

# Procedure file

Basic information			
INI - Own-initiative procedure	2003/2201(INI)	Procedure completed	
2004 enlargement: state of preparedness for Union membership of the 10 new countries. Comprehensive monitoring report			
Subject 8.20.02 Enlargement 2004: new Member States			
Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AFET Foreign Affairs, Human Rights, Common Security, Defense		07/10/2003
		PPE-DE <a href="#">BROK Elmar</a>	07/10/2003
			07/10/2003
		PPE-DE <a href="#">GAHLER Michael</a>	07/10/2003
			07/10/2003
		PPE-DE <a href="#">GAWRONSKI Jas</a>	07/10/2003
			07/10/2003
		PPE-DE <a href="#">SCHRÖDER Jürgen</a>	07/10/2003
			07/10/2003
		PPE-DE <a href="#">STENZEL Ursula</a>	
		PSE <a href="#">POOS Jacques F.</a>	
		PSE <a href="#">SOULADAKIS Ioannis</a>	
		PSE <a href="#">WIERSMA Jan Marinus</a>	
		V/ALE <a href="#">SCHROEDTER Elisabeth</a>	
		UEN <a href="#">QUEIRÓ Luís</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		16/12/2003
		PPE-DE <a href="#">BÖGE Reimer</a>	
	LIBE Citizens' Freedoms and Rights, Justice and Home Affairs		21/01/2004
		ELDR <a href="#">LUDFORD Baroness Sarah</a>	
	JURI Legal Affairs and Internal Market		06/11/2003

		PSE <a href="#">KOUKIADIS Ioannis</a>	
	<b>ITRE</b> Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	
	<b>EMPL</b> Employment and Social Affairs		22/10/2003
		PPE-DE <a href="#">SMET Miet</a>	22/10/2003
		PSE <a href="#">ETTL Harald</a>	
	<b>ENVI</b> Environment, Public Health, Consumer Policy		
	<b>AGRI</b> Agriculture and Rural Development		04/11/2003
		ELDR <a href="#">OLSSON Karl Erik</a>	
	<b>RETT</b> Regional Policy, Transport and Tourism		25/11/2003
		PPE-DE <a href="#">WENZEL-PERILLO Brigitte</a>	
Council of the European Union	<b>FEMM</b> Women's Rights and Equal Opportunities		12/11/2003
		ELDR <a href="#">DYBKJÆR Lone</a>	
European Commission	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">2540</a>	17/11/2003
	Commission DG	Commissioner	
	<a href="#">Neighbourhood and Enlargement Negotiations</a>		

## Key events

05/11/2003	Non-legislative basic document published	<a href="#">COM(2003)0675</a>	Summary
17/11/2003	Resolution/conclusions adopted by Council		Summary
28/01/2004	Committee referral announced in Parliament		
19/02/2004	Vote in committee		Summary
19/02/2004	Committee report tabled for plenary	<a href="#">A5-0111/2004</a>	
10/03/2004	Debate in Parliament		
11/03/2004	Decision by Parliament	<a href="#">T5-0180/2004</a>	Summary
11/03/2004	End of procedure in Parliament		

## Technical information

Procedure reference	2003/2201(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 142-p2; Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/20303

Documentation gateway					
Non-legislative basic document		<a href="#">COM(2003)0675</a>	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1200	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1201	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1202	05/11/2003	EC	
Document attached to the procedure		SEC(2003)1203	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1204	05/11/2003	EC	
Document attached to the procedure		SEC(2003)1205	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1206	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1207	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1208	05/11/2003	EC	Summary
Document attached to the procedure		SEC(2003)1209	05/11/2003	EC	
Committee report tabled for plenary, single reading		<a href="#">A5-0111/2004</a>	19/02/2004	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0180/2004</a> <a href="#">OJ C 102 28.04.2004, p. 0652-0829 E</a>	11/03/2004	EP	Summary

