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COUNCIL

COUNCIL DECISION

of 19 May 2003

on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Bulgaria

(2003/396/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 preaccession 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:

(1) The Luxembourg European Council stated that the Accession Partnership is a new instrument and the key feature of the enhanced preaccession strategy.

(2) The Copenhagen European Council stated that following the conclusions of the European Council in Brussels and depending on further progress in complying with the membership criteria, the objective is to welcome Bulgaria as a member of the European Union in 2007. It endorsed the Commission's communication on a roadmap for Bulgaria, including the proposals for a significant increase in preaccession assistance, and stated that the high level of funding to be made available should be

used in a flexible way, targeting the priorities identified, including in key areas such as justice and home affairs. It stated that further guidance in preaccession work would be provided by the revised Accession Partnerships to be presented to them next year.

(3) 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 will be submitted to each applicant State, as well as on subsequent significant adjustments applicable to them.

(4) Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment 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 preaccession assistance.

(5) The Luxembourg European Council decided that the implementation of the Accession Partnership and progress in adopting the *acquis communautaire* will be examined in the Europe Agreement bodies.

(6) The Commission's 2002 regular report presents an objective analysis on Bulgaria's preparations for membership and identifies a number of priority areas for further work.

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

- (7) Bulgaria needs to ensure that the appropriate legal and administrative structures needed for the programming, coordination, management, control and evaluation of Community preaccession funds are in place,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions in the Accession Partnership for Bulgaria are set

Done at Brussels, 19 May 2003.

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 on the basis of regular reports by the Commission to the Council.

Article 3

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

For the Council

The President

G. PAPANDREOU

ANNEX

1. INTRODUCTION

At its meeting in Luxembourg in December 1997, the European Council decided that the Accession Partnership would be the key feature of the enhanced preaccession strategy, mobilising all forms of assistance to the candidate countries within a single framework. In this manner, the Community targets its assistance towards the specific needs of each candidate so as to provide support for overcoming particular problems with a view to accession.

The first Accession Partnership for Bulgaria was decided in March 1998. As provided for in Regulation (EC) No 622/98 (Article 2), the Accession Partnership was updated a first time in December 1999, and a second time in January 2002⁽¹⁾, taking into account further developments in Bulgaria. In the Commission's communication on the roadmap for Bulgaria, it was stated that the Commission would propose revised Accession Partnerships for Bulgaria in the light of the findings of the 2002 regular reports and roadmap. The Communication also stated that short- and medium-term issues identified in the roadmap would be further developed in the revised Accession Partnership to be presented next year, and that the Accession Partnership would continue to be the basis for programming preaccession assistance, but that priorities for assistance would also be drawn from the regular reports, roadmap and revised national development plans to be prepared by each country in line with Structural Funds requirements. It was stated that the Accession Partnership would complement the roadmap and, taken together, would be the main tools guiding Bulgaria's work on preparation for accession to the EU.

2. 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 2002 regular report on the progress made by Bulgaria towards membership of the Union and the roadmap, the financial means available to help Bulgaria implement these priorities and the conditions which will apply to that assistance. The 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 preaccession fiscal surveillance procedure, the preaccession economic programme, the preaccession pact on organised crime as well as the national development plans, the rural development plans, a national employment strategy in line with the European employment strategy, and sectoral plans necessary for the participation in the Structural Funds after membership and for the implementation of the instrument for structural policies for preaccession (ISPA) and the special accession programme for agriculture and rural development (Sapard) before accession. Each of these instruments is different in nature and is prepared and implemented according to specific procedures and may be supported by presaccession aid. They are not an integral part of this Partnership but the priorities they contain will be compatible with it.

3. 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.

⁽¹⁾ Council Decision 2002/83/EC of 28 January 2002 on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Bulgaria (OJ L 44, 14.2.2002, p. 1).

At its meeting in Madrid in 1995, the European Council stressed the need for the candidate States to adjust their administrative structures to ensure harmonious operation of Community policies after accession. At Luxembourg, in 1997, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient, since it is also necessary to ensure that it is actually applied. The Feira and Gothenburg European Councils in 2000 and 2001 respectively confirmed the vital importance of the applicant countries' capacity to implement and enforce the *acquis*, and added that this required important efforts by the applicants in strengthening and reforming their administrative and judicial structures. The Copenhagen European Council in 2002 again underlined the importance of judicial and administrative reform, which would help bring forward Bulgaria's overall preparation for membership.

4. PRIORITIES

The Commission's regular reports have highlighted, besides the progress already made, the extent of the efforts which still have to be made in certain areas by candidate countries to prepare for accession. The 2002 regular reports concluded that Bulgaria continues to fulfil the political criteria and that it is a functioning market economy. However, it is not yet able to cope with competitive pressure and market forces within the Union. Bulgaria does not yet fully meet the *acquis* criteria. In order to complete its preparations successfully, Bulgaria needs to continue its efforts to transpose, implement and enforce the *acquis*. It also needs to continue the reform of public administration and the judiciary in order to have the necessary administrative and judicial capacity for this.

The roadmap for Bulgaria, which covers the period up to accession, indicates the main steps that it needs to take to be ready for membership. It is based on the commitments made in the negotiations and on what needs to be done to fulfil the Copenhagen and Madrid criteria for membership. The roadmap aims to support Bulgaria's efforts to meet the remaining criteria for membership by identifying the tasks ahead and providing increased financial assistance. There is particular emphasis on administrative and judicial capacity necessary to implement the *acquis* and on economic reform. For the *acquis* chapters, the roadmaps provide benchmarks against which Bulgaria's progress can be monitored. These cover both alignment of legislation and development of administrative capacity.

This revised Accession Partnership complements the roadmap and, taken together, these are the main tools guiding Bulgaria's work on preparation for accession to the EU. The Accession Partnership further develops the short and medium term issues identified in the roadmap, identifying priorities that it is realistic to expect that Bulgaria can complete or take forward substantially over the period 2003/2004. The priorities in the Accession Partnership have been set in cooperation with the countries concerned. The achievement of these will condition the degree of assistance granted. Within these priorities, issues that require particularly urgent action have been highlighted.

It is also important that Bulgaria fulfils the commitments of legislative approximation and the implementation of the *acquis* in accordance with the commitments made under the Europe Agreement, and in the context of 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 basis of the analysis of the Commission's 2002 Regular Report and the roadmap, the following priorities and intermediate objectives have been identified for Bulgaria. These priorities are presented in accordance with the structure of the Regular Report ⁽¹⁾.

⁽¹⁾ The order of presentation is that used in the 2002 regular report and Roadmap.

Political criteria*Democracy and the rule of law**Public administration*

- Prepare a fully comprehensive public administration reform strategy, including an action plan, in 2003. The strategy should involve a twin track approach combining: continuing to support institution building directly relevant to the *acquis* and management of Community funds; and horizontal reform designed to improve the effectiveness of the public administration more generally.
- Take steps to ensure application of transparent procedures for recruitment and promotion and to improve human resource management. Take steps towards ensuring sufficient qualified staff to ensure sustainability of reforms. Increase staff percentage with civil servants status. Protect staff, whatever their status, from unfair dismissal.
- Improve (through simplification and clarification) the legal framework for administrative decision-making and procedures to ensure legal certainty. Take further steps to ensure accountability, openness and transparency of public service.
- Strengthen administrative structures to ensure that it has the necessary capacity for fully effective use of and proper accounting for Community funds.
- Strengthen capacity for strategic planning, policy analysis and evaluation at the centre of government and in line ministries.
- Give more attention when the *acquis communautaire* is transposed, to how this can be implemented and enforced, including in the court system, at national, regional and local levels, in a way appropriate to the situation in Bulgaria.
- Further improve the quality of consultation with affected parties (e.g. social and economic partners, civil society, and private sector) on preparation of new legislation.

Judicial system

- Take steps to continue the reform of the judicial system, including with a view to ensuring an impartial application of law.
 - Continue to implement the national reform strategy for the Bulgarian judicial system and action plan and adopt implementing legislation in line with EU practices.
 - Review the structure of the judiciary in line with EU best practices, including a review of the organisation of the pre-trial phase.
 - Review the degree of penal immunity of members of the judiciary to ensure this is in line with EU best practices.
 - Take steps to improve judicial proceedings in particular to reduce excessive length and ensure full implementation of fundamental rights in penal cases, in particular as regards legal aid.
 - Ensure the budget for the judiciary is adequate, including for the appropriate enforcement of judicial decisions.
- Clearly distinguish between the roles of the Supreme Judicial Council and of the Ministry of Justice aiming to respect the independence of the judiciary.

- Strengthen the administrative capacity of the Supreme Judicial Council to ensure its proper functioning as regards both strategic decision-making and management of the court system.
- Take steps to improve the functioning of courts through increasing management training for Court Presidents, development of efficient administrative support at both central and local levels and through introduction of a transparent case distribution system.
- Improve security and working conditions in courts and prosecution offices.
- Establish a more open, fair and transparent system for recruitment, evaluation and promotion process based on merit within the judiciary.
 - Enhance professionalism in the judiciary by ensuring adequate state funding for the National Institute for the Judiciary allowing it to develop high quality training for judges, prosecutors and administrative staff.
- Modernise management methods in the prosecution service in order to improve the transparency and efficiency of case handling.

Anti-corruption measures

- Continue to implement the national anti-corruption strategy and the action plan.
- Take steps to ensure the legal framework for tackling corruption is implemented and enforced. Introduce the notion of criminal or administrative penal sanctions against legal persons in Bulgaria. Ratify the Council of Europe Civil Law Convention on Corruption.

Human rights and the protection of minorities

- Adopt and start to effectively implement comprehensive anti-discrimination legislation transposing the Community anti-discrimination *acquis*⁽¹⁾.
- Complete reorganisation and modernisation of the police, continue efforts for police officers to respect basic human rights in all circumstances; broaden the use of community policing approaches, which improves relations with public, in particular minority groups.
- Continue efforts to tackle trafficking in human beings, including prevention and social reintegration efforts.
- Take further steps to bring all places of pre-trial detention, in particular police stations, into line with the basic requirements identified in the Council of Europe Committee for the Prevention of Torture report.
- Ensure implementation and sufficient budgetary resources to ensure access to justice and legal aid.
- Ensure the childcare system is reformed so as to systematically reduce the number of children in institutional care in particular through developing alternative social services aimed at children and families. Ensure the full implementation of the UN Convention on the Rights of the Child.
- In need of particularly urgent action: Provide a legal framework which ensures the necessary safeguards against arbitrariness of detention and improve living conditions in the mental health care system. Adopt and implement a strategy and action plan with an adequate financial framework of substantial reform in the mental health care system.

⁽¹⁾ See also the chapter on employment and social policy.

- Take concrete action to implement the Roma Framework Programme with particular attention to providing necessary financial support, significant strengthening the government body in charge of minority issues and ensuring equal access to health, housing, education and social security. Elaborate a concrete action plan and financial framework to the Roma Framework Programme which improves implementation.

Economic criteria

The high degree of macroeconomic stability achieved over recent years should be maintained and the implementation of the reform programme to remove remaining difficulties needs to be continued.

Make further efforts in the following areas:

- the privatisation programme,
- developing small and medium-sized enterprises, in particular the number of start-ups,
- implementing the programme to reduce and simplify licensing procedures,
- reforming customs and tax administrations, including with a view to reducing the informal economy,
- the efficiency of bankruptcy procedures,
- developing and improving financial intermediation and the non-banking financial sector,
- enforcing property rights,
- the number of transactions and prices of agricultural land,
- the volume and quality of public investment, including infrastructure, education environment and health,
- the reduction of State aid, in particular in the energy and transport sectors.

Ability to assume the obligations of membership

Free movement of goods

- Take necessary horizontal and procedural measures.
 - Transpose 80 % of European standards including full transposition of European harmonised standards in the field of new approach directives.
 - Strengthen administrative capacity in the field of standardisation and support the development of the conformity assessment bodies and laboratories.
- Ensure that the transposition of all new and old approach directives is completed and that the texts are fully in line with Community legislation.
 - Strengthen the administrative capacity in the fields of chemical substances and motor vehicles.
 - Transpose the *acquis* on chemical substances, motor vehicles, wood, the control of weapons and return of cultural goods.

- Reach full compliance with the *acquis* concerning pharmaceuticals for human use as well as medicines for veterinary use, including as regards marketing authorisations.
- Amend the Law on public health, in particular to render both sanitary permits for imported foodstuffs and health certificates for exports fully compatible with the *acquis*.
- Continue efforts in food safety and foodstuffs.
 - Progressively align the legislation on the *acquis* on foodstuffs.
 - Develop administrative capacity, create a system of national training of inspectors and food operators, ensure proper application of the HACCP (hazard analysis of critical control points), accredit and reform the laboratories.
- Ensure progress in non-harmonised areas. Integrate the principle of mutual recognition into relevant legislation on goods.
 - Complete the screening of the legislation in the non-harmonised area to check conformity with Articles 28 to 30 of the EC Treaty and eliminate non-compliant provisions.
- Make further efforts to align legislation and to ensure its effective enforcement as regards public procurement.
 - Establish a State agency on public procurement.
 - Identify the constitutional changes required to transpose remedies system provisions.
 - Amend the Law on public procurement, including the removal of the national preference, the establishment of transparent procedures and effective remedies, including on public procurement tenders, to ensure full compatibility with the *acquis*.

Free movement of persons

- Continue legislative work on mutual recognition of professional qualifications and diplomas and ensure administrative structures are in place.
- Make preparations to revise the Bulgarian Constitution to ensure compliance with the *acquis* on the right of vote, including special legislation on elections of the European Parliament.
- Continue to align legislation with Community rules with respect to nationality, residence and language requirements, as well as equal treatment for migrant workers.
- Continue preparatory work for participating in the EURES network.
- Take preparatory measures to meet the financial and administrative obligations, which will result from application of the rules on coordination of social security.

