by the more than 80 million citizens of those regions. NALAS promotes the process of decentralization in cooperation with central governments and international organizations.

For more information please visit: www.nalas.eu

Source: www.nalas.eu

The Institute of Southern European Studies presented itself to IRE

On May 29th 2017, IRE Chairman Schausberger met Wolfgang Grossruck, President of the Institute of Southeastern European Studies (ISES), at the IRE office in Salzburg. The conversation about a possible future cooperation with the ISES was very promising. Mr. Grossruck was accompanied by the Executive Director Prof. Enver Bytyci and his Deputy Executive Director, Miftar Kastrati.

ISES was founded in 2011 and aims to serve as a cross-disciplinary academic research center near the Albanian capital city Tirana. The purpose of ISES is to discuss and prepare analytical reports on historical, cultural, social, political and economic fields of study in the entire Southeastern European region.

More information: www.ises.org.al

From left to right: Joachim Fritz (IRE-General Secretary), Wolfgang Grossruck, Enver Bytyci, Franz Schausberger and Miftar Kastrati (ISES-Deputy Executive Director)
IRE welcomes new member

The City of Zenica, FBiH

The Institute of the regions of Europe gladly announces that the SkyScraper City of Zenica, Federation of Bosnia and Herzegovina joined the IRE network. Zenica is the fourth largest city in Bosnia and Herzegovina. It stretches along the River Bosna banks at an altitude of 316 m. The city has 130,000 inhabitants and features as a country industrial centre. It is renowned for its metallurgical industry which dates back 130 years. The largest steelworks in the region is owned by ArcelorMittal Group and constitutes a backbone of the city economic development where more than 1,500 people are involved in the coal exploitation. Zenica lies at the heart of Bosnia and Herzegovina and boasts a highly developed communication infrastructure and links with the rest of the country and neighboring states. It is well connected via a newly built motorway to the capital Sarajevo which is only 60 kilometers away, that is also the distance to the nearest airport.

A rich cultural scene, the best theatre in the state, a modern museum and a number of other cultural and historical sites qualifies Zenica as a plausible candidate for European Capital of Culture. Zenica takes pride and a number of other cultural and historical sites qualifies Zenica as a motorway to the capital Sarajevo which is only 60 kilometers away, that is also the distance to the nearest airport.

Mayor of Zenica Fuad Kasumović

Serbia, recognised as an important part of Europe, is successfully on the European path. EU recognises Serbia’s important contribution to the stability of Western Balkans. Serbia remains committed to its strategic goal of EU accession. It continues to implement the Stabilisation and Association Agreement. It is implementing an ambitious political and economic reform agenda. Serbia plays a constructive role in the whole Western Balkans. It has also played a very constructive role in managing the migration flows. When the new president Vučić was sworn in on 31st of May, he highlighted EU path, peace and stability in the Western Balkans and reforms as his priorities. Also, the new government programme included Serbia’s EU accession as a priority goal.

But there are still a lot of serious challenges to be solved before the aim of EU-membership can be reached.

Transparency and quality of law-making need to be further improved. Constitutional reforms are needed for alignment with EU standards in some areas.

Serbia is moderately prepared in the area of public administration reform. Good progress was achieved with the adoption of the public financial management reform programme, strategies on e-government and on regulatory reform and policy-making, and of new laws on administrative procedures, public salaries and local and provincial civil servants. Serbia needs to implement its reform targets, professionalise and depoliticise the administration and make recruitment and dismissal procedures more transparent.

The quality and efficiency of the judiciary system and access to justice remain unsatisfactory.

Serbia has some level of preparation in preventing and fighting corruption. But corruption still remains a serious problem.

Rule of law should be among Serbia’s first political priorities. Lack of progress and implementation in this field could block negotiations (judicial independence, media freedom, protection of minorities).

A rule of law system aligned with EU standards provides the legal certainty and predictability that strategic investors are looking for. At the same time, an efficient rule of law system also means equal opportunities and equal treatment for all, irrespective of gender, origin, religion, or ethnicity.

Regarding the normalisation of relations with Kosovo, Serbia remained committed to the implementation of the agreements reached in the EU facilitated dialogue. The steps taken should have a positive and concrete impact on the everyday life of citizens in both Serbia and Kosovo.

