### **COUNCIL DECISION**

# of 6 December 1999

# on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with the Slovak Republic

(1999/853/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant States in the framework of the pre-accession strategy, and in particular on the establishment of Accession Partnerships (1), and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

## Whereas:

- the Luxembourg European Council stated that the Accession Partnership is a new instrument and the key feature of the enhanced pre-accession strategy;
- (2) Regulation (EC) No 622/98 sets out that the Council is to decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual Accession Partnerships, as they are submitted to each applicant State, as well as on subsequent significant adjustments applicable to them;
- (3) Community assistance is conditional on the fulfillment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfillment of the Copenhagen criteria; where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;
- (4) the Luxembourg European Council decided that the implementation of the Accession Partnership and progress in adopting the acquis will be examined in the Europe Agreement bodies;
- (5) the 1999 Commission's Regular Report presented an objective analysis on the Slovak Republic's preparations

for membership and identified a number of priority areas for further work;

in order to prepare for membership, the Slovak Republic should update its national programme for the adoption of the acquis; this programme should set out a timetable for achieving the priorities and intermediate objectives established in the Accession Partnership,

HAS DECIDED AS FOLLOWS:

#### Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership for the Slovak Republic are set out in the Annex hereto, which forms an integral part of this Decision.

### Article 2

The implementation of the Accession Partnership shall be examined in the Europe Agreement bodies and by the appropriate Council bodies to which the Commission shall report regularly.

# Article 3

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

Done at Brussels, 6 December 1999.

For the Council
The President
T. HALONEN

### **ANNEX**

### SLOVAKIA: 1999 ACCESSION PARTNERSHIP

#### OBJECTIVES

The purpose of the Accession Partnership is to set out in a single framework the priority areas for further work identified in the Commission's 1999 Regular Report on the progress made by Slovakia towards membership of the European Union, the financial means available to help Slovakia implement these priorities and the conditions which will apply to that assistance. This Accession Partnership provides the basis for a number of policy instruments which will be used to help the candidate States in their preparations for membership. These include, *inter alia*, the revised National Programme for the adoption of the acquis, the Joint Assessment of medium-term economic policy priorities, the Pact against organised crime as well as the National Development Plans and other sectoral plans necessary for the participation in Structural Funds after membership and for the implementation of ISPA and Sapard before accession. Each of these instruments is different in nature and is prepared and implemented according to specific procedures. They are not an integral part of this Partnership but the priorities they contain will be compatible with it.

#### 2. PRINCIPLES

The main priority areas identified for each candidate State relate to their ability to take on the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate State has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate States to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the acquis into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

# 3. PRIORITIES AND INTERMEDIATE OBJECTIVES

The Commission's Regular Reports have highlighted the extent of the efforts which still have to be made in certain areas by the candidate States to prepare for accession. This situation requires the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the States concerned, the achievement of which will condition the degree of assistance the progress of the negotiations under way with some States and the opening of new negotiations with the others. The priorities and intermediate objectives in the revised Accession Partnerships ate again divided into two groups, short- and medium-term. Those listed under the short term have been selected on the basis that it is realistic to expect that Slovakia can complete or take them substantially forward by the end of 2000. The priorities listed under the medium term are expected to take more than one year to complete although work should, wherever possible, also begin on them during 2000. The progress made in meeting the priorities of the 1998 Accession Partnership is assessed in the 1999 Regular Report. This assessment has been used in formulating the priorities for the current partnership.

Slovakia submitted a revised version of its National programme for the adoption of the acquis (NPAA) on 28 May 1999. It sets out a timetable for achieving priorities and intermediate objectives, based on the first Accession Partnership, as well as necessary administrative structures and financial resources.

The Accession Partnership indicates the priority areas for Slovakia's membership preparations. Slovakia will nevertheless have to address all issues identified in the Regular Report. It is also important that Slovakia fulfils the commitments of legislative approximation and implementation of the acquis in accordance with the commitments made under the Europe Agreement, the screening exercise and the negotiation process. It should be recalled that incorporation of the acquis into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the acquis.