Freedom to provide services

- Further uphold the right of establishment and freedom to provide services.
- Amend further the law on foreigners to remove incompatibilities with the *acquis*.
- Amend the Attorney Act, the law on gambling and the law on weapons and dual-use goods.

- Fully align legislation on financial services with the *acquis*, including with the new directives or regulations adopted as part of the financial services action plan. Pursue the strengthening and independence of the financial supervisory bodies.
- Transpose further the *acquis* in the field of insurance services, in particular, start to bring compensation progressively in line with EU minimum levels with regard to third party liability motor insurance.
- Fully align Data Protection Act with the *acquis* and develop the necessary administrative capacity to implement it.
- Fully transpose the *acquis* on conditional access and on technical standards.

Free movement of capital

- Finalise alignment on capital movements, except where transition periods have been granted.
- Adopt all necessary amendments to the Foreign Exchange Law and shortly afterwards the regulations on its implementation.
- Develop programmes in financial institutions against money laundering.
- All relevant professions, particularly all credit and financial institutions, to cooperate fully with the authorities responsible for combating money laundering in accordance with the anti-money laundering Directive (91/308/EEC) well ahead of accession.
- Reinforce administrative capacity of Bureau of Financial Intelligence.
- Take further steps to complete alignment of legislation on payment systems.
- Take further steps to complete alignment of legislation on money laundering.

Company law

- Fully align legislation on intellectual and industrial property rights with the *acquis* and improve its enforcement. Intensify measures to combat piracy and counterfeiting in particular through strengthening border controls, improving coordination between the customs, police and judiciary on enforcement of intellectual and industrial property rights and ensuring proper training of enforcement bodies, including judges and prosecutors.
- Make further progress in the alignment with the *acquis* on company law and accounting and pursue improvement of administrative capacity in this area, in particular with regard to law enforcement.

Competition policy

- Complete the legal antitrust framework, pursue training efforts and further develop record of effective implementation and enforcement of anti-trust rules.
 - Ensure that the antitrust legislation takes full account of the *acquis*, including the more recent block exemptions.
 - Ensure a more deterrent sanctions policy and emphasis on preventing serious distortions of competition.
 - Increase awareness of the rules, in particular with the business community and the judiciary.

- Complete the legislative framework in relation to State aid.
 - Make further modifications to the substantive implementing rules.
 - Under the Europe Agreement mechanisms, adopt jointly with the Community a regional aid map in line with the *acquis*.
- Upgrade expertise and improve the quality of State aid decisions, as well as State aid transparency.
 - Further strengthen (e.g. training and resources) the administrative capacity, including intensified cooperation between the Commission for protection of competition (CPC) and the State aid department of the Ministry of Finance.
 - Improve State aid transparency, ensuring that inventory and annual reports include all aid measures.
 - Increase awareness of the rules, among all market participants and aid grantors, in particular with the business community and the judiciary.
 - Improve State aid enforcement record, in particular by assessing existing schemes in Bulgaria under which State Aid is being granted, including indirect and cross aids and subsidisation, to bring them into line with the *acquis* and ensure that through the *ex-ante* control of all new aid measures, full compatibility with the *acquis* is assured.
 - Prepare an overall restructuring plan, along with individual plans, for the steel sector, in compliance with Protocol 2 of the Europe Agreement on ECSC products.

Agriculture

- Continue to upgrade the capacities to operate management mechanisms of the common agricultural policy (CAP), particularly the paying agency and the integrated administration and control system.
- Continue to improve the efficiency of the implementation of Sapard.
- With regard to horizontal issues, continue to upgrade the administrative structure in areas such as quality policy, organic farming, FADN (farm accountancy data network).
- Continue implementation of common market organisations for all relevant products, including the setting-up of the vineyard register and the development of approved distilleries, development of capacities of intervention agencies, development of inter-branch organisations.
- Upgrade administrative structures for design, implementation, management, monitoring, control and evaluation of Community funded rural development programmes and the EU forestry strategy.
- Continue work on a national cadastre and property register to improve the situation of the land market.
- Complete alignment of veterinary and phytosanitary legislation in order to enforce internal market control systems and imports from third countries fully and effectively; continue to implement veterinary, phytosanitary and food safety legislation, including animal disease control measures.
- Continue the efforts of establishing the national database for bovine animals in order to make it fully operational by the end of 2003.
- Continue the upgrading of food processing establishments, including the upgrading of old slaughterhouses.
- Resource the NVS adequately and establish a programme of the National Veterinary Service for establishments to meet fully the EU requirements until the end of 2004.

- Continue the process of upgrading or developing all proposed long-term veterinary border inspection posts, including training of relevant personnel in all procedures required to meet EU legislation.
- Continue training for official veterinarians.
- Continue implementation of Community legal requirements on animal movements with a view to a system in full conformity with *acquis* on identification and registration of animals.
- Progress on transposing and implementing *acquis* on animal waste.

Fisheries

- Complete the establishment of adequate organisation, adequate institutional resources and equipment relating to inspection and controls, market and structural policy at central and regional levels.
- Complete the fishing register in full compliance with Community requirements.
- Develop a reliable system of fisheries statistics.
- Implement recently adopted legislation governing the functioning of the main administrative structures.
- Make additional staff available for the Fisheries Department within the Ministry of Agriculture, Food and Forestry.
- Strengthen control activities by putting more emphasis on training fisheries inspectors, providing appropriate equipment, and increasing the number of inspectors for controlling sea fisheries.
- Preparation to implement the regulations concerning resources management and control.

Transport policy

- Continue legal alignment in road transport and its implementation, especially to adapt the fleet to technical and safety requirements (tachographs and speed limitation devices), social legislation, introduction and gradual increase of the financial standing requirements for access to the profession, transport of dangerous goods and alignment of the system of vehicle taxes and road charges.
- Reinforce administrative capacity in road transport, especially in connection to transport of dangerous goods, social legislation (driving times and rest periods), market access, access to the profession and road-side checks.
- Continue legal alignment, implementation and reinforce administrative capacity in the railways sector — including strengthening of the regulatory body, the notified body, independence of the railway infrastructure manager, the rail infrastructure charging scheme and financial stabilisation of the main operator, with a view to implementing the revised railway *acquis*; ensure complete transposition and implementation of the EU legislation on interoperability.
- Ensure necessary administrative capacity to prepare for the significant investments needed in rail and road infrastructure, in anticipation to being able to benefit from EU structural funds; implement schedule to ensure the necessary investments for upgrading and rehabilitating the road network up to EU axle-weight norms, taking account of environmental protection legislation.

- Complete full accession to the joint aviation authorities and continue legislative alignment and implementation of related secondary legislation on joint aviation requirements, implement a staged introduction of third package regulations and harmonisation of requirements and administrative procedures in the field of civil aviation, reinforce the qualification of the aviation administration personnel.
- Complete alignment with EU maritime legislation in safety and non-safety areas; improve maritime safety, in particular improve the performance of maritime safety administrative institutions, firstly as a flag State, and then as a port State, and guarantee their independence; strengthen Bulgarian maritime administration; further align with EU maritime *acquis* in areas of safety through the Merchant Shipping Code and implementing legislation. Continue to improve the maritime safety record of the Bulgarian fleet under the Paris memorandum by adopting and implementing all appropriate measures.

Taxation

- Continue alignment of tax legislation in VAT and excise duties.
- Ensure that future legislation complies with the principles of code of conduct for business taxation and revise existing harmful provisions.
- Strengthen administrative capacity and control procedures including administrative cooperation and mutual assistance between different parts of tax and customs administrations, with a view to increasing tax compliance, improving the collection of revenues and the management of VAT refunds. Develop IT systems so as to allow for the exchange of electronic data with the Community and its Member States.

Statistics

- Strengthen administrative capacity, through particular attention to further staff development in the statistics administration and information technology capacity, notably in regional offices.
- Further improve regional statistics in order that regional statistics, regional databases and the settlements register to be in line with EU requirements.
- Further improve the quality and coverage of national accounts, short-term statistics and the quality and coverage of the business register.
- Implement an agriculture census in 2003 in accordance with Eurostat methodology.
- Start the preparations for the Intrastat system.

Employment and social policy

- Continue alignment of the *acquis* in the area of labour law in particular through amending the Labour Code and Employment Promotion Act and the respective by-laws. Strengthen the related administrative and enforcement structures including labour inspectorates and establish an independent guarantee fund for employees in the case of employer's insolvency.
- Transpose and implement the EU legislation in the field of equal treatment for women and men and ensure its proper implementation.
- Adopt legislation to transpose the anti-discrimination *acquis*. Establish a body for the promotion of equal treatment of all persons without discrimination on grounds of race or ethnic origin.
- Complete transposition of the *acquis* on health and safety at work and develop implementation capacity, in particular of the General Labour Inspectorate. Undertake an assessment of financial impact of implementing health and safety directives. Abolish the compensation system for bad working conditions.

- Implement the adopted National Action Plan for Employment, taking into account the revised European Guidelines and the priorities, commitments and recommendations identified in the joint assessment of employment policy priorities. Develop the capacity of the National Employment Agency to implement active labour measure and employment programmes and strengthen its regional and local structures.
- Continue alignment of legislative framework and develop implementation capacity for the *acquis* on public health, including the *acquis* on tobacco control. Continue to establish a system for the surveillance and control of communicable diseases in line with Community requirements and for health monitoring and information in line with EU standards.
- Continue efforts to strengthen the capacity to ensure access to and quality of health care in order to optimise the investment in health needed to improve the health status of the population.
- Continue to support social partners' capacity-building efforts, in particular with a view to their future role in the elaboration and implementation of EU employment and social policy, including the European Social Fund. Promote autonomous social dialogue, especially at the enterprise and sectoral level, in order to improve its coverage.
- Prepare a social inclusion and anti-poverty national strategy, including data collection, with a view to future participation in the European strategy on social inclusion.

Energy

- Implement the commitments taken for the progressive constitution of oil stocks as required by the *acquis*; strengthen and equip the State agency responsible for the management of these stocks; ensure the necessary financing for the constitution of stocks.
- Implement the new energy strategy paying particular attention to the need for a pro-active and coordinated policy to reduce the energy intensity of the Bulgarian economy, at all stages of the energy cycle, with a view to enhancing rapidly support for improving energy efficiency, increasing energy savings and enhancing the use of renewable energy sources; ensure transposition of the energy efficiency *acquis* (labelling appliances, minimum efficiency standards).
- Adopt new framework legislation and start to implement a schedule to establish conditions for a full implementation of the EU internal market for electricity and gas and for the staged opening of the electricity market and gas market, analyse long term contracts and power purchases agreements in view of possible 'stranded costs' according to the current *acquis*; eliminate remaining price distortions in the energy sector, in particular for household electricity and heating prices. Continue to strengthen the role and administrative capacity of the State Energy Regulatory Commission in enforcement of these rules, notably its financial independence. Prepare for further market opening and liberalisation under forthcoming new EU internal market *acquis*.
- Continue to implement the restructuring plans (including privatisation) in the energy sector, including the action plan for restructuring of the solid fuel sector.
- Continue to implement all recommendations contained in the 2001 Council report on 'Nuclear Safety in the Context of Enlargement', and its subsequent Peer Review Status Report of June 2002, with due regard to the priorities assigned in the reports.
- Prepare to implement commitments taken as regards the early closure of Units 3 and 4 in 2006 at the latest, advance the preparation for and, as appropriate, start to address the early closure's economic, social, financial, technical and environmental consequences.
- Focus on strengthening the independence, resources and capabilities of the national regulatory authority for nuclear safety.

- Continue to ensure a high level of nuclear safety at Units 5 and 6 of the Kozloduy nuclear power plant and maintain a high level of nuclear safety through the decommissioning phases of Units 1 to 4.
- Improve management of radioactive waste and adopt a strategy plan on safety and effective nuclear fuel cycle management.

Small and medium-sized enterprises

- Implement the European Charter for Small Enterprises.

Science and research

- Reinforce research-related administrative capacity and infrastructure, in order to increase the benefits from association with the relevant Community Framework Programmes including the Sixth Framework Programme (2002 to 2006).

Education and training

- Prepare for full implementation of the Directive on education of children of migrant workers by the date of accession.

Telecommunications and information technologies

- Complete the transposition of the telecommunications *acquis* and implement it effectively, especially the promotion of competition and applying those aspects of the legislation which apply to operators with significant market power.
- Enhance the capacity of the telecommunications regulator, especially addressing the ability to enforce the *acquis*. Improve its financial independence.
- In preparation for a fully open telecommunications market, *inter alia*, develop a more commercially oriented approach in the incumbent operator.
- Prepare the transposition and implementation of the new *acquis* by the time of accession; reinforce capacity of regulator as needed to cope with new responsibilities.
- Strengthen the regulatory framework for postal services. Adopt and implement further legislation to achieve full compatibility with the *acquis* (including new second directive and in particular, with a view to ensuring a financially viable provision of universal service at the appropriate level of quality). Continue work for appropriate licensing and authorisation mechanisms.
- Implement a clear postal price policy regime to put in place precisely after its market is completed deregulated by 2003.

Culture and audiovisual policy

- Strengthen the administrative capacity of the national regulatory body in the field of broadcasting.
- Establish the conditions for a predictable, transparent and effective implementation of the new regulatory framework in the field of audiovisual policy.

