

Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2180(COS)	Procedure completed
Czech Republic: membership application and partnership, 17 January 1996		
Subject 8.20.02 Enlargement 2004: new Member States		
Geographical area Czechia		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AFET Foreign Affairs, Human Rights, Common Security, Defense		07/11/2000
		PPE-DE SCHRÖDER Jürgen	
	Former committee responsible		
	AFET Foreign Affairs, Security and Defense Policy		23/09/1999
		PPE-DE SCHRÖDER Jürgen	
	AFET Foreign Affairs, Security and Defense Policy		23/06/1997
		GUE/NGL CARNERO GONZÁLEZ Carlos	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		24/04/2001
		PPE-DE BÖGE Reimer	
	CONT Budgetary Control		29/05/2001
		PSE BÖSCH Herbert	
	LIBE Citizens' Freedoms and Rights, Justice and Home Affairs		29/05/2001
		PPE-DE OOSTLANDER Arie M.	29/05/2001
		PSE BERGER Maria	
ECON Economic and Monetary Affairs		21/03/2001	
	V/ALE JONCKHEER Pierre		
JURI Legal Affairs and Internal Market		11/04/2001	
	PSE BERGER Maria		
ITRE Industry, External Trade, Research, Energy		21/03/2001	
	PSE GLANTE Norbert		
EMPL Employment and Social Affairs		12/04/2000	
	PSE ETTL Harald		
AGRI Agriculture and Rural Development		27/03/2001	

PSE [GÖRLACH Willi](#)

RETT Regional Policy, Transport and Tourism 06/02/2001

UEN [POLI BORTONE Adriana](#)

CULT Culture, Youth, Education, Media and Sport 11/04/2001

ELDR [ANDREASEN Ole](#)

AFCO Constitutional Affairs 24/01/2001

PPE-DE [RACK Reinhard](#)

FEMM Women's Rights and Equal Opportunities 20/03/2001

PPE-DE [MARTENS Maria](#)

Council of the European Union

Council configuration

Meeting

Date

Culture

[2427](#)

23/05/2002

[General Affairs](#)

[2078](#)

30/03/1998

[General Affairs](#)

[1902](#)

29/01/1996




European Commission

Commission DG

Commissioner

[Neighbourhood and Enlargement Negotiations](#)

Key events

29/01/1996	Debate in Council	1902	Summary
17/12/1998	Non-legislative basic document published	COM(1998)0708	Summary
08/03/1999	Committee referral announced in Parliament		
24/03/1999	Vote in committee		Summary
24/03/1999	Committee interim report tabled for plenary	A4-0157/1999	
14/04/1999	Debate in Parliament		
15/04/1999	Decision by Parliament	T4-0333/1999	Summary
23/05/2000	Additional information		Summary
14/09/2000	Vote in committee		Summary
14/09/2000	Committee interim report tabled for plenary	A5-0245/2000	
03/10/2000	Debate in Parliament		
04/10/2000	Decision by Parliament	T5-0422/2000	Summary
09/07/2001	Vote in committee		Summary
09/07/2001	Committee interim report tabled for plenary	A5-0255/2001	
04/09/2001	Debate in Parliament		

05/09/2001	Decision by Parliament	T5-0431/2001	Summary
05/09/2001	End of procedure in Parliament		
21/03/2002	Final act published in Official Journal		

Technical information

Procedure reference	1997/2180(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/13763; AFET/4/09131; AFET/4/10902