In regard to economic criteria, Serbia is moderately prepared in developing a functioning market economy. Good progress was made to address some of the policy weaknesses, in particular with regard to the budget deficit and restructuring of public-owned enterprises.

The EU is by far Serbia’s most important partner. The EU is by far Serbia’s first political, trade, economic and assistance partner. It is also Serbia’s “number one” partner in supporting development and reforms. Two thirds of Serbia’s trade – imports and exports – is with the EU. And the EU has provided to Serbia some 2 billion € in direct grants in the last ten years. Under IPA II, Serbia continues to benefit from pre-accession assistance with a total indicative allocation of EUR 1.5 billion for the period 2014-2020.

In this respect, Serbia’s balancing act with other countries should not be too much one sided.

As regards local self-government, the law on Vojvodina’s resources still needs to be adopted as prescribed by the constitution. Implementation of the laws on local self-government and on municipal finance remains limited. It should be done as soon as possible.

As Commissioner Hahn underlined during his recent visit in Belgrade, the EU will continue to provide assistance in all key areas of the relations between EU and Serbia. A few weeks ago Commissioner Hahn, together with President Vučić, signed an agreement which will see EUR 80 million being provided to support the transformation of Serbia’s public administration, to make it more efficient and transparent and improve the quality and speed of the services delivered.

Next year, the EU also plans to invest EUR 27 million in the Serbian education sector. These were the main contents of Franz Schaubberger’s lecture on “Present Status on Serbia’s way to Europe” at the Faculty of Economics (University of Novi Sad) at 14 June 2017.

The Program “Management of Regional Development through EU Funds” is being implemented by the European Affairs Fund of AP Vojvodina in cooperation with the Faculty of Economics in Subotica, whereas the complete program is funded by the Autonomous Province of Vojvodina. The overall objective of the program is information dissemination on EU processes and regional policies, as well as on the importance of and opportunities for accessing EU funds.

The program is aimed at the employees of local self-government units, provincial administration, development agencies, public utility enterprises, educational and cultural institutions, civil society organizations, small and medium-sized enterprises and entrepreneurs, faculties, research institutes and other institutions that may be beneficiaries of EU funds.

Source: Zenica County, klix and visitmycountry.net
Unternehmen im Land und ihren Partnerschaften mit den federführenden Stärksten Europas, deshalb braucht es starke Unternehmen, welche auf ihren Standortsetzung zu setzen, um hier die besten Möglichkeiten für Unternehmen zu schaffen.

Das Land Oberösterreich befindet sich in der Nähe der Stärksten des Landes, wo es investieren soll, muss Oberösterreich die Antwort sein. Um den Standort Oberösterreich für Unternehmen noch attraktiver zu machen, hat die OÖ. Landesregierung mehrere Vorhaben:


Bereits jetzt haben mehrere Betriebe in Oberösterreich Top-Investitionen angekündigt oder umgesetzt:


Investitionsboom in Oberösterreich

Die vergangenen Wochen haben die Dynamik des Wirtschaftsstandortes Oberösterreich deutlich bewiesen, denn zahlreiche Großbetriebe haben angekündigt, zu investieren.

Catalonia combats youth unemployment

Most youth-friendly region in Europe

From 31st May to 2nd June 2017, the plenary session of the Assembly of European Regions (AER) took place in St. Pölten (Austria). In the course of the meeting, Magnus Bertesson was elected as AER President and Lukas Mandl as new AER Vice-President. Representatives of 270 regions from more than 30 European countries came together to discuss innovation and cohesion. Within the framework of this meeting, the Region of Catalonia was awarded as the “Most Young Friendly European Region.” The aim is to emphasize the importance of youth policy at the regional level in order to improve the living conditions of young people as well as to promote the social understanding of the role of young people in society especially in the southern EU countries, unemployment among the under 30s is enormous. Catalonia has succeeded in countering this trend with the program of the Public Employment Service Austria. Under the motto “New opportunities and unique programs” this project was designed by the Department of Labor, Social Affairs and Family. The prize was awarded for the 8th time, among the competitors were regions from Norway, Serbia, Italy, Austria and Switzerland.