Regional policy and coordination of structural instruments

- Make progress in implementing the Bulgarian national strategy for preparation on Structural Funds and the Cohesion Fund. Continue to adopt the framework legislation needed to implement the *acquis* under this chapter.
- Further elaborate the arrangements to ensure interministerial coordination as well as the definition of the tasks to be performed by the bodies involved in the preparation and implementation of Structural Funds and the Cohesion Fund at the national and regional level.
- Further adopt legislation which ensures compatibility of operations financed by the Structural Funds and Cohesion Fund with Community policies and legislation, including rules on competition, on the award of public contracts, on environmental protection, on elimination of inequalities and promotion of equality between men and women.
- Elaborate a legislative framework allowing for multi-annual budget programming with a view to provide the national co-financing for the Structural and Cohesion Funds assistance and allowing for sufficient flexibility for financial adjustment.
- Bring administrative capacity of the units within the ministries designated or to be designated as future managing or paying authorities up to the level required for efficient and correct implementation of Structural Funds assistance (in terms of recruitment, career profiles and training).
- Accelerate efforts in improving the quality of the National Development Plan (NDP). Bulgaria needs to put serious efforts in strengthening its strategic capability and operational capacity to improve and implement the National Development Plan, in order to transform it into a comprehensive national planning tool (further integration of the NDP into the national budgetary and policy making process).
- Continue to develop the capacity to discuss, prepare and select development priorities and projects both at the national and regional level to be financed by the different structural funds, FEDER, ESF, EAGGF.
 - Finalise preparations for extended decentralisation (EDIS).
- Make progress in ensuring compliance with *acquis* requirements for monitoring and evaluation of the Structural Funds, in particular for *ex ante* evaluation and for the collection of the relevant statistical information and indicators.
- Elaborate a general legal and institutional framework for financial control and audit.
- Make progress in establishing appropriate systems and procedures for financial management and control, in particular in relation to the structure of the managing and paying authorities, in order to fulfil the specific requirements of the Structural Funds regulations. Specific attention is to be given to an adequate separation of functions within the whole implementation structure.

Environment

- Update the overall assessment of the situation in the environment sector, including regarding the transposition of the *acquis*, in order to identify gaps to be filled in.
- Continue transposition of the *acquis*, including implementing legislation, with particular emphasis on environmental impact assessment, access to information, waste management, industrial pollution and risk management, nature protection, chemicals and genetically modified organisms, and nuclear safety and radiation protection. Ensure full consultation with all relevant stakeholders (other ministries, economic operators, NGOs).

- Develop implementation plans, together with financing strategies, to outline the steps needed to ensure full implementation of the *acquis* in the medium and longer term; these plans should take into account all available resources and institutional training and further elaborate mechanisms to monitor effective implementation, with particular emphasis on air quality, waste management, water quality, industrial pollution and risk management. Focus on planning, identification and availability of financial resources to prepare for the significant investments needed to ensure implementation of the *acquis*. Ensure the involvement of stakeholders in the planning phase of implementation.
- Continue implementation of the *acquis* with particular emphasis on access to information, air quality, waste management, water quality, nature protection, industrial pollution and risk management as well as nuclear safety and radiation protection. Ensure that the environmental *acquis*, particularly the Environmental Impact Assessment Directive, is properly implemented in preparing large-scale infrastructure projects.
- Ensure and reinforce the administrative structures necessary for the full implementation, monitoring and enforcement of the *acquis*, in particular through further strengthening of regional inspectorates, municipalities and other public bodies at the local level, with an emphasis on water quality, industrial pollution and risk management, as well as waste management. Reinforce staffing of the Ministry and other public bodies. Ensure adequate training and staff development plans.
- Continue integration of environmental protection requirements into the definition and implementation of all other sectoral policies so as to promote sustainable development, including in the energy sector. Improve interministerial coordination on environmental issues.

Consumers and health protection

- Continue alignment of legislation in particular in the field of sales of consumer goods and associated guarantees, injunctions for the protection of consumer interests, timeshare, consumer credit, distance contracts, comparative advertising, general product safety and product liability.
- Ensure effective implementation of legislation, in particular through an efficient market surveillance mechanism.
- Further promote the capacity of consumer organisations to play an active role in the area of consumer protection.
- Better integrate consumer concerns into other policy areas.

Cooperation in the fields of justice and home affairs

- Adopt and implement the new legislation on border security as well as an integrated border management strategy covering all borders of Bulgaria. Particular attention should be given to the gradual modernisation of the border infrastructure and equipment, the necessary training for professional border guards and customs officers, especially as regards the use of risk analysis methods and strengthening their intelligence functions and for the coordination and practical cooperation between authorities; develop an integrated sea surveillance system.
- Continue to implement and update on a regular basis the Schengen Action Plan, continue preparation for full participation in SIS II by developing national databases and registers.
- Continue alignment with the EU positive and negative visa lists; continue to upgrade the administrative capacity of the Visa Centre and continue to provide all diplomatic and consular offices with technical equipment for detecting forged and falsified documents.

- Bring the Asylum and Refugees Act fully in line with the *acquis*, especially as regards its Articles 13 and 16; increase the capacity of the reception centres for asylum seekers and refugees; further improve the administrative capacity of the Agency of Refugees; accelerate screening procedures and improve the conditions for integration of refugees and prepare the infrastructure to ensure the full implementation of the Regulations relating to 'EURODAC' and 'Dublin II' upon accession.
- Continue efforts to combat efficiently illegal immigration, through and from Bulgaria, with special attention to criminal organisations facilitating the illegal entry into EU Member States (in particular of women and children); ensure assistance for victims of trafficking; adopt new legislation on migration in line with the current *acquis*; establish a national coordination body.
- Enhance combating corruption, in law enforcement bodies by (i) adopting and implementing a code of ethics for magistrates, (ii) developing a corrupt practices prevention programme as well as a code of ethics for officials in Ministry of Interior, in particular traffic and border police and (iii) providing specialised training and equipment, including an information system, to the officials who are directly involved in countering corruption.
- Continue efforts to align Bulgarian legislation with the *acquis* in the field of criminal-law protection of the Communities' financial interests (PIF convention and its protocols); assure that there is no overlap in activities between the Public Internal Financial Control Agency (PIFCA) and the anti-fraud structure that will be set up by the Ministry of Interior.
- Fully align with the *acquis* on the criminal law protection of the Euro against counterfeiting.
- Adopt and implement the strategy on the fight against crime, with special attention for various forms of transborder and organised crime such as trafficking in drugs, human beings, etc., and for the coordination and practical cooperation between law enforcement bodies.
- Adopt an action plan to implement the National Drugs Strategy, including a realistic budget. Strengthen the administrative and coordinating capacity of the National Drugs Council; (i) establish a national focal point; (ii) further develop a drugs information system; (iii) adopt the necessary legal framework for the National Drugs Intelligence Unit; (iv) increase level of cooperation with the EU Member States by seconding liaison officers in them as well as in other strategic countries in terms of drug enforcement.
- Improve the capacity of the Bureau of Financial Intelligence to enforce the existing legislation and improve its cooperation with other law enforcement agencies active in the area of combating money laundering.
- Prepare to take further measures to ensure implementation of the Community instruments in the area of judicial cooperation in civil matters, notably as regards mutual recognition and enforcement of judicial decisions.
- Prepare to make legislative amendments necessary in order to accede to and implement the EU Convention on Mutual Assistance in Criminal Matters upon accession and take the necessary steps to prepare for full implementation upon accession of the instrument applying the principle of mutual recognition and in execution of orders freezing property or evidence.

Customs union ⁽¹⁾

- Make further legislative alignment with the Community customs *acquis*.
- Make further amendments to the customs legislation, including the harmonisation of the legislation on free zones as well as the adoption of the rules on duty suspensions and tariff quotas.

⁽¹⁾ See also chapter 'Financial and budgetary provisions' for the collection of own resources.

- Prepare the conditions for operating the Taric (Community integrated tariff) and include in the Taric measures related to the protection of intellectual property rights.
- Fully align the legislation with the *acquis* on the control of cultural goods.
- Strengthen the operational and administrative capacity of the customs administration, particularly as regards information technology and human resource policy.
 - Improve the human resources management and the stability and professional conduct of customs staff and management and increasingly grant civil servant status to customs inspectors.
 - Develop and implement Phase One of the BTMS (Bulgarian transit management system) as the national module of the NCTS (new computerised transit system); continue the preparation for the secure CCN/CSI (common communication network/common system interface).
 - Upgrade customs laboratories as well as infrastructure and equipment at customs clearance points.
 - Enhance the application of risk analysis method and post-clearance control.
- Further strengthen cooperation with customs authorities of neighbouring and other countries.
 - Implement the Strategy for rationalisation of border operations.
- Take steps to prepare for implementation, at the time of accession, of customs measures and provisions that will not be introduced until then.

External relations

- Undertake an analysis of all international treaties and agreements in order to ensure that preparations are made so that those which are incompatible with the *acquis* are terminated or renegotiated in due time.

Financial control

- Implement public internal financial control legislation and make further amendments to implement the strategy paper and the operational plan for the PIFC Agency.
 - Delegate internal auditors to remaining Ministries.
 - Further public internal financial control manuals and audit trails to be elaborated.
- Strengthen further the administrative capacity of the PIFC institutions.
- Ensure the professional criteria for and functional independence of the PIFC Agency leadership in compliance with commitments.
- Upgrade external audit functions, especially in terms of systems-based and performance audits, and enhancing training efforts.
- Rules on financial management and control of the NAO and any interaction with Parliament to be adopted and implemented.
- Standard of audit of EU funds and programmes, code of ethics and amended general standards to be adopted and implemented.
- Audit manual to be finalised.

- Continue to strengthen the capacity of the national fund, the CFCU and other implementing agencies dealing with pre-accession funds in preparation for the extended decentralisation of Phare and ISPA implementation.
- Ensure the correct implementation of the provisions with regard to the treatment of irregularities under Phare, Sapard and ISPA
- Establish a well-functioning and operationally independent anti-fraud coordinating service (AFCOS), responsible for the coordination of all legislative, administrative and operational activities related to the protection of the Communities' financial interests.
 - Implement effective cooperation with OLAF through this service.
 - Take the necessary steps to prepare for implementation of the *acquis* on the protection of the Euro against counterfeiting.

Financial and budgetary provisions ⁽¹⁾

- Further develop the treasury single account, the financial management information system and the system for electronic budgetary payments, and continued strengthening of the drafting procedure for the annual State budget.
 - Treasury system to be implemented.
 - Financial management information system to be established.
 - Develop standards and instructions for the application of the chart of accounts.
 - Bank accounts regime to be improved.
- Further develop an adequately staffed and equipped coordinating body in the area of own resources.
- Continue efforts to bring the budgetary principles and rules into line with those standards generally applicable in the Community.
- GNP documentation to be kept in compliance with Community legislation.
- Further steps to be taken to reduce the number of extra-budgetary funds.
- Special attention to be paid to multi-annual budgeting.
- Macroeconomic forecasting to be further developed.
- Effective evaluation and monitoring procedures for projects and programmes to be developed.
- Improve compliance of national account statistics with ESA 95 standard and enhance their exhaustiveness.
 - Start to build up technical and administrative capacity as regards operational management of own resources and to collect and transfer future EC all own resources to the Community budget in a timely manner. Make progress on accounts for traditional own resources so these are in place on date of accession.
 - Take steps to prepare for implementation, at the time of accession, of the commitments in the areas of collection and control of Community own resources and management of the aspects of the common agricultural policy (control of export refunds, etc.).
 - Start action on the organisational aspects and associated administrative capacity as regards sugar levies.
 - Further strengthen efforts to set up effective instruments to combat fraud relating to VAT and customs duties.

⁽¹⁾ Certain actions agreed in negotiations under chapter 29 overlap with actions under other chapters and have therefore been omitted.

5. PROGRAMMING

- For the period 2000 to 2006, in addition to Phare, financial assistance to Bulgaria comprises support for pre-accession measures for agriculture and rural development through the preaccession instrument Sapard (Council Regulation (EC) No 1268/1999, OJ L 161, 26.6.1999, p. 87); and support for infrastructure projects in the fields of environment and transport through the structural instrument ISPA (Council Regulation (EC) No 1267/1999, OJ L 161, 26.6.1999, p. 73), which gives priority to measures similar to the cohesion fund in the preaccession period. Under these national allocations, Bulgaria can also fund part of its participation in Community programmes including the Research and Technological Development Framework Programmes and programmes in the areas of education and enterprise. In the same period, Bulgaria will benefit from substantial EC financial support in the area of nuclear decommissioning and nuclear safety. In addition Bulgaria will have access to funding from multi-country and horizontal programmes directly related to the *acquis*. Joint financing by the candidate countries is systematically required for all investment projects. Since 1998 the Commission has worked with the European Investment Bank and the International Financial Institutions, in particular the European Bank for Reconstruction and Development and the World Bank, with a view to facilitating the co-financing of projects relating to preaccession priorities.

6. CONDITIONALITY

- Community assistance for financing projects through the three preaccession instruments Phare, ISPA and Sapard is conditional on respect by Bulgaria 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 revised Accession Partnership as well as of a coordinated use of the three preaccession instruments. 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.

7. MONITORING

- The implementation of the Accession Partnership and the roadmap 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 and implementation of the *acquis* can be examined. The Europe Agreement subcommittees provide the possibility to review implementation of the Accession Partnership priorities as well as progress as regards legal approximation, implementation and enforcement. The Association Committee discusses overall developments, progress and problems in meeting the Accession Partnership's priorities as well as more specific issues referred to it from the subcommittees.

The Phare Management Committee ensures that actions financed under all three preaccession 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.

COUNCIL DECISION**of 19 May 2003****on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Romania**

(2003/397/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 preaccession 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:

(1) The Luxembourg European Council stated that the Accession Partnership is a new instrument and the key feature of the enhanced preaccession strategy.

(2) The Copenhagen European Council stated that, following the conclusions of the European Council in Brussels and depending on further progress in complying with the membership criteria, the objective is to welcome Romania as a member of the European Union in 2007. It endorsed the Commission's communication on a roadmap for Romania, including the proposals for a significant increase in preaccession assistance, and stated that the high level of funding to be made available should be used in a flexible way, targeting the priorities

identified, including in key areas such as justice and home affairs. It stated that further guidance in preaccession work would be provided by the revised Accession Partnerships, to be presented to them next year.