Documentation gateway

Supplementary non-legislative basic document	COM(1997)2009	15/07/1997	EC	Summary
Non-legislative basic document	COM(1998)0708	17/12/1998	EC	Summary
Document attached to the procedure	COM(1998)0712	17/12/1998	EC	Summary
Committee interim report tabled for plenary	A4-0157/1999 OJ C 219 30.07.1999, p. 0007	24/03/1999	EP	
Interim resolution adopted by Parliament	T4-0333/1999 OJ C 219 30.07.1999, p. 0370-0443	15/04/1999	EP	Summary
Non-legislative basic document	COM(1999)0500	13/10/1999	EC	Summary
Supplementary non-legislative basic document	COM(1999)0503	13/10/1999	EC	Summary
Document attached to the procedure	31999D0858 OJ L 335 28.12.1999, p. 0055	06/12/1999	EU	Summary
Committee interim report tabled for plenary	A5-0245/2000 OJ C 178 22.06.2001, p. 0007	14/09/2000	EP	
Interim resolution adopted by Parliament	T5-0422/2000 OJ C 178 22.06.2001, p. 0071-0140	04/10/2000	EP	Summary
Supplementary non-legislative basic document	COM(2000)0703	08/11/2000	EC	Summary
Document attached to the procedure	COM(2000)0700	08/11/2000	EC	Summary
Committee interim report tabled for plenary	A5-0255/2001	09/07/2001	EP	
Interim resolution adopted by Parliament	T5-0431/2001 OJ C 072 21.03.2002, p. 0082-0181 E	05/09/2001	EP	Summary
Non-legislative basic document	COM(2001)0700	13/11/2001	EC	
Supplementary non-legislative basic document	SEC(2001)1746	13/11/2001	EC	Summary
Document attached to the procedure	COM(2001)0653	13/11/2001	EC	Summary
Document attached to the procedure	32002D0085 OJ L 044 14.02.2002, p. 0020-0028	28/01/2002	EU	

Non-legislative basic document	COM(2002)0700	09/10/2002	EC	Summary
Document attached to the procedure	SEC(2002)1402	09/10/2002	EC	

Czech Republic: membership application and partnership, 17 January 1996

Following the application to join the European Union submitted by the Czech Republic (17 January 1996), the Council decided to implement the procedure provided for in the Treaty and ask the Commission to draw up its opinion on this application. The President of the Council will write to the authorities of the Czech Republic to inform them of this decision.?

Czech Republic: membership application and partnership, 17 January 1996

PURPOSE: AGENDA 2000: presentation of the Commission's opinion on the Czech Republic's request for membership (17 January 1996).
CONTENT: All the requests for membership were assessed using a single method based on the criteria established at the Copenhagen European Council (June 1993). These criteria are as follows: - political criteria: the candidate countries must have stability of institutions guaranteeing democracy, human rights and respect for minorities, - economic criteria: these countries must have a functioning market economy, as well as the ability to cope with competitive pressures and market forces within the Union, - criteria relating to the ability of the countries to take on the obligations of membership (in particular integration of the *acquis*, to a greater or lesser extent, and respect for the criteria concerning economic and monetary union). With regard to these criteria, it is emerges that: 1) in political terms, the Czech Republic presents the characteristics of a democracy, with stable institutions guaranteeing the rule of law, human rights and respect for and protection of minorities; 2) in economic terms, the Czech Republic can be regarded as a functioning market economy, and it should be able to cope with competitive pressure and market forces within the Union in the medium term; 3) with regard to its capacity to take on the obligations of membership, this country should continue to transpose and implement the *acquis*. The Commission considers that the Czech Republic should be capable, in particular with regard to the single market, of applying the *acquis* fully in the medium term. However, certain questions will have to be resolved, such as the import deposit scheme established by this country which is contrary to the provisions of the agreement between the European Union and the Czech Republic. Particular efforts including investment are needed in sectors such as environment, agriculture and energy. Strengthening of structures is needed in company management, the financial system and the tax system. The banking sector is dominated by a few, partly state-owned, banks and its competitive position is not strong. Further work is needed on audiovisual regulations and customs. In general, further administrative reform will be indispensable if the country is to have the necessary structures to apply and enforce the *acquis* fully. In conclusion, the Commission considers that negotiations for accession can be opened with the Czech Republic. The pre-accession strategy will help this country to prepare itself rapidly for the obligations of membership.?