## 2004 enlargement: state of preparedness for Union membership of the 10 new countries. Comprehensive monitoring report

MONITORING REPORT ON SLOVAKIA : Slovakia's macroeconomic performance has been improving considerably, although some imbalances remain significant. Slovakia's progress on the reform path, also in the public finance area, has received strong new impetus. Various measures have been decided on and some have already become effective. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges remain. The government has been reversing the expansionary fiscal policy stance. The restrictive fiscal policy stance supports a narrowing of Slovakia's high current account deficit. The preparation of additional public expenditure reforms, which are necessary to underpin the envisaged fiscal consolidation, has gained very strong momentum. However, most of the necessary measures still need to be further specified, appropriately sequenced and implemented. The Slovak government has been moving more decisively to tackle the deep-seated structural unemployment problem. Progress has been made as regards financial sector supervision, but the authorities need to continue to safeguard the expanding financial sector against stability risks. Further measures to improve the legal framework for a market economy have been instituted. Its effective implementation is also being enhanced. Nevertheless, additional vigorous efforts in the area need to be pursued. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Slovak public administration and judiciary, but there is room for further improvements. In the field of public administration, the number of staff in sectors dealing with issues related to European integration should be increased, accompanied by a long term strategy for training. With respect to the ongoing decentralisation of the public administration, it is important that the transfer of functions and fiscal decentralisation go hand in hand. As regards the judicial sector, the administrative capacities of the Judicial Council need to be strengthened and its financial independence ensured. Further efforts are necessary to reduce the duration of court proceedings in civil and commercial cases, and as regards judicial training. The fight against corruption should continue to receive high priority, in particular as regards strict enforcement of existing rules. Further legislative measures should be taken in the areas of conflict of interests, financing of political parties and lobbying. As regards the implementation of the acquis in specific policy areas, it should be noted that Slovakia has reached a high level of alignment with the acquis in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the acquis: 1) areas that cause no or few problems; 2) areas in which Slovakia partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that need immediate attention. Slovakia must take immediate and decisive action to address four issues of serious concern in two chapters of the acquis if it is to be ready by the date of accession. - competition policy field as regards the fulfilment of the conditions specified in the Accession Treaty for the transitional arrangement granted in the steel sector; - agriculture, as regards Slovakia's preparations for setting up the Paying Agency, for implementing the Integrated Administration and Control System and for upgrading the agri-food establishments in the area of public health protection.

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MONITORING REPORT ON LATVIA : Economic activity has remained firm despite a weak external environment. The economic reform path has been sustained. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges

remain. Positive developments have taken place as regards active labour market policies, but several structural rigidities remain. Fiscal policy turned into a more expansionary phase in 2002. Overall, appropriate conditions to attract foreign investment have been established, but the environment for the creation of new enterprises remains somewhat problematic. Some progress has been made in improving administrative and judicial capacity as regards to the business community. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the *acquis* by the Latvian public administration and judiciary, but there is room for further improvements. In the field of public administration, it is important to harmonise the civil service management structure on the basis of transparent rules and practices in staff matters, and to reinforce accountability of public agencies. Particular attention needs to be paid to the reform of the judiciary, and in particular the completion of the legislative framework, especially the urgent need to adopt the new Law on Judicial Power, as well as the Law on Criminal Procedure, and to the implementation of legislation on Court administration. The fight against corruption should continue to receive high priority. In particular, further efforts are needed to complete the legislative basis and to consolidate the new Anti-Corruption Bureau. As regards the implementation of the *acquis* in specific policy areas, it should be noted that Latvia has reached a high level of alignment with the *acquis* in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the *acquis*: 1) areas that cause no or few problems; 2) areas in which Latvia partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that Latvia must take immediate and decisive action to address. It must take immediate and decisive action to address four issues of serious concern in four chapters of the *acquis* if it is to be ready by the date of accession: - free movement of persons, relating to Latvia's preparations for the general system of mutual recognition of qualifications and the mutual recognition and training for certain professions, including in the healthcare sector; - agriculture, regarding the area of TSE (transmissible spongiform encephalopathies) and animal by-products; - taxation as regards administrative co-operation and mutual assistance in the field of VAT, in particular the interconnectivity system; - administrative and operational capacity in the customs union area, as regards certain information technology systems.