Source: www.aer.eu and www.gen.cat.ca

Confidence in Europe is noticeable

With a clearly pro-European position – as the example shows in France – elections can be won again by public commitment to a common Europe. This is again more noticeable, as the many positive demonstrations for the EU show. The “father of the Euro”, former German Finance Minister Theo Waigel and IRE Chairman and former Governor of Salzburg Franz Schausberger, agreed on this topic during a meeting in Salzburg on 27th May 2017. Additionally, Waigel fully supported the statement by the German Chancellor that Europe has to go its own way on the basis of the new developments in the world’s politics, which would require a more common ground in European politics. Theo Waigel, who is a member of the “Board of Patrons” of the IRE, held a much respected lecture on the current European political situation in Salzburg.

Franz Schausberger again chairman of Western Balkans Working Group

IRE president Franz Schausberger was again appointed as chairman of Coll-Western Balkans Working Group on 12 July in Brussels for the second term till 2020. The WS on the Western Balkans currently includes Albania, Bosnia and Herzegovina and Kosovo. Its role is to provide Coll members with an instrument aimed at encouraging greater inclusion of the territorial dimension in the enlargement process for the Western Balkan region. The next meeting off he Working Group is planned in autumn 2017 in Banja Luka, BIH.

IRE is sponsored by
Cross-Border Regional Cooperation in the European-Russian Frontier Zone is working

The study shows that, despite all the conflicts and sanctions between the EU and Russia, the cooperation between border regions is quite efficient. In general, it can be seen that cross-border cooperation in the European-Russian border region, in the EU and Schengen external borders, is difficult to implement without EU funding. National and other international funds for this topic are barely available. In addition, the legal framework of EU funding programs of the European Neighborhood Policy represents a basis for ensuring the appropriate use of funds. This will ensure that the funds will benefit the projects that best promote the regions. It is also important that cross-border cooperation projects by the EU and Russia were deliberately not placed on the lists of sanctions in the wake of the Ukraine crisis. Using the example of the small border traffic between Kaliningrad and Poland, the social significance of these co-operations becomes clear, namely the opening to the neighbors across the border and an increase in mutual interest. Thus the programs promote the human-to-human contact as well as cultural and social co-operation.

The IRE offers young people a one-month-long internship at the office in Salzburg. Interns work on a research paper elaborating a topic related to European or regional policy. The results are published in the IRE monograph series.

Orders are warmly accepted (cost contribution € 7,00): office@institut-ire.eu

Lisa-Marie Stauffer – new employee at the IRE

After four years of successful work from Joanna Chmielecki, who has changed professionally, Lisa-Marie Stauffer MSc, has been the new employee for European Affairs, Media and PR at the IRE since March 2017.

Lisa-Marie Stauffer was born 1991 in Austria and is bilingual in English and German. After her bachelor’s degree in Social & Cultural Anthropology at the University of Vienna, she completed her Master’s degree at the University College London (UCL) in Social Development Practice in September 2016.

She has gained international experience in Europe, Asia and the United States in various organizations.

The IRE would like to thank Ms Chmielecki for her commitment to the IRE and wish her good luck and all the best in her new job. As a coordinator for Poland, she will continue to be associated with the IRE.

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Bereavement of renowned political scientist

With deep regret the Institute of the Regions of Europe (IRE) announces, that member of the IRE Board of Patrons since 2007, Dr. Helmut Kohl, died on Friday June 16th 2017 in Ludwigshafen. Helmut Kohl was 87 years old.

Born in 1930 in Ludwigshafen, Kohl was Federal Chancellor of Germany from 1982 to 1998 and Chairman of the Christian Democratic Union (CDU) from 1973 to 1998. His 16-year tenure was the longest of any democratically elected chancellor. Kohl decisively shaped the process of reunification 1989/1990 as a “unification chancellor.” Together with the former French president François Mitterrand, he is considered as one of the architects of the Maastricht Treaty which established the European Union and the introduction of the Euro. Kohl received a large number of national and international awards. The IRE will always keep his outstanding merits in memory.
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