Czech Republic: membership application and partnership, 17 January 1996

PURPOSE: to present the regular report from the Commission on the Czech Republic's progress towards accession. **CONTENT:** In line with the timetable of Agenda 2000 and the direction given by the European Council in Cardiff, the Commission presents a report in the form of an appraisal of the progress made by this country with regard to accession. The report examines: - the relations between the Czech Republic and the EU, particularly in the framework of the European Agreement; - the situation in respect of the political conditions set by the European Council (democracy, rule of law, human rights, protection of minorities); - the Czech Republic's situation and prospects in respect of the economic conditions mentioned by the European Council (functioning market economy, capacity to cope with competitive pressures and market forces within the Union); - the question of Czech Republic's capacity to adopt the obligations of membership, that is, the *acquis* of the Union as expressed in the Treaty, the secondary legislation and the policies of the Union. The Commission assesses the Czech Republic's results in economic and political terms as satisfactory : Czech institutions are stable although it needs to devote continuing attention to the reform of the judiciary, to fighting corruption more effectively and to improving the situation of the Roma. It can be regarded as a functioning market economy and should be able to cope with competitive pressure and market forces within the Union in the medium term, provided that it improves corporate governance and accelerates enterprise restructuring. Priority should now also be given to further reform of the financial sector (privatisation of the banking sector, expedient implementation of changes to the banking acts, cleaning up of bank portfolios, increasing the transparency and effectiveness of capital markets). With regard to adoption of the *acquis*, the Czech Republic has made only little progress in the overall approximation process. Although it started from a solid base, no progress has been made in certain key internal market areas such as intellectual property, public procurement, data protection, audio-visual, insurance and state aid control. The slow down in the approximation and institution building process has been equally felt in the field of justice and home affairs and the agricultural sector, where further efforts are needed in the phytosanitary and veterinary fields. In terms of administrative capacity to apply the *acquis*, the Czech Republic has not yet taken the necessary steps to translate its political commitment to reform public administration as a matter of priority into concrete actions. Significant efforts are needed, in particular, in training and career development in the judiciary and in the agricultural sector. In conclusion, the Czech Republic has a mixed record in terms of meeting the short term Accession Partnership priorities. Important priorities were not satisfactorily addressed in a number of sectors. Once the Czech authorities have revised the National Programme for the Adoption of the *Acquis*, the Commission will take a position on the document which it will communicate to the Council during the second half of 1999 at the time of the re-examination of the Accession Partnership.?

Czech Republic: membership application and partnership, 17 January 1996

The Committee has adopted report on the progress made towards accession by the Czech Republic. Overall, while the report draws attention to the remaining problems, it welcomes the progress achieved. However, it also stresses that the reforms being made by these countries must be accompanied by measures to alleviate their social consequences. The accession process with the Czech Republic (rapporteur: Carlos CARNERO GONZÁLEZ, EUL/NGL, E) must be speeded up, says this report. It welcomes the existence of a national consensus on the subject of accession. Although the Czech Republic basically meets the spirit of the Copenhagen criteria, the report points to the need to revise the

citizenship law and improve the legal system. The committee voices concern at the Czech Government's virtual inaction on the plight of the Roma minority and reaffirms the importance of protecting minorities. It also notes the Commission's assessment that the Czech Republic has made insufficient progress in bringing its legislation into line with the *acquis communautaire* in various areas. The report calls on the Czech Republic not to regard EU accession simply in terms of its economic benefits but also to see it as a political project which will entail contributing to the deepening of European political integration.?

Czech Republic: membership application and partnership, 17 January 1996

The Parliament adopted its resolution, drafted by Mr. Carlos CARNERO GONZALES (GUE, Spain) concerning the Czech Republic's progress towards EU accession. The resolution calls for the accession process to be speeded up and welcomes the national consensus in the country favouring EU membership. It notes the concerns about the position of the Roma minority and calls on the Czech government to repeal laws from 1945 and 1946 relating to the expulsion of individual ethnic groups. It also expresses its concern that there needs to be greater progress in the fields of administrative and judicial reform and the privatisation of state banks.?