(3) 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.

(4) Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment 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 preaccession assistance.

(5) The Luxembourg European Council decided that the implementation of the Accession Partnership and progress in adopting the *acquis communautaire* will be examined by the Europe Agreement bodies.

(6) The Commission's 2002 regular report presents an objective analysis on Romania's preparations for membership and identifies a number of priority areas for further work.

(7) Romania needs to ensure that the appropriate legal and administrative structures needed for the programming, coordination, management, control and evaluation of Community preaccession funds are in place,

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

HAS DECIDED AS FOLLOWS:

Article 1

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

Done at Brussels, 19 May 2003.

Article 2

The implementation of the Accession Partnership shall be examined in the Europe Agreement bodies and by the appropriate Council bodies on the basis of regular reports by the Commission to the Council.

Article 3

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

For the Council

The President

G. PAPANDREOU

ANNEX

1. INTRODUCTION

At its meeting in Luxembourg in December 1997, the European Council decided that the Accession Partnership would be the key feature of the enhanced preaccession strategy, mobilising all forms of assistance to the candidate countries within a single framework. In this manner, the Community targets its assistance towards the specific needs of each candidate so as to provide support for overcoming particular problems with a view to accession.

The first Accession Partnership for Romania was decided in March 1998. As provided for in Regulation (EC) No 622/98 (Article 2), the Accession Partnership was updated a first time in December 1999, and a second time in January 2002⁽¹⁾, taking into account further developments in Romania. In the Commission's communication on the roadmap for Romania, it was stated that the Commission would propose a revised Accession Partnership for Romania in the light of the findings of the 2002 regular report and roadmap. The communication also stated that short- and medium-term issues identified in the roadmaps would be further developed in the revised Accession Partnership to be presented next year, and that the Accession Partnership would continue to be the basis for programming preaccession assistance, but that priorities for assistance would also be drawn from the regular report, roadmap and revised national development plans to be prepared by Romania in line with Structural Funds requirements. It was stated that the Accession Partnership would complement the roadmap and, taken together, would be the main tools guiding Romania's work on preparation for accession to the EU.

2. 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 2002 regular report on the progress made by Romania towards membership of the Union and the roadmap, the financial means available to help Romania implement these priorities and the conditions which will apply to that assistance. The 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 preaccession fiscal surveillance procedure, the preaccession economic programme, the preaccession pact on organised crime as well as the national development plans, the rural developments plans, a national employment strategy in line with the European employment strategy, and sectoral plans necessary for the participation in the Structural Funds after membership and for the implementation of ISPA (Instrument for structural policies for preaccession) and Sapard (Special accession programme for agriculture and rural development) before accession. Each of these instruments is different in nature and is prepared and implemented according to specific procedures and may be supported by preaccession aid. They are not an integral part of this Partnership but the priorities they contain will be compatible with it.

3. 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.

⁽¹⁾ Council Decision of 28 January 2002 on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Romania (OJ L 44, 14.2.2002, p. 82).

At its meeting in Madrid in 1995, the European Council stressed the need for the candidate States to adjust their administrative structures to ensure harmonious operation of Community policies after accession. At Luxembourg, in 1997, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient since it is also necessary to ensure that it is actually applied. The Feira and Gothenburg European Councils, in 2000 and 2001 respectively, confirmed the vital importance of the applicant countries' capacity to implement and enforce the *acquis*, and added that this required important efforts by the applicants in strengthening and reforming their administrative and judicial structures. The Copenhagen European Council in 2002 again underlined the importance of judicial and administrative reform, which would help bring forward Romania's overall preparation for membership.

4. PRIORITIES

The Commission's regular reports have highlighted, besides the progress already made, the extent of the efforts which still have to be made in certain areas by candidate countries to prepare for accession. The 2002 regular reports concluded that Romania continues to fulfil the political criteria and although it has continued to make progress towards being a functioning market economy, it does not yet meet the Copenhagen economic criteria. In order to complete its preparations successfully, Romania needs to continue its efforts to transpose, implement and enforce the *acquis*. It also needs to continue the reform of public administration and the judiciary in order to have the necessary administrative and judicial capacity for this.

The roadmap for Romania, which covers the period up to accession, indicates the main steps that it needs to take to be ready for membership. It is based on the commitments made in the negotiations and on what needs to be done to fulfil the Copenhagen and Madrid criteria for membership. The roadmap aims to support Romania's efforts to meet the remaining criteria for membership by identifying the tasks ahead and providing increased financial assistance. There is particular emphasis on administrative and judicial capacity necessary to implement the *acquis* and on economic reform. For the *acquis* chapters, the roadmaps provide benchmarks against which Romania's progress can be monitored. These cover both alignment of legislation and development of administrative capacity.

This revised Accession Partnership complements the roadmap and, taken together, these are the main tools guiding Romania's work on preparation for accession to the EU. The Accession Partnership further develops the short and medium term issues identified in the roadmap, identifying priorities that it is realistic to expect that Romania can complete or take forward substantially over the period 2003-2004. The priorities in the Accession Partnership have been set in cooperation with the countries concerned. The achievement of these will condition the degree of assistance granted.

It is also important that Romania fulfils the commitments of legislative approximation and the implementation of the *acquis* in accordance with the commitments made under the Europe Agreement, and in the context of 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 basis of the analysis of the Commission's 2002 regular report and the roadmap, the following priorities and intermediate objectives have been identified for Romania. These priorities are presented in accordance with the structure of the regular report ⁽¹⁾.

⁽¹⁾ The order of presentation is that used in the 2002 regular report and roadmap.

Political Criteria**Democracy and the rule of law**

Revise the 1999 framework law on civil servants, introduce necessary secondary legislation and establish implementation mechanisms and structures.

- Adopt a comprehensive strategy for the reform of the civil service that clarifies the institutional responsibilities for administrative reform and that covers: (i) comprehensive pay reform to be agreed in full consultation with the international financial institutions, (ii) improved provisions for both initial and in-service training, (iii) the institution of a career structure based on transparent promotion and assessment, (iv) introduction of elements of modern human resource management and (v) strengthening of administrative structures in order to ensure that Romania has the capacity for fully effective use of Community funds. The strategy should both set out a programme of sequenced reforms and also provide a framework for multi-annual donor assistance.
- Adopt a comprehensive strategy for the reform of the policy formulation process that will cover: (i) policy coordination and consultation procedures between ministries, (ii) consultation of stakeholders, (iii) screening all draft legislation for its budgetary implications and (iv) screening all draft legislation for compatibility with the Europe Agreement and the *acquis communautaire*. The strategy should both set out a programme of sequenced reforms and also provide a framework for multi-annual donor assistance. In order to implement the strategy a dedicated reform unit should be set up.
- Reduce the reliance on ordinances, and emergency ordinances, as legislative instruments and clarify the circumstances under which these provisions can be used.
- Adopt a comprehensive strategy for the management of the on-going process of decentralisation/deconcentration. The strategy should set out a programme of sequenced reforms and also provide a framework for multi-annual donor assistance. Particular attention should be paid to the issue of providing adequate resources to the local levels of government in a fully transparent and predictable manner in order to allow resources to match increased responsibilities.
- Step up the fight against corruption by: (i) continued implementation of the anti-corruption strategy and programme, (ii) strengthening the autonomy of the National Anti-corruption Prosecutor's Office, (iii) introducing the notion of criminal or administrative penal sanctions against legal persons in Romania, (iv) developing codes of ethics for key professions including law enforcement bodies and the judiciary and (v) ensuring effective prosecution.
- Improve the enforcement of civil decisions and ensure that adequate resources are made available for processing these decisions.
- Continue efforts to develop an effective probation system.
- Develop and implement a strategy for the reform of the judiciary that will:
 - (i) ensure full independence of the judiciary in particular by establishing a transparent system for recruiting and selecting magistrates, abolishing the provision allowing senior officials to be appointed judges without having to pass an exam and introducing transparent legal procedures for removing judges from office and for sanctioning them for misconduct;
 - (ii) enhance the professionalism of the judiciary in particular by improving training programmes in the National Institute for the Magistracy (NIM), strengthening the ability of the Training Centre for Clerks to deliver both initial and in-service training and developing training for other legal professionals such as lawyers, notaries, bailiffs, court clerks and staff of the Ministry of Justice;
 - (iii) improve the administration of courts in particular by modernising case management and filing systems, developing clear criteria for case assignment, systematic introduction of alternative dispute resolution, extending access to free legal aid and upgrading court equipment and infrastructure.

- Continue the process of police reform and modernisation in particular by completing internal reorganisation, continuing efforts for police officers to fully respect basic human rights, broadening the use of community policing approaches and ensuring that an efficient system for examining complaints of police misconduct is established and functions properly. Access by Roma to this system should be ensured.
- Revise those sections of the Penal Code dealing with verbal outrage, slander and offence against authorities in order to ensure that they comply with the provisions of, and the case law related to, the European Convention on Human Rights.
- Strengthen the legal certainty within the Romanian legal order by circumscribing the right of the General Prosecutor to lodge extraordinary appeals (and in particular the appeal for cancellation) so as to ensure that this right can only be exerted in limited cases and according to objective legal criteria.

Human rights and the protection of minorities

- Continue alignment of the *acquis* on anti-discrimination and ensure its proper implementation by making the Romanian National Council for Combating Discrimination fully operational ⁽¹⁾.
- Continue the reform of the public child care system in accordance with the national strategy on the protection of children in difficulty, by focusing on closure of old-style institutions, de-institutionalisation and prevention of institutionalisation through provision of alternative social services for families and children. Ensure the full implementation of the UN Convention on the Rights of the Child.
- Develop adequate national standards for all child protection services, including the re-evaluation of sanitary standards, and improve the capacity of the National Authority to perform inspections at the local level.
- Work towards closure of the existing special schools through the development of an inclusive education system.
- Implement the national strategy on maternity hospitals, with a view to reducing the rate of abandonment of children in such hospitals.
- Maintain the moratorium on international adoption in place until new legislation compatible with the best interests of the child and Romania's international obligations is in place and the administrative capacity to implement the new legislation is ensured.
- Provide adequate financial support and administrative capacity in order to implement the national strategy on the improvement of the situation of Roma.
- Provide adequate financial support and administrative capacity in order to implement the national strategy on the improvement of the situation of handicapped persons.

Economic Criteria

- Continue to reduce the rate of inflation.
- Establish and implement a strategy which successfully reduces inter-enterprise arrears.
- Ensure a tight control of the wage bill in the public sector.
- Improve bill collection rates in the energy sector and adapt regulated prices in line with cost developments.

⁽¹⁾ See also the chapter on social policy and employment.

- In the fiscal sector, reforms should improve budgetary procedures and the management of public expenditures, simplify tax regulation, improve the functioning of the tax administration, including the rate of revenue collection and aim to reduce the informal economy.
- Improve the efficiency of bankruptcy procedures.
- In the financial sector, significantly advance the privatisation of the banking sector, develop the non-banking financial sector and develop and improve financial intermediation.
- Facilitate and improve enforcement of property rights.
- Speed up the creation of a functioning land market by developing a policy for agricultural land consolidation, completing the issuance of land titles and strengthening property rights.
- Accelerate progress in public enterprise reform, including the completion of restructuring plans, the privatisation of viable entities and the liquidation of unviable ones. Within this context, particular attention should be given to increasing the transparency of accountancy procedures in public enterprises.
- Stabilise rules governing privatisation and business operation and increase their transparency.
- Increase the volume and quality of public investment, including infrastructure, education, environment and health.
- Reduce levels of direct and indirect state aid and ensure that restructuring conforms to the competition and State aid *acquis* so as to create efficient and competitive firms.

Ability to assume membership obligations

Free movement of goods

- Continue the transposition of all new approach directives and ensure that all European harmonised standards are transposed into Romanian standards. Support the development of the institutional capacity of conformity assessment bodies and laboratories. Clarify responsibilities and reinforce market surveillance in areas covered by new approach directives.
- Complete alignment with the *acquis* for sector — specific legislation for areas covered by old approach directives.
- Establish a market surveillance system, and prepare both the administration and food operators to apply Community principles of food safety. Restructure the food control system. Abolish the pre-market approval system for foodstuffs.
- Allocate increased resources (in terms of both equipment and staff) to improve food control services.
- Pursue alignment of legislation on public procurement and ensure its appropriate implementation, as well as transparency in public procurement tenders.
- Screen legislation in the non-harmonised area to ensure that it is in compliance with Articles 28 to 30 of the EC Treaty and eliminate the provisions in breach of it. Take steps to establish administrative arrangements for future monitoring in this area. Integrate the principle of mutual recognition into relevant legislation on goods.
- Reinforce administrative capacity, in particular with regard to implementation of new approach directives and the *acquis* on industrial products.

Free movement of persons

- Continue to align legislation on mutual recognition of professional qualifications, addressing in particular shortcomings identified in the area of mutual recognition with respect to curricula and training of nurses, doctors, dentists, midwives and pharmacists.
- Align legislation with Community rules on nationality and language requirements.
- Continue alignment with the *acquis* in the fields of equal treatment, work permits, residence permits and supplementary pensions.
- Strengthen public employment services with a view to participating in the EURES network. A particular emphasis should be put on language training for staff.
- Take preparatory measures to meet the financial and administrative obligations which will result from application of the rules on coordination of social security.

Freedom to provide services

- Reinforce the supervision of financial services and make adequate human resources available to implement new legislation.
- Improve the institutional framework of financial supervision and continue to pursue alignment of legislation, particularly in the area of securities and insurance.
- Improve the prudential framework for the banking sector with regard to consolidation and capital adequacy.
- Develop rules on corporate governance for the financial institutions to ensure prudent management and internal control procedures as a preventive mechanism.
- Conclude the screening of Romanian law in the area of non-financial services.
- Fully align data protection legislation with the *acquis*, with special attention paid to implementation and enforcement.