Drawing on the analysis of the Commission's Regular Report, the following short and medium term priorities and intermediate objectives have been identified for Slovakia.

# 3.1. Short-term (2000)

### Political criteria:

— improve the situation of the Roma through strengthened implementation including provision for the necessary financial support at national and local levels, of measures aimed, notably, at fighting against discrimination (including within the public administration), foster employment opportunities and increase access to education; provide adequate financial support.

### Economic criteria:

- restore macroeconomic stability,
- promote competitiveness through market-driven enterprise restructuring, particularly in energy-intensive heavy industries, supported by transparent financial sector reform, including privatisation of three major banks and one insurance company, and bad-debt recovery mechanisms,
- take measures to stimulate domestic and foreign investment, including in small and medium-sized enterprises, in particular through simplification of legal and administrative procedures,
- improve bankruptcy procedures and streamline their implementation.

#### Internal market:

- public procurement: set up a public procurement office; establish surveillance, oversight and complaint procedures,
- intellectual and industrial property rights: align and enforce trademark, copyright and neighbouring rights legislation; reinforce administrative capacity and the fight against counterfeiting especially by strengthening border controls,
- free movement of goods: implement the law on technical requirements of product and conformity assessment; start alignment with new approach directives; continue alignment in the sectors covered by product-specific legislation; adopt basic legislation in the chemical sector; accelerate the adoption of European Union standards; set up independent standardisation and accreditation structures,
- free movement of capital: align laws on direct investment in those areas still restricted and progressively relax restrictions on institutional investors,
- financial services: strengthen and coordinate the supervisory institutions and procedures,
- competition: implement new State aid law; provide adequate resources for State aid monitoring authority;
   complete preparation of State aid inventory; continue annual State aid reports,
- telecommunications: adopt telecommunications law and establish an independent national regulatory authority; complete separation of regulatory and ownership functions,
- audiovisual: complete alignment of legislation,
- taxation: align the taxable scope and excise duty rate level for mineral oils and the scope of the application of the reduced VAT rate; develop a timetable for further legislative alignment excise duties; ensure that new tax measures comply with the principles of the code of conduct for business taxation,
- Customs: strengthen border control.

# Agriculture:

- continue alignment of veterinary and phytosanitary legislation and upgrade inspection arrangements, in particular at the future external borders,
- establish a vineyard register.

### Energy

- prepare a decommissioning plan to implement the government decision to close the Bohunice V1 nuclear reactors,
- implement an energy strategy with particular attention to energy efficiency, revise energy demand forecasts on the basis of more realistic growth and energy intensity scenarios,
- continue to ensure high levels of nuclear safety at the Bohunice V2 and Mochovce nuclear power plants.

Employment and social affairs:

- enforce occupational safety and health legislation,
- support social partners' capacity-building efforts to develop and implement the acquis, notably through bipartite social dialogue,
- prepare a national employment strategy with a view to later participation in the European Employment Strategy, including through the launch of a joint employment review.

#### **Environment:**

- develop a comprehensive and realistic approximation strategy,
- accelerate the transposition and enforcement of framework legislation in the areas of water quality, waste management, integrated pollution prevention control, nature protection and air quality,
- develop a plan for financing investments based on directive specific implementation programmes, estimations of costs of alignment and realistic sources of public and private finance year-by-year in particular for the water sector, air sector, waste management and industrial pollution control,
- complete transposition and enforce the environmental impact assessment directive.

Justice and home affairs:

- improve the fight against organised crime and illegal migration (in particular through introduction of visa stickers), to enable full participation in the Schengen Information System,
- ratify the European Convention on money laundering, the European criminal law convention on corruption and the OECD Convention on bribery,
- align the Penal Code to the acquis in the area of fight against organised crime and fraud,
- improve asylum legislation (in particular abolition of the 24 hour deadline) and establish an independent body as the second instance in an asylum procedure,
- ratify the European convention on money laundering and strengthen capacity to deal with money laundering.