Czech Republic: membership application and partnership, 17 January 1996

PURPOSE : To present the 1999 Regular Report on the Czech Republic's progress towards accession. **CONTENT :** The report follows essentially the same structure as previous regular reports. It looks at relations with the European Union and analyses the situation in respect of the Copenhagen criteria. It addresses the question of the Czech Republic's capacity to take on the *acquis* and also covers judicial and administrative capacity as requested by the Madrid Council. Relations with the Union: the implementation of the Europe Agreement by the Czech Republic has been uneven, although difficulties have been resolved through the functioning of the joint institutions. Decisions were taken that were not in conformity with the Europe Agreement, including the preliminary safeguard measures for sugar imports. Most of the financial assistance has been given under the Phare programme (EUR 21 million in 1999 plus EUR 45 million for cross-border cooperation). In the years 2000-2002, total financial assistance will amount to 79M EUR for Phare, 22.1M EUR for SAPARD and between 55 and 80M EUR for ISPA, per year. Copenhagen political criteria: the Czech Republic fulfils the Copenhagen political criteria. Further efforts should, however, be made to reform the judiciary, since the situation described in last year's report remains basically unchanged. Judges are not sufficiently specialised, and training in international or Community law is not provided by the Further Training of Judges Institute. Judges also have to perform time-consuming administrative tasks. Corruption is a serious problem, and an effective policy on economic crime has not been developed. The situation of the Roma has not evolved markedly over the past year. It remains characterised by widespread discrimination, as anti-Roma prejudice remains high and protection from the police and the courts is often inadequate. Policies to counter these issues must be adequately funded. Copenhagen economic criteria: The Czech Republic can be regarded as a functioning market economy. It should be able to cope with competitive pressure and market forces within the Union in the medium term, but implementation of legal and structural reforms must be accelerated. The recent recession shows that reforms have not been sufficient. Positive macroeconomic developments have been recorded, including the narrowing of external imbalance. Special attention must be given to law enforcement and improving corporate governance. Public finances should be made more transparent. Ability to assume the obligations of membership: the pace of alignment has not picked up significantly and progress is uneven across sectors. The areas of satisfactory progress include the standards and certification, liberalisation of capital markets and the customs sector. Less satisfactory are intellectual property, public procurement and data protection, amongst others, where there has been little movement towards completing alignment. The record in meeting the short term Accession Partnership priorities is not satisfactory. Areas of concern include the internal market, justice and home affairs and the environment. Administrative capacity to apply the *acquis*: Limited steps have been taken towards general public administration reform. Many areas need continuing work. Structures must be set up for Common Agricultural Policy implementation. Continued attention needs to be paid to state aid monitoring capacities, enforcement of environment legislation and internal control capabilities.?

Czech Republic: membership application and partnership, 17 January 1996

PURPOSE: presentation of the second 'accession partnership' for the Czech Republic. **CONTENT :** Like its previous version, this partnership for the accession of the Czech Republic resembles a work programme proposing priorities and objectives to be attained by the country in the short and the medium-term in order to become a member of the Union. These objectives take into account the regular report on the Czech Republic (1999). The short-term priorities (end of 2000) concern political criteria (introduction of a programme for the Roma people backed up with sufficient financial resources), economic criteria (restructuring of the banking and the steel sectors) ; the internal market (basically continuing the harmonisation process) ; agriculture, transport, environment (introduction of framework legislation), social affairs and employment, justice and home affairs (implementation of the Schengen agreement and combating corruption) and the strengthening of administrative and judiciary capacity (in particular the management and control of EU funds). In the medium term, the measures will concern further efforts to resolve the Roma question. In the area of the single market, the complete liberalisation of public procurement and harmonisation in the area of free movement of goods, taxation and consumer protection. Further measures are envisaged in the area of agriculture, energy (in particular, the nuclear sector), transport and the environment (sustainable development) and the improved operation of the customs and legal systems. With regard to the programming of financial resources, the partnership confirms aid granted in line with AGENDA 2000 and the various instruments provided therein (Phare, SAPARD and ISPA) in accordance with the rules already foreseen. It should be noted that assistance is only granted if the country respects the provisions of the EC-Czech Republic Association Agreement, makes progress towards satisfying the Copenhagen criteria and assures in the year 2000 the achievement of the specific priorities of this accession partnership.?

Czech Republic: membership application and partnership, 17 January 1996

On the proposal of the Chairman of the Committee for External Relations, Mr. Elmar BROK (EPP, D) and of Mr. Patrick COX (President of the ELDR group), the conference of the presidents of the political groups in the European Parliament decided to have annual debates on enlargement as of the first plenary session of October 2000. This decision was adopted against the view of the Socialist Group, which opposed

the setting of a specific calendar laying down from the present the work allocation of the various parliament committees. The decision of the Conference of presidents grants an exclusive competence to the External Relations Committee to take responsibility for the preparation of the 13 reports that will be discussed in October 2000: one report for each of the 12 candidate countries and a general report that cover all the horizontal questions. This composite report will be prepared on the basis of contributions from the other parliamentary committees on: - convergence and stability in the candidate countries; - the rule of law in the candidate countries and their adaptation to the single market; - employment and social aspects; - the environmental aspects of enlargement; - health and consumer protection; - agricultural aspects; - regional policy; - transport and tourism policy; - equal opportunities and enlargement. The other annual debates would also involve 12 reports drawn up on the basis of the regular reports of the European Commission on the progress of the candidate countries towards enlargement. As the next set of regular reports will be published by the Commission in November 2000, the second annual debate may take place before the end of the first semester of 2001.?