Free movement of capital

- Continue to align legislation and assure its subsequent effective implementation.
- Implement the provisions of the second Directive on money laundering and ensure enforcement of the European Convention on Laundering, Search, Seizure and Confiscation.
- Abolish restrictions on inward direct investment concerning discriminatory provisions in sector-specific legislation including citizenship and residence requirements.
- Liberalise capital movements in accordance with Romania's liberalisation table.
- Adopt legislation to complete alignment with EU legislation on payment systems.
- Continue to liberalise capital movements in accordance with Romania's three-stage liberalisation table.
- Special attention should be paid to the correct and uniform application of the legal and institutional regime to guarantee the freedom of all capital transactions, not just at the national, but also at the regional and local levels.

Company law

- Make further progress in the alignment with the *acquis* on company law and accounting and pursue improvement of administrative capacity in this area, in particular with regard to law enforcement.
- Reduce the level of piracy and counterfeiting by: (i) continuing alignment of legislation on intellectual and industrial property rights with the *acquis* and improve its enforcement, especially by reinforcing the administrative capacity of enforcement bodies of intellectual and industrial property rights, (ii) strengthening the inter-institutional network, (iii) improving cooperation among enforcement bodies (notably the police, customs and the judiciary), (iv) intensifying training for enforcement bodies including judges and prosecutors and (v) ensuring proper border controls.
- Transpose the Directive on copyright in the information society and the Directive on resale rights.
- Improve statistical reporting for the Copyright Office and the Office for Inventions and Trademarks.
- Transpose the *acquis* as concerns economic interest groupings, as well as for provisions on the jurisdiction and enforcement of foreign judgements in civil and commercial matters.
- Ensure equal treatment of foreign enterprises in the implementation of company law, notably in the regulation of commercial litigation.

Competition policy

- Complete the legislative framework in both State aid and anti-trust.
- Further develop staff training in both the Competition Council and the Competition Office. Intensify the training of the judiciary in the competition field.
- Increase awareness of the rules among all market participants and aid grantors, in particular with the business community as well as the judiciary.
- Improve the cooperation between the Competition Council and the Competition Office and reinforce the standing of these two authorities in relation to Romanian ministries and other relevant authorities.
- In the field of anti-trust, abolish the individual notification requirement and focus resources on cases representing the most serious distortions of competition. Pursue own-initiative investigations and a deterrent sanctions policy.
- Ensure that competition rules take precedence over any anti-competitive legislation.
- In the field of State aid, upgrade expertise in order to improve the quality of State aid decisions.
- Strengthen the right of competition authorities to oppose legislation under which state aid is awarded.
- Improve State aid transparency, update the State aid inventory and prepare and submit annual reports to the Commission.

- Improve the State aid enforcement record, in particular by:
 - (i) *ex ante* control of all new aid measures to ensure full compatibility with the *acquis*;
 - (ii) enforcing the competition rules with regard to non-notified aid;
 - (iii) assessing existing aid measures in Romania under which State aid is being granted to bring them in line with the *acquis* and convert previously granted measures into compatible aid.
- Ensure the compliance with Protocol 2 of the Europe Agreement on ECSC products.

Agriculture

- Ensure adequate allocation of human resources at the central level of the Ministry of Agriculture, Food and Forestry in order to permit the correct implementation and enforcement of common agricultural policy (CAP) mechanisms.
- Reinforce the administrative structures in order to ensure more efficient implementation and management of Sapard measures; similarly reinforce the administrative structures needed for the design, implementation, management, monitoring, control and evaluation of Community-funded rural development programmes.
- Ensure rapid finalisation of the results of the general agricultural census.
- Reinforce administrative structures in order to improve capacities for policy formulation and economic analysis.
- Target the new state support policy at the development of a market-oriented agricultural policy and give more consideration to rural development.
- Prepare for implementation and enforcement of the management mechanisms of the common agricultural policy, in particular the integrated administration and control system (including an animal identification and registration system and a land parcels identification system).
- Continue alignment of veterinary and phytosanitary legislation and upgrade inspection arrangements, in particular at future external borders.
- Strengthen the administrative capacity to implement the food safety strategy.
- Accelerate the structural reform of the agricultural and agri-food sectors.
- Ensure investments to complete cadastral reform and the registration of property titles in the land book offices.
- Regarding horizontal issues, pursue efforts in areas such as land registration, inter-branch organisations, quality policy and the farm accountancy data network (FADN).
- Elaborate enforcement measures for the new wine law (in particular regarding the vineyard register).
- Reinforce the administrative capacity to implement and enforce the *acquis*, in particular in the veterinary and phytosanitary fields, where additional human and financial resources are needed by the National Sanitary Veterinary Agency in order to complete the legal adoption of the veterinary *acquis*.

Fisheries

- Complete the fishing register in full compliance with Community requirements.
- Develop a reliable system of fisheries statistics.
- Implement recently adopted legislation governing the functioning of the main administrative structures and provide adequate institutional resources and equipment relating to inspection and controls at central and regional levels.
- Clarify administrative responsibilities between the Ministry of Agriculture, Food and Forestry and the Ministry of Waters and Environmental Protection.
- Make additional staff available for the Fisheries Department within the Ministry of Agriculture, Food and Forestry.
- Strengthen control activities by putting more emphasis on training fisheries inspectors, providing appropriate equipment, and increasing the number of inspectors for controlling sea fisheries.
- Prepare to implement regulations concerning resources management and control.

Transport Policy

- In the road sector: (i) reinforce administrative capacity for implementing the fiscal and social/technical *acquis*, (ii) continue to implement programmes for phasing out discriminatory practices in road transport taxation/charging, (iii) continue to implement the action plans to retrofit Romanian lorries with speed limitation devices and recording equipment, (iv) continue to implement rules on driving times and rest periods, (v) implement the schedule to ensure the necessary investments for upgrading and rehabilitating the road network up to Community axle-weight norms, taking account of environmental legislation and (vi) ensure that the roadside inspection of vehicles does not give rise to any de facto discrimination between Romanian and EC hauliers and/or vehicles.
- Complete alignment with EU maritime legislation in safety and non-safety areas; improve maritime safety, in particular the performance of maritime safety administrative institutions as a flag state and guarantee their independence. Urgently improve the maritime safety record of the Romanian fleet under the Paris Memorandum by adopting and implementing all appropriate measures. In addition, ensure high standards of port state control.
- Continue to transpose and implement the inland waterways *acquis*. Restructure and modernise the Romanian Danube fleet to increase its competitiveness and to prepare it to comply with the Community technical requirements.
- Continue to transpose and implement the aviation and railways *acquis*.
- Ensure necessary administrative capacity is in place in order to prepare for the significant investments needed in rail and road infrastructure.

Taxation

- Continue legislative alignment with particular attention to VAT exemptions, refund conditions, taxable scope and special VAT schemes, as well as excise duties levels, structure and exemptions.
- Adopt the excise duty suspension regime (in particular the provisions on tax warehouses).
- Ensure that future legislation complies with the principles of the code of conduct for business taxation and revise existing harmful provisions.

- Strengthen administrative capacity and control procedures including administrative cooperation and mutual assistance. Particular attention should be given to (i) improving the revenue collection and the refund systems, (ii) preventing fraud on VAT refunds, (iii) setting up of a taxpayer register, (iv) implementing the tax administration strategy, (v) establishing a code of ethics and measures to apply such a code, (vi) assessing the human resource requirements of the tax system and (vii) designing and implementing a training system covering both initial and in-service training.
- Develop IT systems so as to allow for the exchange of electronic data with the Community and its Member States.

Economic and monetary union

- Continue to align legislation with the provisions of the *acquis* regarding central bank independence, the prohibition of privileged access of public sector authorities to financial institutions and the prohibition of direct financing of the public sector.
- Fully harmonise government finance statistics with the ESA 95 requirements.

Statistics

- Further improve quality and coverage of statistics by ensuring that adequate resources are made available to strengthen statistical capacities, including at regional level.
- Upgrade statistical methodologies and start preparations for future introduction of the Intrastat system.
- Develop the capacity of staff within the statistics administration and ensure that levels of staffing are not further decreased.
- Ensure further streamlining of the tasks and responsibilities of the eight lead regional offices.
- Define a long-term strategy for statistical development.
- Continuously renew and develop information technology capacity and provide further training for central and regional staff in order to make effective use of the equipment and the software applications.

Social policy and employment

- Continue alignment to the *acquis* in the area of labour law and implement the new Labour Code and the other additional laws on the implementation of specific directives.
- Complete transposition of the *acquis* in the field of equal treatment for women and men and ensure its proper implementation. Adopt the law on maternity, family and child protection.
- Continue alignment of the *acquis* on anti-discrimination and ensure its proper implementation.
- Continue transposition of the *acquis* on health and safety at work and strengthen the related administrative and enforcement structures, in particular the Labour Inspectorates. Improve the cooperation between the Ministry of Labour and Social Solidarity and the Ministry of Health and Family.
- Continue to transpose and implement legislation on public health — including the *acquis* on tobacco control — and improve the national system for surveillance and control of communicable diseases in line with Community requirements. Develop a health monitoring and information system which meets Community standards.

- Strengthen the capacity to manage health sector reform in a comprehensive manner by improving strategic planning for human and financial resources so as to make efficient use of public funds while ensuring equal access to health care. Improve accountability and transparency in the allocation and use of healthcare resources.
- Implement the national action plan for employment, taking into account the revised European employment guidelines and the priorities, commitments and recommendations identified in the joint assessment of employment policy priorities (JAP).
- Continue to develop the capacity of the National Agency for Employment to implement active measures and employment programmes, strengthen its regional and local structures and ensure appropriate capacity for management of European Social Fund type projects in preparation for Structural Funds.
- Continue to support social partners' capacity-building efforts, in particular with a view to their future role in the elaboration and implementation of Community employment and social policy. Particular attention should be paid to developing capacity in new policy areas including employment and social inclusion.
- Promote autonomous social dialogue, especially at the enterprise and sectoral level, in order to improve its coverage.
- Complete the secondary legislation necessary for implementing the new law on social assistance and develop monitoring and control systems relating to social assistance. Complete and implement reform of the social assistance system, (including clarity in the decentralisation process) in line with the *acquis*.
- With regard to the implementation of the social assistance law, improve interministerial cooperation, ensure clarity in decentralising responsibilities to the local level, ensure adequate staff numbers and effective training of personnel, as well as budgetary means.
- Implement the social inclusion and anti-poverty national strategy (including data collection) and adopt secondary legislation in order to clarify institutional responsibilities of all bodies and authorities concerned.

Energy

- Align the energy strategy to the Community energy policy objectives and ensure that it addresses the structural problems facing the sector: (i) increasing levels of bill payment and cost recovery; (ii) the reduction of arrears; (iii) removing remaining price distortions in the energy sector, whether direct or indirect; (iv) restructuring Termoelectrica in full compliance with the Community *acquis*.
- Strengthen the administrative capacity of the newly established bodies in the sector (in particular the energy regulators and the energy efficiency body).
- Continue the progressive opening of the gas and electricity market. Complete the legislative process including adoption of secondary legislation.
- Take measures progressively to build-up and manage oil stocks in line with the *acquis*.
- Reduce the energy intensity of the Romanian economy, at all stages of the energy cycle. Support improving energy efficiency by increasing energy savings and enhancing the use of renewable energy sources. Continue transposition of the energy efficiency *acquis* (labelling appliances, minimum efficiency standards).
- Ensure compliance with Euratom requirements and procedures.
- Continue to implement all recommendations contained in the 2001 Council Report on nuclear safety in the context of enlargement and its subsequent peer review status report of June 2002, with due regard to the priorities assigned in the reports.

- Continue to ensure a high level of nuclear safety at the Cernavoda nuclear power plant.
- Focus on strengthening the independence, resources and capabilities of the national regulatory authority for nuclear safety.
- Address issues of spent nuclear fuel and nuclear waste.

Industrial policy

- Strengthen the administrative capacity and structures necessary to implement Romania's industrial policy strategy with a particular focus on structures at regional level.
- Review the current policy framework and legislation in order to improve the access of enterprises (particularly SMEs) to investment finance.
- Continue implementation of measures to simplify and stabilise the business environment in order to attract foreign investments.

Small and medium-sized enterprises

- Ensure a coordinated approach to implementing both the action plan for removing barriers to SMEs as well as the action plan for removing administrative barriers to business.
- Implement the European Charter for Small Enterprises.
- Take measures to avoid duplication of responsibilities and ensure that there is effective coordination between the many different agencies involved in the sector.

Science and research

- Reinforce research-related administrative capacity and infrastructure in order to increase the benefits from association with the relevant Community framework programmes including the 6th Framework Programme (2002-2006).

Education and training

- Prepare for full implementation of the Directive on education of children of migrant workers by the date of accession.

Telecommunications and information technologies

- Continue alignment with the *acquis* and adopt further implementing legislation, in particular as regards postal services.
- Strengthen independence of the new regulatory authority and increase training and financial investment to ensure that adequate administrative capacity exists.
- Complete the separation of regulatory and ownership interests.

Culture and audiovisual policy

- Continue to align legislation and develop the capacity of the National Audiovisual Council to enforce the new audiovisual law in a predictable, transparent and effective way.
- Ensure that the restructuring made in the Ministry of Culture and Religious Affairs relating to audiovisual affairs will not affect Romania's institutional capacity to secure effective legislative alignment.