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**MONITORING REPORT ON ESTONIA :** Against the background of weak external demand, macroeconomic performance in Estonia remained solid but the current account deficit widened appreciably. The authorities adhered to their reform path, particularly in the areas of pension reform and financial supervision. As regards the areas where last year's report suggested improvements, some progress has been made, but challenges remain. The expansionary fiscal policy, notably during 2002 and 2003, at the level of the local and central governments poses a risk to macroeconomic stability, particularly in the light of a widening current account deficit. Active labour market policies are being pursued to address the unemployment problem and progress to-date has been satisfactory. The restructuring of the oil-shale sector is advancing, but there has been no further liberalisation of the energy market. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the *acquis* by the Estonian public administration and judiciary, but there is room for further improvements. In the field of public administration, weaknesses in the conditions of service and career structures should be improved, as well as co-ordination across the civil service. A number of further reforms remain to be made to the judicial system, and will partly result from the new Code of Criminal Procedure, due to enter into force in July 2004. Estonia should continue to improve the effectiveness of its anti-corruption measures. As regards the implementation of the *acquis* in specific policy areas, it should be noted that Estonia has reached a high level of alignment with the *acquis* in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the *acquis*: 1) areas that cause no or few problems; 2) areas in which Estonia partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession. It must take immediate and decisive action to address three issues of serious concern in two chapters of the *acquis* if it is to be ready by the date of accession. - free movement of persons, relating to Estonia's preparations for mutual recognition of qualifications for certain professions in the healthcare sector; - social policy and employment, as regards labour law, and equal treatment of women and men.

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**PURPOSE :** to present the comprehensive monitoring report of the 10 accession countries and to assess the state of play in terms of the preparations made by the acceding countries in the period leading up to their accession. **CONTENT :** the report highlights that in the vast majority of areas of EU legislation, the ten acceding countries are expected to be ready for accession on 1 May 2004, according to the monitoring reports which the European Commission adopted today. A limited number of issues still raise serious concerns and require immediate and decisive action from the countries in question to fulfil their obligations and enjoy the full benefits of EU membership. The Commission is confident that these remaining gaps can be closed by the time of accession, provided the necessary efforts are made, and is ready to support the acceding countries with targeted assistance that can be mobilised quickly. The Commission will not hesitate to take remedial action in cases where this is required to ensure proper implementation of the Union's rules and policies. 1) The road ahead for the accession countries : the Commission has continuously monitored the progress made by the acceding countries to meet the requirements of membership over a number of years. Two monitoring exercises were presented to the Council in February and May 2003. The Commission concludes this process with a set of Comprehensive Monitoring Reports for each of the acceding countries, looking in particular at their ability to meet the obligation of applying the full *acquis* from the first day of membership. These reports have to be considered as a guidance for the acceding countries in their further preparation for accession, allowing them to identify the remaining gaps and to mobilise the resources and the energy that are required to fill them before accession. The reports assess for each of the 29 chapters of EU legislation how prepared the respective acceding countries are both in terms of transposition of laws and from the perspective of implementing structures, administrative capacity and enforcement. As a rule, only legislation actually adopted and measures actually implemented are taken into account for the assessment. In its assessment, the Commission makes a distinction between three categories of issues: - the first category embraces those issues where a country is ready or where minor issues remain to be addressed; - the second category includes remaining issues requiring enhanced efforts and an increased pace of progress to ensure that they are resolved by the time of accession; - the third category addresses issues of serious concern where immediate and decisive actions need to be taken for the country to be ready by the date of accession. If the problem is not tackled, some of these issues may lead to a situation where a new Member State will not have the full benefit of membership. 2) Satisfactory preparation : overall, preparation is satisfactory. These reports confirm that acceding countries have made special efforts over the last year to complete their long-standing preparations for membership, demonstrating their commitment to apply the *acquis* from 1 May 2004. They have reached a very high degree of alignment, and generally deserve to be commended for these achievements. The monitoring exercise