Czech Republic: membership application and partnership, 17 January 1996

The committee adopted the report by Jürgen SCHRÖDER (EPP-ED, D) on the Czech Republic's application for membership of the EU and the state of the negotiations. The committee recognised that the Czech Republic was one of the front runners among applicant countries and noted that it had also made significant efforts recently to speed up the process of aligning its legislation with the "acquis". However it expressed concern over environmental standards and called for further action to protect water quality and combat industrial pollution. It also stressed the need to ensure a high standard of safety at nuclear facilities. The attempt by the Czech government to postpone its liberalisation of the country's telecommunications market until the end of 2002 was also highlighted as a potential problem. Lastly, the committee drew attention to the problems of sex tourism, child prostitution and trafficking in women in the border area between Germany and the Czech Republic. ?

Czech Republic: membership application and partnership, 17 January 1996

The European Parliament adopted the report by Mr Jürgen SCHRODER (EPP/ED, D) on the Czech Republic's membership to the EU and the state of the negotiations. This resolution acknowledges the recent efforts made by the Czech government to speed up the process of aligning its legislation with the acquis. However, there is still concern over environmental standards and the government's attempt to postpone liberalisation of the telecommunications market until the end of 2002. Furthermore, the Parliament calls on the Czech government and authorities: - to establish the appropriate structures and institutions for a successful implementation of integration policies and to closely involve local authorities in such policies; - to take effective action to combat against sex tourism, child prostitution and trafficking in women. ?

Czech Republic: membership application and partnership, 17 January 1996

This Regular Report for 2000 on the Czech Republic is largely similar to that of the Commission's 1997 Opinion and subsequent reports; however, it differs from that of the previous years on three minor points. Firstly, the part of the present report assessing the Czech Republic's ability to assume the obligations of membership has been structured to follow the list of 29 negotiating chapters covering the acquis. Secondly, this part has been broadened to cover also the Czech Republic's administrative capacity to apply the acquis under each of the negotiating chapters (previously discussed in a separate section of the report). Thirdly, the report includes, for the first time, a section assessing the progress made by the Czech Republic in translating the acquis into its official language. This report takes into consideration progress since the 1999 regular report and looks at whether intended reforms referred to in the 1999 report have been carried out and it also examines new initiatives. With regard to the relations between the EU and the Czech Republic, it has continued to implement the Europe Agreement and contributed to the smooth functioning of the various joint institutions. In September 2000, an agreement of principle was reached on the move to the second stage of the transitional period of the Europe Agreement, indicating that the Czech Republic has further aligned its legislation on establishment and movement of capital with Community rules. Trade between the EU and the Czech Republic has continued to increase. As far as Community aid is concerned, in the years 2000-2002 total financial assistance to the Czech Republic will amount annually to EUR 79 million for Phare, EUR 22 million for SAPARD and between EUR 55 and EUR 80 million for ISPA. It should be noted that the Czech Republic continues to fulfil the Copenhagen political criteria. Recent significant developments include, in particular, a more effective collaboration between the government and Parliament. There has been progress in setting the legal framework for regional government. However, the reform of the public administration has not advanced significantly and therefore the short term priority of the Accession Partnership in this field has not been met. Furthermore, the fight against corruption and economic crime has so far been insufficient. Although the Czech Republic continues to respect human rights and freedoms and has developed its internal institutional framework in this field, there are still areas of concern such as overcrowding of the prison system and persistence of trafficking in women and children. Areas in which progress has been made include the situation of the Roma community, the market economy, the macroeconomic stability, restructuring and privatisation of banks, the internal market, free movement of goods, employment and social affairs, economic and social cohesion, intellectual property, innovation, transport, industry and agriculture. On the other hand, further progress is needed in areas such as the financial sector, audiovisual policy, the environment, and justice and home affairs. ?