Regional policy and coordination of structural instruments

- Develop a national policy for economic and social cohesion and, in this context, regularly update and improve the national development plan (in particular through further coordination with the national budgetary and policy-making processes, including multi-annual programming and budgeting).
- Strengthen the institutional and administrative capacity of the bodies in charge of programming and managing funds for economic and social cohesion, in line with the Structural Funds approach.
- Establish a clear division of responsibilities at national and regional level and improve the administrative capacity in terms of recruitment, career profiles and training.
- Improve coordination and cooperation between ministries, as well as between relevant agencies and social and economic partners.
- Set up the required monitoring and evaluation system for the Structural Funds, in particular for *ex ante* and *ex post* evaluation and for the collection of the relevant statistical information and indicators.
- Develop the technical capacity to conduct projects to be co-financed by the Structural Funds: (i) select, discuss and clarify development priorities at both national and regional levels and (ii) identify, programme, and prepare projects.
- Address both legislative and administrative aspects relating to Community requirements on financial management and control (control and audit functions, mobilisation and circulation of financial flows, national co-financing). Prepare to allocate control functions and in particular the internal audit function within the managing authorities, the paying authorities and, if appropriate, intermediate bodies.

Environment

- Complete an overall assessment of the situation in the environment sector in order to identify gaps to be filled.
- Ensure effective implementation of the *acquis*, including through securing the necessary financial resources, with particular emphasis on environmental impact assessment, access to information, waste management, industrial pollution and risk management, nature protection, chemical and genetically modified organisms, nuclear safety and radiation protection.
- Improve the manner in which legislation is prepared by allowing for full consultation with stakeholders (including other ministries, economic operators and NGOs), and giving full consideration to the implementation requirements, including a thorough assessment of the implementation costs.
- Develop implementation plans together with financing strategies, to outline the steps needed to ensure full implementation in the medium and longer term. These plans should take into account available resources and institutional strengthening, and further elaborate mechanisms to monitor effective implementation. Ensure the involvement of stakeholders in the planning phase of implementation.
- Improve administrative capacity to implement the *acquis*, through reinforcement of staffing both in the Ministry and in other relevant bodies. Particular attention needs to be paid to enforcing capacity of the Environmental Protection Inspectorates at local level and the regional level as well as to coordination between ministries.
- Ensure that sufficient resources are available at the local level to improve the status of existing staff, to recruit new inspectors, and to train them adequately.
- Reinforce structures and mechanisms (including coordination between ministries) to ensure integration of environmental protection requirements into the definition and implementation of all other sectoral policies so as to promote sustainable development.

Consumers and health protection

- Begin implementation of the five-year strategy for the National Authority for Consumer Protection.
- Improve cooperation between the relevant actors in this area and seek a clarification of their respective roles and tasks.
- Implement existing legislation and ensure that the administrative structures are able to operate effectively, in particular with regard to market surveillance and enforcement. Place particular emphasis on safety aspects of non-food consumer products and allocate adequate resources to laboratory testing.
- Increase consumers' and producers' awareness of the new regulations and promote the role of consumer associations in developing and implementing consumer policy.

Justice and home affairs

- Continue to improve border management by: (i) widening the scope of the integrated border management strategy to cover all borders, (ii) developing an integrated sea surveillance system, (iii) improving coordination and cooperation of all agencies working at the border, (iv) filling vacancies in the border police, (v) modernising infrastructure and equipment on the basis of the implementation of a multi-annual investment plan and (vi) increasing the use of risk analysis methods and strengthening the intelligence function within the border police.
- Implement the updated Schengen action plan and continue preparation for full participation in SIS II by developing national databases and registers.
- Further improve visa arrangements by (i) continuing alignment with the EU positive and negative lists, (ii) making the national visa sticker more secure, (iii) upgrading the administrative capacity of the visa centre and (iv) providing all diplomatic and consular offices with technical equipment for detecting forged and falsified documents.
- Continue alignment of asylum legislation with the *acquis*, ensure the full respect of the non-refoulement principle, and implement the integration programmes for asylum seekers and refugees.
- Prepare the infrastructure to ensure the full implementation of the regulations relating to Eurodac and Dublin II upon accession.
- Develop and implement a strategy to combat organised crime in line with the preaccession pact on organised crime: (i) establish a framework for improved cooperation and coordination between law enforcement agencies specialised in fighting various forms of crime (with special attention to the fight against financial and economic crime, trafficking in drugs, counterfeited goods and weapons) and (ii) provide further specialised training in the above areas.
- Continue efforts to combat illegal immigration through and from Romania, with special attention to organisations facilitating the illegal entry of human beings (in particular women and children) in EU Member States. Increased attention should be paid to the reintegration of returned persons, especially victims of human trafficking.
- Ensure the pre-requirements to the conclusion of a cooperation agreement with Europol are met.
- Continue the fight against drugs by (i) continuing to implement the national strategy to combat drug abuse and illicit traffic of drugs and precursors, (ii) strengthening the administrative and coordinating capacities of the National Anti-drug Agency, (iii) legally establishing a national focal point with a clear mandate that stipulates its main tasks and responsibilities and (iv) further developing the drug information system to provide more accurate monitoring and assessment of the situation.
- Continue preparation for full implementation upon accession of third pillar customs cooperation conventions.

- Take further measures to ensure implementation of the EU instruments in the area of judicial cooperation in civil matters, notably as regards mutual recognition and enforcement of judicial decisions.
- Amend legislation in order to accede to and implement the EU Convention on Mutual Assistance in Criminal Matters upon accession. Take the necessary steps to prepare for full implementation upon accession of the instrument applying the principle of mutual recognition and in particular the European arrest warrant and the Framework Decision on the execution of orders freezing property or evidence.
- Continue alignment with the *acquis* on the criminal law protection of the financial interests of the Communities (1995 Convention) and implement relevant legislation.
- Ensure legislative alignment with the *acquis* on the criminal law protection of the euro against counterfeiting.

Customs union

- Complete the approximation of the customs legislation, in particular with regard to rules of origin and the status of free zones.
- Improve cooperation between customs services and other enforcement bodies.
- Take measures to ensure the uniform application of customs procedures in the whole of the customs territory.
- Combat irregularities by increasing the use of risk analysis methods and strengthening the intelligence function within the customs administration.
- Continue efforts to implement the customs ethics policy and combat corruption within the customs service.
- Implement measures to reduce waiting times at the border, to fight cross-border movement of pirated and counterfeit goods and to fight economic crime and organised crime.
- Reinforce administrative and operational capacity in the field of customs enforcement. Human resource requirements should be assessed and centralised training developed.
- Accelerate the implementation of the IT strategy of the Romanian customs administration; develop IT systems to permit the exchange of computerised data within the enlarged Community; prepare for installation and operation of CCN/CSI (Common Communications Network/Common Systems Interface).
- Take steps to prepare for implementation, at the time of accession, of the commitments in the areas of collection and control of Community own resources and management of the customs aspects of the common agricultural policy (control of export refunds, etc.).

External Relations

- Undertake an analysis of all international treaties and agreements in order to ensure that preparations are made so that those which are incompatible with the *acquis* are terminated or renegotiated in due time.

Financial control

- Develop institutional capacities for the correct application of the law on preventive financial control and the law on internal audit. A particular requirement is the generalisation of functionally independent internal audit units in public institutions, reorganised in compliance with the provisions settled by the new law on public internal audit. Particular attention should be given to institutions responsible for management of Community funds.

- Set up the Central Harmonising Unit of Public Internal Audit, responsible for the elaboration and adaptation of a unitary legal framework in the field of public internal audit activity.
- Ensure the independence of the Romanian Court of Accounts through a constitutional amendment in line with international standards as regards the organisation of supreme audit institutions.
- Enhance the procedures for parliamentary scrutiny of Court of Accounts audit findings and improve the transparency and dissemination of the Court of Accounts' reports.
- Develop and implement standards for external audit, conforming to internationally accepted external audit standards and in line with the *acquis*. Effective staff training should be further developed.
- Ensure the correct implementation of the provisions with regard to the treatment of irregularities under Phare, Sapard and ISPA.
- Ensure the operational effectiveness and operational independence of the anti-fraud coordinating service (AFCOS), and implement effective cooperation with OLAF through this service. Give priority to the development of mechanisms for administrative enquiries and for the judicial follow-up of anti-fraud investigations.
- Take the necessary steps to prepare for implementation of the *acquis* on the protection of the euro against counterfeiting.

Bu d g e t

- Continue to build up technical and administrative capacity as regards the preparatory activities related to operational management of own resources. Continue efforts to define the necessary procedures and organisational arrangements and develop the necessary capacities to coordinate the calculation, monitoring, payment, control and evaluation of funds to and from the Community budget in accordance with the *acquis* on own resources.
- Improve the capacity to calculate the VAT resource base according to ESA 95 standards.
- Begin development of the reporting system on cases of fraud and irregularities and the accounting system in the field of traditional own resources.
- Start action on the organisational aspects and associated administrative capacity as regards sugar levies, with particular attention to establishing the structure, responsibilities and the way of functioning for the Payment and Intervention Agency.

5. PROGRAMMING

For the period 2000 to 2006, in addition to Phare, financial assistance to Romania comprises support for preaccession measures for agriculture and rural development through the preaccession instrument Sapard (Council Regulation (EC) No 1268/99, OJ L 161, 26.6.1999, p. 87) and support for infrastructure projects in the fields of environment and transport through the structural instrument ISPA (Council Regulation (EC) No 1267/99, OJ L 161, 26.6.1999, p. 73), which gives priority to measures similar to the cohesion fund in the preaccession period. Under these national allocations, Romania can also fund part of its participation in community programmes including the Research and Technological Development Framework Programmes and programmes in the areas of education and enterprise. In addition Romania will have access to funding from multi-country and horizontal programmes directly related to the *acquis*. Joint financing by the candidate countries is systematically required for all investment projects. Since 1998 the Commission has worked with the European Investment Bank and the international financial institutions, in particular the European Bank for Reconstruction and Development and the World Bank, with a view to facilitating the co-financing of projects relating to preaccession priorities.

6. CONDITIONALITY

Community assistance for financing projects through the three preaccession instruments Phare, ISPA and Sapard is conditional on respect by Romania 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 revised Accession Partnership. 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.

7. MONITORING

The implementation of the Accession Partnership and the roadmap 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 and implementation of the *acquis* can be examined. The Europe Agreement subcommittees provide the possibility to review implementation of the Accession Partnership priorities as well as progress as regards legal approximation, implementation and enforcement. The Association Committee discusses overall developments, progress and problems in meeting the Accession Partnership's priorities as well as more specific issues referred to it from the subcommittees.

The Phare Management Committee ensures that actions financed under all three preaccession 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 1266/99 (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.

COUNCIL DECISION**of 19 May 2003****on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Turkey**

(2003/398/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 390/2001 of 26 February 2001 on assistance to Turkey in the framework of the preaccession strategy, and in particular on the establishment of an Accession Partnership ⁽¹⁾, and in particular Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas:

(1) The Copenhagen European Council recalled its decision in 1999 in Helsinki that Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States. It strongly welcomes the important steps taken by Turkey towards meeting the Copenhagen criteria, in particular through the recent legislative packages and the subsequent legislative measures which cover a large number of key priorities specified in the Accession Partnership.

(2) The Copenhagen Council decided that in order to assist Turkey towards EU membership, the accession strategy for Turkey should be strengthened and the Commission was invited to submit a proposal for a revised Accession Partnership.

(3) Regulation (EC) No 390/2001 provides 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 Accession Partnership, as it will be submitted to Turkey, as well as on subsequent significant adjustments applicable to it.

(4) Community assistance is conditional on the fulfilment of essential elements, and in particular on progress towards fulfilment 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 preaccession assistance.

(5) The EC-Turkey Association Council decided that the implementation of the Accession Partnership for Turkey will be monitored by the Association Agreement bodies as appropriate.

(6) The Commission's 2002 regular report presented an objective analysis on Turkey's preparations for membership and identified a number of priority areas for further work.

(7) In order to prepare for membership, Turkey should prepare a 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 390/2001, the principles, priorities, intermediate objectives and conditions in the Accession Partnership for Turkey are set out in the Annex hereto, which forms an integral part of this decision.

⁽¹⁾ OJ L 58, 28.2.2001, p. 1.

Article 2

The implementation of the Accession Partnership shall be examined and monitored in the Association Agreement bodies and by the appropriate Council bodies on the basis of the regular report by the Commission to the Council.

Done at Brussels, 19 May 2003.

Article 3

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

For the Council

The President

G. PAPANDREOU

ANNEX

TURKEY: 2003 ACCESSION PARTNERSHIP**1. INTRODUCTION**

At its meeting in Luxembourg in December 1997, the European Council decided that the Accession Partnership would be the key feature of the enhanced preaccession strategy, mobilising all forms of assistance to the candidate countries within a single framework. In this manner, the Community targets its assistance towards the specific needs of each candidate so as to provide support for overcoming particular problems with a view to accession.

The first Accession Partnership for Turkey was decided in March 2001. In the Commission's strategy paper on enlargement of 9 October 2002, it was stated that the Commission would propose a revised Accession Partnership for Turkey.

2. 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 2002 regular report on the progress made by Turkey towards accession, the financial means available to help Turkey implement these priorities and the conditions which will apply to that assistance. The 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. It is expected that Turkey on the basis of this revised Accession Partnership adopts a revised national programme for the adoption of the *acquis*.

3. 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 in 1995, the European Council stressed the need for the candidate States to adjust their administrative structures to ensure harmonious operation of Community policies after accession and at Luxembourg, in 1997, 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. The Feira and Gothenburg European Councils in 2000 and 2001 respectively confirmed the vital importance of the applicant countries' capacity to implement and enforce the *acquis*, and added that this required important efforts by the applicants in strengthening and reforming their administrative and judicial structures.

4. PRIORITIES

The Commission's regular reports have highlighted, besides the progress already made, 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 granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others.

The priorities in the Accession Partnership are divided into two groups — short and medium term. Those under the short term have been selected on the basis that it is realistic to expect that Turkey can fulfil them in 2003/2004. The priorities listed under the medium term are expected to take more than one year to complete although work should be taken forward substantially in 2003/2004.