Reinforcement of administrative and judicial capacity, including the management and control of European Union funds:

- adopt civil service law and start implementation of the public administration reform strategy,
- Phare (1), ISPA (2) and Sapard (3): further develop the National Development Plan and the Rural Development Plan; adopt the legal, administrative and budgetary framework (audit manual and audit trail) to programme and manage ISPA and Sapard, including the introduction of environmental impact assessments and European Union-compatible public procurement rules for projects co-financed by Community Funds and the establishment of a functioning paying agency for Sapard,
- complete the legislative framework for internal and external financial control; set up a central organisation within the government for harmonising internal audit/control functions; set up internal audit/control units in spending
- introduce 'functional independence' for national internal controllers/auditors at both central and decentralised levels and 'ex ante' financial control,
- strengthen the independence of the judiciary, in particular amend the constitution with regard to the appointment of and a probationary system for judges.

## 3.2. Medium-term

Political criteria:

- continue implementation of the minority language legislation and protect the use of minority languages in the fields of education, culture and the media including the adoption of any necessary legislation,
- strengthen policies and budgetary means, at national and local level, to continue improving the situation of the Roma (notably through the fight against discrimination and increased access to education and employment).

Phare = Action plan for coordinated aid to Poland and Hungary. ISPA = Instrument for Structural Policies for Pre-Accession. Sapard = Special Accession Programme for Agriculture and Rural Development.

## Economic criteria:

- promote competitiveness of the private sector, including small- and medium-sized enterprises,
- complete the privatisation process,
- deregulate remaining administered prices and rents,
- establish an annual fiscal surveillance procedure aimed at bringing the reporting, monitoring and control of public finances, specifically fiscal positions, in line with European Union procedures,
- continue reform of social security financing.

#### Internal market:

- data protection: complete alignment,
- free movement of goods: complete the adoption of EN standards; complete the alignment of sectoral legislation; upgrade to European Union level all surveillance and conformity assessment structures as well as other implementing structures in sectors covered by product specific legislation,
- free movement of capital: align laws on the acquisition by European Union nationals of real estate,
- free movement of services: complete alignment of and implement directives on banking, insurance, investment services and securities markets,
- free movement of persons: complete alignment of mutual recognition of diplomas,
- competition: complete legislative alignment; reinforce the anti-trust and State aid authorities and procedures; improve transparency, flow of data, and coordination and training between all levels of administration,
- Telecommunications: strengthen independent national regulatory authority,
- Taxation: full alignment of the tax acquis including the Community's transitional VAT regime review existing
  laws and ensure compatibility with the code of conduct for business taxation; strengthen administrative capacity
  and control procedures including administrative cooperation and mutual assistance,
- Consumer protection: continue alignment; strengthen market surveillance and enforcement authorities,
- Customs: reinforce the customs administration, in particular by increasing the handling capacity of customs border posts and with respect to applying excise duties.

# Agriculture:

- reinforce common agricultural policy management mechanisms and administrative structures (monitor agricultural markets and implement structural and rural development measures, set up bodies and control mechanisms),
- continue restructuring of the agrifood sector; reinforce the food control administration,
- complete system of animal identification; implement quality control system (hazard analysis critical control
  point), animal waste treatment, modernisation of meat and dairy plants residue and zoonosis control
  programmes; complete inspection systems on future external borders.

## Energy:

- further improve energy efficiency,
- prepare for the internal energy market, notably the electricity and gas directives (including adaptation of energy prices to cost levels and the establishment of a regulator),
- align oil stock requirements,
- complete safety upgrading programmes at the Bohunice V2 and Mochovce nuclear power plants,
- prepare and implement overall planning and licensing work for the decomissioning of the Bohunice V1 nuclear power plant,
- strengthen regulatory structures for nuclear safety and radiation protection.