Czech Republic: membership application and partnership, 17 January 1996

The committee adopted the report by Jürgen SCHRÖDER (EPP-ED, D) which said that the Czech Republic was maintaining its efforts to complete its accession strategy by 2004. The committee particularly welcomed the fact that the country was now a "functioning market economy" and that it was speeding up reforms. The report broadly welcomed progress made in the environmental field, while stressing the need for careful monitoring. It also said that the issue of the Temelin nuclear plant needed to be resolved, and called on the Commission to investigate how it might be relinquished. The Czech Government was urged to tackle the problem of trafficking in women. The committee concluded by expressing the hope that the Czech Republic would be able to join the EU by 2004. ?

Czech Republic: membership application and partnership, 17 January 1996

The European Parliament adopted the report by Mr Jürgen SCHRÖDER (EPP-ED, D) on the Czech Republic's application for membership of the European Union. (Please refer to the previous text). Moreover, it should be noted that an amendment was adopted which stresses the need for transparent controls of the use of state aids.?

Czech Republic: membership application and partnership, 17 January 1996

AIM: To present the regular report for 2001 from the Commission on the Czech Republic's progress towards accession. CONTENT: For the fourth consecutive year, the Commission will be presenting its annual report on the progress made by the Czech Republic towards accession to the European Union. Like the previous reports, the latest document provides a clear and structured appraisal of the degree to which the Czech Republic has brought its policies into line with the so-called 'Copenhagen criteria', in other words the extent to which it now fulfils the political and economic criteria for accession and the steps it has taken to adapt to the established laws and practice of the European Community (the *acquis communautaire*). The part of the report dealing with the latter requirement devotes special attention to the creation of the judicial and administrative capacities that are necessary for the introduction and application of the *acquis communautaire*, which is the real keystone of the Czech Republic's case for accession to the Union. The present report also examines whether the reforms specified in the report for the year 2000 have been effectively implemented. As in previous reports, progress is measured by the yardstick of the Czech Republic's 'own merits', in other words by the decisions it has actually taken and the measures it has implemented. TOWARDS ACCESSION: Since June 2001, negotiations have been launched on all the chapters of the *acquis* except the chapter on the EU institutions and miscellaneous other points. Additional discussions are also expected in 2002 in three fundamental policy areas, namely agriculture, regional policy and budgetary and financial provisions. - As far as pre-accession aid is concerned, the three financial instruments of the Community - PHARE, ISPA and Sapard - are now up to speed and have been focusing their support on the priorities established by the Accession Partnership. In the course of the period from 2000 to 2002, the total amount of annual financial assistance granted to the Czech Republic will be EUR 79 million under PHARE, EUR 22 m under Sapard and between EUR 55 m and 80 m for ISPA, which finances infrastructure projects in the realms of the environment and transport. - As far as the three main Copenhagen criteria are concerned, the report provides a comprehensive assessment of progress made by the Czech Republic towards accession in each domain: 1. Political criteria. Since 1997, the country has made considerable progress, further consolidating the stability of the institutions that are guarantors of democracy, the rule of law, human rights and respect for, and protection of, minorities. In the course of the year 2000, fresh efforts have been made in this direction, and the Czech Republic continues to fulfil the political criteria established in Copenhagen. One remaining defect, however, is that the country is still without a Civil Service Act to regulate its public administration. Reform of the judicial system has made good progress, as has the reform of civil law. Efforts are continuing in the field of criminal law and with regard to the reorganisation of the courts and of the judicial structure in general. It is worth highlighting the special attention that has been devoted to the fight against corruption and economic crime as well as the high priority attaching to the eradication of trafficking in women and children. Considerable efforts have been made by the government with regard to the Roma, but a package of new measures is still required to combat discrimination. 2. Economic criteria. The Czech Republic has a functioning market economy. Provided that it steps up its efforts to achieve medium-term consolidation of the budget and that it completes the implementation of its structural reforms, it should have the capacity to cope with competitive pressure and market forces within the Union in the near future. The performance of the Czech economy has improved, as have its growth and inflation rates. The Czech Government is currently trying to achieve greater fiscal transparency and to complete the radical restructuring of its corporate sector. Nevertheless, the current-account deficit has widened considerably. The medium-term sustainability of public finances is not yet assured, and the process of disposing of the banks' bad loans has still to be undertaken. There is also a need to restructure the remaining major state enterprises. 3. Alignment of Czech legislation with Community law and practice. The Czech Republic has made significant progress in a wide range of chapters of the *acquis communautaire*. Nevertheless, further efforts are still required in a number of areas: - In the domain of the single market, numerous remaining gaps need to be filled. As far as free movement of persons is concerned, transposition needs to be accelerated, in particular as regards mutual recognition of professional qualifications. More rapid transposition is also required in the area of free movement of services. With regard to free movement of capital, existing anonymous accounts remain to be abolished. Progress has generally been good in the domain of competition. The law on industrial and intellectual property rights, on the other hand, is not yet being adequately enforced. - In the realm of agriculture, there has been good legislative progress in the phytosanitary field. However, further work on alignment is required in the veterinary area. Good progress has been made in setting up the State Agricultural Intervention Fund, but further efforts are needed to reorganise the Ministry of Agriculture. - On regional policy, the legal framework for the future implementation of the structural funds is closer to completion. However, additional efforts are needed to ensure that the bodies responsible for administering the funds are fully functional and that their staff are trained. - As regards social policy and employment, alignment has progressed on equal treatment, labour law and health and safety at work. - In the environmental domain, transposition has progressed well. Coordination amongst the relevant government bodies needs to be improved, with particular attention to the implications of the ongoing process of decentralisation. - In the field of justice and home affairs, particularly good progress has been made in the alignment of visa and migration policies and in strengthening the legal framework for police and judicial cooperation. However, significant further efforts are needed to implement government policies for combating organised crime and 'white collar' crime. As regards border control, while the overall situation has improved, there are still significant difficulties in intercepting illegal immigrants from Slovakia. - Concerning financial and budgetary provisions, the internal scrutiny of public finances has improved, but further efforts are needed to develop a comprehensive system of control. 4. Administrative capacity. Overall, the administrative capacity of the Czech Republic is being strengthened, and efforts in this direction need to be pursued, in particular as regards agriculture, the environment, regional policy and border controls. The same applies with regard to the control and administration of Community funds. 5. The Accession partnership. The Czech Republic has been tackling the vast majority of the Accession Partnership priorities established in 1999. It has virtually achieved its short-term priority objectives relating to the single market, although further efforts are needed in some areas. Progress on the medium-term priorities has been more limited. ?