The Accession Partnership indicates the priority areas for Turkey's membership preparations. Turkey will nevertheless have to address all issues identified in the regular report. It is also important that Turkey fulfils the commitments of legislative approximation and implementation of the *acquis* in accordance with the commitments made under the Association Agreement, customs union and related decisions of the EC-Turkey Association Council, for example on the trade regime for agricultural products. 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 priorities have been identified for Turkey.

ENHANCED POLITICAL DIALOGUE AND POLITICAL CRITERIA

Priorities (2003/2004)

In accordance with the Helsinki Conclusions, in the context of the political dialogue, strongly support efforts to find a comprehensive settlement of the Cyprus problem, through the continuation of the United Nations Secretary-General's mission of good offices and of negotiations on the basis of his proposals.

In accordance with the Helsinki Conclusions, in the context of the political dialogue, under the principle of peaceful settlement of disputes in accordance with the UN Charter, make every effort to resolve any outstanding border disputes and other related issues, as referred to in point 4 of the Helsinki Conclusions.

Ratify the International Covenant on Civil and Political Rights and its optional Protocol and the International Covenant on Economic, Social and Cultural Rights. Ratify Protocol 6 of the European Convention on Human Rights. Comply with the European Convention for the Protection of Human Rights and Fundamental Freedoms, including respect of the judgments of the European Court of Human Rights (section II of the Convention).

Implement measures to fight against torture and ill-treatment by law enforcement officials, in line with Article 3 of the European Convention on Human Rights and the recommendations of the European Committee for the Prevention of Torture. Adopt further measures to ensure that prosecutors conduct timely and effective investigations of alleged cases and that courts impose adequate punishments on those convicted of abuses.

Guarantee in practice the right for detained and imprisoned persons to access in private to a lawyer and to have relatives notified, from the outset of their custody, in line with the European Convention on Human Rights.

Guarantee in law and in practice the full enjoyment of human rights and fundamental freedoms by all individuals without discrimination and irrespective of language, race, colour, sex, political opinion, religion or belief in line with relevant international and European instruments to which Turkey is a party.

Pursue and implement reforms concerning freedom of expression including freedom of the press. Lift legal restrictions in line with the European Convention on Human Rights (Articles 10, 17 and 18). Remedy the situation of those persons prosecuted or sentenced for non-violent expression of opinion. Implement legal provisions on the right to re-trial following the relevant judgment of the European Court of Human Rights.

Pursue and implement reforms concerning freedom of association and peaceful assembly. Lift legal restrictions in line with the European Convention on Human Rights, in particular on both foreign and national associations, including trade unions (Articles 11, 17 and 18). Encourage the development of civil society.

Adapt and implement provisions concerning the exercise of freedom of thought, conscience and religion by all individuals and religious communities in line with Article 9 of the European Convention on Human Rights. Establish conditions for the functioning of these communities, in line with the practice of EU Member States. This includes legal and judicial protection of the communities, their members and their assets, teaching, appointing and training of clergy, and the enjoyment of property rights in line with Protocol 1 of the European Convention on Human Rights.

Ensure cultural diversity and guarantee cultural rights for all citizens irrespective of their origin. Ensure effective access to radio/TV broadcasting and education in languages other than Turkish through implementation of existing measures and the removal of remaining restrictions that impede this access.

Adapt the functioning of the National Security Council in order to align civilian control of the military with practice in EU Member States.

Strengthen the independence and efficiency of the judiciary and promote consistent interpretation of legal provisions related to human rights and fundamental freedoms in line with the European Convention on Human Rights. Take measures with a view to ensuring that the obligation for all judicial authorities to take into account the case-law of the European Court of Human Rights is respected. Align the functioning of State security courts with European standards. Prepare the establishment of intermediate courts of appeal.

Continue to bring conditions in prisons into line with standards in EU Member States.

Extend the training of law enforcement officials on human rights issues and modern investigation techniques, in particular as regards the fight against torture and ill-treatment, in order to prevent human rights violations. Extend the training of judges and prosecutors on the application of the European Convention on Human Rights and the case-law of the European Court of Human Rights.

Intensify efforts to develop a comprehensive approach to reduce regional disparities, and in particular to improve the situation in the south-east, with a view to enhancing economic, social and cultural opportunities for all citizens. In this context, the return of internally displaced persons to their original settlements should be supported and speeded up.

Short term

Economic criteria

- Ensure the implementation of the current disinflation and structural reform programme agreed with the IMF and the World Bank, in particular, ensure the control of public expenditure.
- Continue the swift implementation of the financial sector reform, in particular the alignment of prudential and transparency regulations and their surveillance with international standards.
- Safeguard the independence of market regulatory authorities.
- Proceed with agricultural reforms.
- Accelerate the privatisation of State-owned entities, taking into account the social component.
- Continue with market liberalisation, in particular in the areas of tobacco and sugar.
- Facilitate and promote the inflow of foreign direct investments.

- Enhance the economic dialogue with the EU, in particular in the framework of the preaccession fiscal surveillance procedures, with emphasis on appropriate measures to achieve macroeconomic stability and predictability and on the implementation of structural reforms.
- Implement means to address the problem of the informal economy.

Ability to assume the obligations of membership

Free movement of goods

- Remove technical and administrative barriers to trade. Accelerate alignment and application of European standards. Ensure effective in-market control and free movement of goods in line with internal market legislation.
- Start implementing certification and conformity assessment and CE marking in compliance with the new and global approach Directives; reinforce existing market surveillance and conformity-assessment structures with equipment and training and create compatible administrative infrastructure.
- Complete work relating to mutual recognition and *acquis* alignment as regards non-harmonised areas (Articles 28 to 30 of the EC Treaty and related legislative instruments).
- Develop an effective metrology infrastructure and restructure the Turkish Standard Institute to allow for the separation of functions relating to standardisation, certification and market surveillance.
- Continue efforts on food safety, including the progressive alignment with the *acquis* on foodstuff legislation, and set up or restructure as necessary institutional structures.
- Complete alignment of the public procurement legislation with the *acquis*.
- Increase the capacity of the public procurement authority to implement and monitor the new public procurement law.

Freedom to provide services

- Start identification and remove potential obstacles to EC Treaty provisions related to the right of establishment and the freedom to provide services.
- Align with the *acquis* as regards provision of services in the information society.
- Complete legislative alignment in financial services and strengthen the supervisory structures and enforcement record including maintaining the independence of regulatory bodies.
- Align fully with the EU banking and insurance legislation and establish an insurance supervisory authority.
- Align with the *acquis* on personal data protection.

Free movement of capital

- Remove all restrictions affecting foreign investments (originating from the EU) in all economic sectors in Turkey.

Company law

- Complete alignment with the *acquis* on company and accounting legislation.
- Complete alignment with the *acquis* on intellectual and industrial property rights including IPR legislation for pharmaceuticals and strengthen the fight against piracy and counterfeiting.

Competition

- Align with the *acquis* concerning State aids and establish a national State aid monitoring authority to ensure an effective State aid control based on EC criteria.
- Align legislation concerning monopolies and undertakings with special and exclusive rights, with the relevant *acquis*.
- Complete alignment in secondary legislation in the antitrust field.
- Strengthen the enforcement record in the antitrust field, in particular against State-owned undertakings, or undertakings having special and exclusive rights.
- Reduce delays in finalising appeal applications concerning competition infringements.

Agriculture

- Complete the establishment of animal identification systems, which are a key element of the integrated administration and control system. Also begin preparatory work on other elements such as the land parcel identification systems.
- Prepare a strategy for the introduction of the Community rural development policy and the forestry strategy.
- Adopt a veterinary framework law and *acquis*-harmonised secondary legislation; strengthen the human, technical and information resources of the relevant administrative, scientific, testing and inspection bodies; ensure enforcement of legislation; step up animal disease eradication efforts, contingency planning and monitoring capacity.
- Identify sites for the development and operation of a Community-compatible system of border inspection posts with third countries.
- Adopt a programme for transposition of the veterinary and phytosanitary *acquis*; strengthen the administrative, scientific and technical structures enabling the efficient and effective implementation of the *acquis* on plant protection, in particular laboratory testing; strengthen inspection arrangements of both domestic production and imports of plants and plant products, as well as in food-processing establishments.

Fisheries

- Align fisheries management, control, marketing and structural adjustment legislation to the *acquis*.

Transport

- Adopt a programme for transposition and implementation of the transport *acquis* including air transport.
- Start aligning legislation on maritime safety as well as road and rail transport; improve implementation and enforcement of, in particular, maritime safety and road transport standards.

- Adopt as soon as possible an action plan for maritime transport on monitoring classification societies and improving the performance of the Turkish flag register. Urgently improve the maritime safety record of the Turkish fleet under the Paris Memorandum of Understanding by adopting and implementing all appropriate measures.
- Strengthen maritime administration, particularly that of flag State control.
- Adopt a programme for adaptation of the Turkish road transport fleet to EU standards.

Taxation

- Continue alignment of excise duties and VAT, in particular in respect of applied rates, scope of exempt transactions, and tax structure and eliminate tax measures which may result in discriminatory treatments; ensure that future legislation complies with the principles of the Code of Conduct for business taxation.
- Modernise and strengthen the tax administration with a view to increasing taxpayers' compliance and to improving the collection of tax revenues.

Statistics

- Ratify a new statistical law in line with EU standards.
- Adopt the pending basic classifications (e.g. NACE, CPA, Prodcom, etc.) by SIS and by all public institutions of the Turkish statistical system.
- Fully adopt the relevant statistical units (e.g. KAU, LKAU, etc.).
- Revise the national accounts methodology for the implementation of ESA 95.
- Reinforce the strategy for the development of statistics in particular in the following areas: demographic and labour force survey statistics, regional statistics, business statistics (including business register) and agriculture statistics.
- Ensure adequate training of staff and improve the administrative capacity.

Social policy and employment

- Adopt a transposition programme of the *acquis* in the areas of labour law, equal treatment for women and men, health and safety at work, the fight against discrimination, and public health.
- Develop a yearly plan for financing investment, based on a realistic assessment of costs of alignment and of available public and private resources.
- Put in place conditions for an active and autonomous bipartite as well as tripartite social dialogue, *inter alia*, by abolishing restrictive provisions on trade union activities and ensuring that trade union rights are respected.
- Support social partners' capacity-building efforts, in particular with a view to their future role in the elaboration and implementation of employment and social policy notably through autonomous social dialogue.
- Continue efforts to tackle the problem of child labour.
- Review the capacity of all institutions involved in the transposition of the *acquis* in the field.

Energy

- Establish a programme for the adoption of the energy *acquis*, particularly that concerning issues other than the internal energy market.
- Ensure independence and effective functioning of the regulatory authority for the electricity and gas sectors; grant the authority the means to carry out its tasks effectively.
- Ensure the establishment of a competitive internal energy market, in compliance with the electricity and gas Directives.
- Ensure further alignment with the energy efficiency *acquis* and enhance the implementation of energy conservation practices.
- Design and start to implement a programme to reduce the energy intensity of the Turkish economy and to increase the use of renewable energy sources.

Industrial policy

- Develop and implement a strategy for the promotion of foreign investment into Turkey.

Small and medium-sized enterprises

- Develop and implement a national SME strategy in line with the European Charter for small enterprises and the multiannual programme for enterprise and entrepreneurship. This should include the improvement of the business environment for SMEs, particularly where access to finance is concerned.
- Align the SME definition with the EU definition.

Education, training and youth

- Take appropriate measures to set up a body able to perform the duties of a national agency as well as all necessary mechanisms for the implementation and sound financial management of the Socrates, Leonardo da Vinci and Youth programmes.

Telecommunications and information technology

- Adopt regulations in the areas of leased lines, data protection in electronic communications, interconnection and universal service, carrier selection and number portability.
- Ensure effective implementation of tariffing and licensing legislation.
- Prepare a schedule for the transposition of the new *acquis* 2002.
- Strengthen the capacity building and the enforcement powers of the regulatory authority.
- Start alignment with the *acquis* on postal services.

Culture and audiovisual policy

- Start alignment of legislation in the field of audiovisual policy, in particular with regard to the television-without-frontier Directive and ensure effective, predictable, and transparent implementation of the new regulatory framework.

Regional policy and coordination of Structural Instruments

- Start to develop a national policy for economic and social cohesion aimed at reducing regional disparities through a national development plan, and the establishment of regional development plans at NUTS 2 level.
- Adopt a legislative framework that would facilitate the implementation of the *acquis* under this chapter.
- Establish pluriannual budgeting procedures setting out priority criteria for public investment in the regions.
- Strengthen the administrative structures for managing regional development.

Environment

- Adopt a programme for transposition of the *acquis*.
- Develop a plan for financing investment, based on the estimations of costs of alignment and realistic sources for public and private finance.
- Begin to transpose and implement the *acquis* related to the framework legislation, international environmental conventions, legislation on nature protection, water quality, integrated pollution prevention control and waste management.
- Implement and enforce the environmental impact assessment Directive.
- Pursue the development of transboundary water cooperation, in line with the water framework Directive and international conventions to which the Community is a party.

Consumer protection and health

- Further align legislation with the *acquis* and develop infrastructure for effective implementation, in particular with regard to market surveillance.
- Further develop systems for notification of dangerous products on national level and exploit the possibilities to exchange such notifications on international level through Trapex or other relevant systems.

Cooperation in the fields of justice and home affairs

- Reinforce the fight against illegal immigration, negotiate and conclude as soon as possible a readmission agreement with the European Community.
- Continue to strengthen the fight against organised crime, drugs, trafficking in persons, fraud, corruption and money-laundering, particularly through legislative alignment, improved administrative capacity and enhanced cooperation between different law-enforcement bodies, in line with EU standards.
- Further develop and strengthen all relevant institutions, with a view in particular to ensuring the accountability of the police. Improve cooperation between all law enforcement institutions, including the judiciary.
- Improve the capacity of public administration to develop an effective border management, including the detection of forged and falsified documents, in line with the *acquis* and best practices with a view to preventing and combating illegal migration.
- Strengthen efforts to develop information and awareness programmes on the legislation and best practices in the European Union in the fields of justice and home affairs.