### Transport:

 align road transport (market access, safety rules, rules for dangerous goods and taxation), aviation (particularly air safety and air traffic management) rail and inland waterways (technical requirements for vessels).

### Employment and social affairs:

- transpose and implement European Union legislation in the field of occupational health and safety (including the framework directive), labour law, equal treatment of women and men, and public health; reinforce the related administrative structures and those required for the coordination of social security,
- establish an independent guarantee fund for employees in the case of employer's insolvency.

## Economic and social cohesion:

— develop national policy for economic and social cohesion; prepare for the implementation of regional development programmes and Community initiatives; improve administrative structures and clarify responsibilities for regional policy issues; organise the budgetary system and procedures according to Structural Funds standards, including appraisal and evaluation.

#### **Environment:**

- continue and finalise transposition and implementation of framework legislation, as well as other remaining sectoral legislation,
- reinforce monitoring and implementation control capacities at the Ministry, regional and district levels, reinforce the environmental inspectorate,
- integrate sustainable development principles into the definition and implementation of all other sectoral policies.

### Justice and home affairs:

- upgrade law enforcement bodies and the judiciary (staff numbers, training and equipment), in particular in border control and illegal immigration to enable full participation in the Schengen Information System; continue the fight against organised crime, trafficking in women and children, drug trafficking and corruption; ensure better coordination between law enforcement bodies,
- continue progressive alignment of visa legislation and practice with that of the European Union.

Reinforcement of administrative and judicial capacity including the management and control of European Union funds:

- strengthen the Supreme Audit Office, financial control and internal audit functions through the provision of adequate staff, training and equipment,
- strengthen statistical capacities.

### 4. PROGRAMMING

The Phare allocation for the period 1995 to 1999 has totalled EUR 251 million. Following the agreement of the European Council in Berlin on 24 and 25 March 1999, financial assistance to the applicant States during the period 2000 to 2006 will also comprise support for pre-accession measures for agriculture and rural development through the pre-accession instrument Sapard (Council Regulation (EC) No 1268/1999, OJ L 161, 26.6.1999, p. 87) and a structural instrument ISPA (Council Regulation (EC) No 1267/1999, OJ L 161, 26.6.1999, p. 73) which will give priority to measures similar to the cohesion fund in the pre-accession period. Under these national allocations, Slovakia can also fund part of its participation in Community programmes including in the Fifth Research and Technological Development Framework Programme (OJ L 26, 1.2.1999, p. 1). In addition Slovakia will have access to funding from multi-State programmes directly related to the acquis. Joint financing by the applicant States is systematically required for all investment projects. Since 1998 the Commission has worked with the European Investment Bank and international financial institutions, in particular the European Bank for Reconstruction and Development and the World Bank, with a view to facilitating the co-financing of projects relating to pre-accession priorities.

## 5. CONDITIONALITY

Community assistance for financing projects through the three pre-accession instruments Phare, ISPA and Sapard is conditional on respect by Slovakia of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and in particular progress in meeting the specific priorities of this Accession Partnership in 2000. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

## 6. MONITORING

The implementation of the Accession Partnership is monitored in the framework of the Europe Agreement. As underlined by the European Council in Luxembourg it is important that the institutions of the Europe Agreement continue to be the framework within which the adoption of the acquis can be examined, in accordance with the same procedures, irrespective of whether or not negotiations have been opened. The relevant sections of the Accession Partnership are discussed in the appropriate subcommittee. The Association Committee discusses overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the subcommittees.

The Phare Management Committee ensures that financing decisions under all three pre-accessions instruments, Phare, ISPA and Sapard, are compatible with each other as well as with the Accession Partnerships as laid down in the Coordinating Regulation (Council Regulation (EC) No 1266/1999, (OJ L 161, 26.6.1999, p. 68)).

The Accession Partnership will continue to be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98.