Czech Republic: membership application and partnership, 17 January 1996

In line with the previous strategy papers from the Commission which aim to set out the steps to be followed for the next enlargement, the Commission has published a new general document which sets out the progress made by all of the candidate countries with regard to accession to the European Union. If, on the one hand, certain countries have made substantial progress, considerable efforts still have to be made in order to ensure the effective application of EU legislation and standards ("*acquis communautaire*") before their accession. This is why

the Commission announces that it shall present an important action plan in order to help the candidate countries strengthen their institution building capacities. The negotiations are conducted on the basis of the existing acquis, applying the principles of own merits and catching-up. It shall continue to follow the road map (please refer to the previous Commission working document for the year 2000) and the calendar approved by the European Council, which foresees the conclusion of the negotiations with the better prepared candidate countries before the end of 2002. In this context, the Union does not create new conditions for accession, which signifies that for all the subjects to come (in particular those which bare important financial implications such as agriculture, regional policy and the budget, shall be dealt with throughout the first semester of 2002), the Commission shall present negotiation proposals based on the acquis and the existing budgetary framework. The Commission considers that this framework provides a sufficient basis for the accession of up to 10 new Member States in 2004. The accession negotiations can be concluded independently of decisions for financing the EU after 2006. Given the present pace of negotiations and the progress made so far, the Commission should be able to make recommendations on those candidate countries ready for accession on the basis of its 2002 Regular Reports. It should also be noted that the countries which should be ready for accession on this date may be able to participate as Members of the Union in the 2004 European Parliament elections. In addition, it should be noted that the Commission's important action plan aiming to reinforce institution building should mobilise EUR 1 billion for the year 2002 alone (drawn mostly from the PHARE programme). In conclusion, the Commission announced that from November 2002, the Regular Reports that it presents shall identify which candidate countries are ready to become full Members of the European Union. The countries which do not conclude the negotiations in 2002 shall become subject to a new updated road map and eventually, a revised pre-accession strategy.?