Customs union

- Align legislation on free zones and ensure enforcement of the new Customs Code and its implementing provisions.
- Strengthen the administrative and operational capacity of the customs administration.
- Ensure full administrative cooperation concerning compliance with the *acquis* and the provisions of Decision 1/95 notably in anti-fraud investigations.
- Ensure that State monopolies of a commercial character, in particular for alcoholic beverages, are adjusted so as to ensure no discrimination in trade of goods between Turkey and EU Member States.
- Start a new round of negotiations on services and public procurement.
- In parallel with the alignment of commercial policy with that of the Community, align rules of origin with those of Community preferential regimes, including GSP.

External relations

- Complete alignment with Community common commercial policy, by aligning with Community preferential regimes including GSP.
- Continue efforts to conclude outstanding free trade agreements with third Countries as foreseen under the customs union Decision.

Financial control

- Adopt legislation on public internal financial control in accordance with EU practice and internationally agreed control and audit standards and ensure its effective implementation.
- Strengthen the administrative capacity for the treatment of irregularities and cases of suspected fraud affecting preaccession assistance, including the effective communication of irregularities to the Commission.

Financial and budgetary provisions

- Establish decentralised implementation system for management of Community preaccession funds,
- Apply the new budget code structure published by the Ministry of Finance to all public entities, including budgetary, extra-budgetary and revolving funds, for the 2004 budget.

Medium term

Economic criteria

- Complete the process of privatisation.
- Complete the reform of the financial sector and continue reform of the agricultural sector.
- Ensure the sustainability of the pension and social security system.
- Ensure the improvement of the general level of education and health, paying particular attention to the younger generation and disadvantaged regions.

Ability to assume the obligations of membership

Free movement of goods

- Complete alignment with the *acquis*; complete strengthening of existing certification, market surveillance and conformity-assessment structures.
- Ensure the proper functioning of the public procurement authority.
- Ensure effective implementation and control of the public procurement regime in line with the *acquis*.

Free movement of persons

- Achieve alignment with the *acquis* as regards recognition of professional qualifications.

Free movement of capital

- Remove all restrictions affecting the acquisition of real estate in Turkey by EU citizens and legal persons.

Freedom to provide services

- Complete and implement aligned legislation in this area and remove all obstacles to the right of establishment and freedom to provide services.
- Ensure effective application of personal data protection legislation.

Company law

- Ensure the effective application of the aligned intellectual and industrial property legislation through the strengthening of enforcement structures and mechanisms, including the judiciary.

Agriculture

- Complete the establishment of the integrated administration and control system.
- Set up the administrative structures required for the implementation of EC rural development policy and the forestry strategy.
- Adopt the legal basis, administrative structures and implementation mechanisms for the establishment of common market organisations and effective monitoring of agricultural markets.
- Submit a plan and timetable for upgrading the system of border inspection posts with third countries in line with the *acquis*.
- Reorganise and strengthen the food safety and control system and upgrade its human, technical and financial resources to ensure that Community food safety standards are complied with.
- Establish an upgrading plan with timetables to modernise food-processing establishments to meet Community hygiene and public health standards, and further establishment of testing and diagnostic facilities.

Fisheries

- Reorganise and strengthen the institutional capacity of the fisheries administration; align fisheries management, control, marketing and structural adjustment practices to the *acquis*; develop and implement a computerised fisheries vessel registration and statistical information system in compliance with the *acquis*.

Transport

- Complete alignment on road transport legislation (market access, road safety as well as social, fiscal and technical rules), railways and air transport (particularly air safety and air traffic management).
- Ensure effective implementation and enforcement of transport legislation, particularly as regards maritime safety, road transport as well as air transport.
- Complete alignment with EU maritime legislation in safety and non-safety areas; improve maritime safety, in particular improve the performance of maritime safety administrative institutions, firstly, as a flag State, and then as a port State, and guarantee their independence.
- Implement a programme of adaptation of the Turkish transport fleet, particularly maritime and road transport to Community technical norms.
- Adopt a programme with a view to identifying main transport infrastructure needs in Turkey and related transport-network projects, in coherence with the European Community TEN-transport guidelines.

Taxation

- Complete alignment of tax legislation with the EU *acquis* with particular regard to VAT and excise duties.
- Continue strengthening and modernising the tax administration in order to increase compliance and improve collection of tax revenues.

Economic and monetary union

- Align legislation with the provisions of the *acquis* regarding central bank independence, the prohibition of privileged access of public sector authorities to financial institutions and the prohibition of direct financing of the public sector.
- Fully harmonise Government finance statistics with the ESA 95 requirements.

Statistics

- Bring the business register up to EU standards.
- Align macroeconomic statistics further with the *acquis*, in particular as regards GDP estimates, harmonised consumer price indexes, short-term indicators, balance of payments, social statistics.

Social policy and employment

- Transpose and implement EU legislation in the fields of labour law, equal treatment for women and men, occupational health and safety, public health including the communicable disease surveillance and control system and the fight against discrimination; strengthen the related administrative and enforcement structures, including the labour inspectorates.

- Take measures to promote access to and quality of health care and to improve the health status of the population.
- Ensure effective implementation and enforcement of the social policy and employment *acquis*.
- Prepare a national employment strategy with a view to later participation in the European employment strategy, including preparation and implementation of a joint employment policy review, and develop a capacity to monitor labour market and social developments.
- Prepare a national strategy on social inclusion, including data collection, in line with EU practice.
- Further develop social protection, notably by consolidating the reform of the social security and pension system with a view to making it financially sustainable, while strengthening the social safety net.

E n e r g y

- Restructure energy utilities and open up energy markets in conformity with the *acquis*; further strengthen administrative and regulatory structures.
- Remove restrictions on the cross-border trade in energy.
- Complete alignment of national legislation with the *acquis*.
- Promote the implementation of projects in Turkey listed as projects of common interest in the European Community TEN-energy guidelines.

S m a l l a n d m e d i u m - s i z e d e n t e r p r i s e s

- Continue simplifying the business environment for SMEs.

T e l e c o m m u n i c a t i o n s a n d i n f o r m a t i o n t e c h n o l o g y

- Prepare for full liberalisation of the markets.
- Complete the transposition of the *acquis*.
- Adopt a comprehensive policy for the development of the electronic communications sector.

C u l t u r e a n d a u d i o v i s u a l p o l i c y

- Complete alignment of audiovisual legislation and strengthen the capabilities of the independent television/radio regulatory authority.

R e g i o n a l p o l i c y a n d c o o r d i n a t i o n o f s t r u c t u r a l i n s t r u m e n t s

- Set up regional branches at NUTS 2 level to implement regional development plans.

E n v i r o n m e n t

- Complete the transposition of the *acquis* and strengthen the institutional, administrative and monitoring capacity to ensure environmental protection, including data collection.
- Integrate sustainable development principles into the definition and implementation of all other sectoral policies.

Consumer protection and health

- Complete legislative alignment with the *acquis*.
- Raise awareness for the new provisions among consumers and producers and reinforce consumer organisations.

Customs union

- Complete alignment of legislation in particular on free zones, dual-use goods and technologies, precursors and counterfeited and pirated goods.
- Ensure interconnectivity of information technology (IT) systems with the Community IT systems (installation of CCN/CSI, developments required for NCTS, integrated tariff management system).

Justice and home affairs (JHA)

- Strengthen efforts to develop sustainable training programmes on the *acquis* and its implementation in the fields of JHA also with a view to increasing administrative capacity and improving inter-agency cooperation.
- Further develop the legal aid system to ensure that all citizens enjoy access to justice.
- Adopt the *acquis* in the field of data protection and exchange of personal data for law enforcement purposes and create the institutional capacity for its implementation including the creation of an independent supervisory authority so as to be able to fully participate in the Schengen information system and Europol.
- Pursue alignment of visa legislation and practice with the *acquis*.
- Adopt and implement the *acquis* and best practices on migration (admission, readmission, expulsion) with a view to preventing illegal immigration.
- Continue alignment with the *acquis* and best practices concerning border management so as to prepare for full implementation of the Schengen *acquis*.
- Start with the alignment of the *acquis* in the field of asylum including lifting the geographical reservation to the 1951 Geneva Convention; strengthen the system for hearing and determining applications for asylum; develop accommodation facilities and social support for asylum seekers and refugees,
- Adopt and implement the *acquis* in the fields of the criminal law protection of the euro and of the Community's financial interests, corruption, fight against drugs, organised crime, money-laundering and judicial cooperation in criminal and civil matters; further increase administrative capacity, cooperation between the different law enforcement bodies and intensify international cooperation in these fields.
- Develop and start to implement a national drug strategy in line with the EU drugs strategy and action plan.

Financial control

- Prepare for the designation of an operationally independent anti-fraud coordinate service responsible for the coordination of all legislative, administrative and operational aspects of the protection of the Communities' financial interests.
- Adopt new legislation to reform the external audit function in accordance with Intosai rules, to ensure the independence of the Court of Accounts, to abolish the ex ante control functions of the Turkish Court of Accounts, and to develop the mechanisms of systems-based and performance audit.

Financial and budgetary provisions

- Strengthen administrative capacity for the collection of VAT and customs duties and establish effective instruments to combat fraud.
- Establish a coordination unit responsible for administrative preparations related to the own resources systems.

5. PROGRAMMING

Financial assistance for the priorities identified in the Accession Partnership will be made available through annual financing decisions taken by the Commission, following the procedure set out in Article 8 of Council Regulation (EC) No 2500/2001 on preaccession financial assistance for Turkey (OJ L 342, 27.12.2001, S. 1). The financing decisions will be followed by a Financing Memorandum signed with Turkey.

During the period 2003 to 2006, preaccession financial assistance will focus on two main priorities, institution-building and investment. Institution-building is the process of helping candidate countries to develop the structures, strategies, human resources and management skills needed to strengthen their economic, social, regulatory and administrative capacity. Preaccession assistance will contribute to the financing of institution building in all sectors. Around 30 % of the available resources will be allocated for this purpose and are mainly deployed and implemented with member states through the instrument of 'twinning'.

The second priority, 'investment' will take two forms:

- investment to establish or to strengthen the regulatory infrastructure needed (implementation bodies; enforcement and inspection capabilities) to ensure compliance with the *acquis* and direct, *acquis*-related investments,
- investment in economic and social cohesion, taking into account the importance of regional disparities between Turkish regions as well as the gap between Turkey's national income and the EU average. This will promote the functioning of the market economy and the capacity to cope with competitive pressure and market forces within the EU.

Around 70 % of resources will be allocated for investment. Cross-border cooperation, especially at the present external frontiers of the EU and also between adjacent candidate countries, is important in contributing to economic development in the border regions of these countries. As part of investment in economic and social cohesion, efforts will be made to promote participation by Turkey in cross border activities and to ensure consistency with the Interreg approach on Turkey's borders with the EU.

Since 2000, the Commission has provided annual average assistance to Turkey of EUR 177 million. The Conclusions of the Copenhagen European Council recommended that this amount be substantially increased from 2004. The Commission's strategy paper 'Towards an enlarged Union' envisaged at least doubling this level of assistance by 2006.

5.1. ROLE OF INTERNATIONAL FINANCIAL INSTITUTIONS

Turkey is a major beneficiary of assistance from the European Investment Bank (EIB). The country may benefit from up to five different mandates and facilities: the EuroMed II lending mandate for Mediterranean countries, the Mediterranean Partnership facility, the special action mandate for Turkey, the Turkey earthquake reconstruction and rehabilitation assistance facility and the preaccession facility. In total, Turkey received loan financing worth EUR 445 million from 1992 to 1999. This has increased dramatically and over the period 2000 to 2002 EIB lending for projects in Turkey totalled EUR 1 500 million.

The Commission and the Turkish authorities have also sought a high degree of complementarity between the preaccession financial assistance programme and the ongoing reform programmes supported by the international financial institutions, particularly the World Bank, in such areas as education, regulatory reform and public procurement.

6. CONDITIONALITY

Community assistance for financing projects through the preaccession instruments is conditional on the respect by Turkey of its commitments under the EC-Turkey Agreements, including Customs union Decision 1/95 and other decisions, further concrete steps towards satisfying effectively the Copenhagen criteria and in particular progress in meeting the specific priorities of this revised Accession Partnership. 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 5 of Regulation (EC) No 2500/2001. Specific conditions are also included in individual annual programmes.

7. MONITORING

The implementation of the Accession Partnership is monitored in the framework of the Association Agreement. The Association Agreement subcommittees provide the possibility of reviewing implementation of the Accession Partnership priorities as well as progress as regards legal approximation, implementation and enforcement. The Association Committee discusses overall developments, progress and problems in meeting the Accession Partnership's priorities as well as more specific issues referred to it from the subcommittees.

The monitoring of the preaccession financial assistance programme shall be carried out jointly by Turkey and the European Commission through a Joint Monitoring Committee. In order to ensure the effectiveness of monitoring, projects being funded under each Financing Memorandum must incorporate verifiable and measurable indicators of achievements. Monitoring based on these indicators will assist the Commission, the Phare Management Committee and Turkey in subsequently reorienting programmes where necessary and in the design of new programmes.

The Phare Management Committee ensures that actions financed under the preaccession programme are compatible with each other as well as with the Accession Partnership as laid down in Regulation (EC) No 2500/2001.

The Accession Partnership will continue to be amended as necessary in accordance with Article 2 of Council Regulation (EC) No 622/98 (OJ L 85, 20.3.1998, p. 1).