has proven to be an effective tool in this context and has contributed to an acceleration of preparations. In this comprehensive exercise, the Commission has not been confronted with any major surprises or last minute discoveries. The monitoring exercise confirms previous analyses and records the overall progress made since the last Regular Reports published in October 2002. In the light of the detailed findings described in this report, it can be concluded that, on the whole, the acceding countries are expected to be ready for accession in a large majority of areas, even if minor adjustments are still needed in some cases. At the same time, a number of issues remain to be tackled which require enhanced efforts between now and accession. 3) Some issues of serious concern : there are a limited number of issues of serious concern. Following this report the Commission will individually alert each of the acceding countries to the specific concerns identified by issuing warning letters and organising the appropriate consultations. Without immediate and decisive action the countries in question will most likely not be able to fulfil their obligations of membership in those specific areas and their citizens and economic operators will not enjoy the full benefits of EU membership. Such specific issues have been found in all acceding countries, affecting between 1 and 4 "acquis" chapters depending on the countries. Overall, these issues represent a mere 3 % of all the topics examined. 4) Preparations for accession continue : all efforts must now focus on resolving the outstanding issues in the transposition and implementation of the acquis, so that all remaining gaps may be closed by the time of accession. This can be achieved. Where appropriate, the Commission is ready to support the acceding countries' administrations with targeted assistance that can be mobilised quickly. Together with the acceding countries, the Commission will continue to monitor the remaining issues in the months leading up to accession. Where it is found that outstanding tasks are not completed as necessary before accession, the Commission is determined to take the necessary measures, before accession, to deal with such situations. The preparation of the acceding countries has reached an advanced state. The Commission is confident that enlargement will take place on 1 May 2004 under good conditions. It will, however, not hesitate to use all means it has at its disposal to ensure the proper implementation of the Union's rules and policies in its role as Guardian of the Treaty to the benefit of all Member States of the Union.?

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**MONITORING REPORT ON POLAND :** Poland has maintained a stable macroeconomic situation and is experiencing a gradual recovery, mainly driven by external demand. The reform path has nearly come to a halt since last year's Report. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges remain. The Polish authorities have shown so far some reluctance to tackle the needed fiscal adjustment. A deep restructuring and reduction of public expenditure are, however, crucial in order to further improve the policy mix, reverse the rapid rise in public debt, and prepare Poland's public finances for accession. The Polish authorities should ensure that any decision on the use of the revaluation reserve does not undermine the financial independence of the central bank. Progress in restructuring heavy industries, energy distribution and agriculture has been modest since last year and considerable efforts still need to be made to advance the reform agenda in this area. The new insolvency law adopted in February upgrades the bankruptcy and liquidation framework and brings it into line with the requirements of a modern market economy. Little progress has been achieved as regards the functioning of the land registry, and the authorities need to pursue their efforts at modernising the system. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Polish public administration and judiciary, but there is room for further improvements. In the field of public administration, the number of civil servants appointed from open competitions should increase, while coordination across the civil service should be improved and structures dealing with European integration need strengthening. Efforts are still needed to improve the efficiency and transparency of the judiciary, with particular attention to further developing and organising the system of legal aid. The fight against corruption should continue to receive high priority, in particular through strengthening co-ordination structures and administrative support to ensure an effective implementation of the anticorruption strategy. As regards the implementation of the acquis in specific policy areas, it should be noted that Poland has reached a high level of alignment with the acquis in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the acquis: 1) areas that cause no or few problems; 2) areas in which Poland partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that Poland must take immediate and decisive action to address. These include nine issues of serious concern in three chapters of the acquis if it is to be ready by the date of accession. - free movement of persons, relating to Poland's preparations for mutual recognition of qualifications, in particular as regards training for certain professions in the healthcare sector; - agriculture, as regards Poland's preparations to set up its Paying Agencies, to implement the Integrated Administration and Control System and to upgrade agri-food establishments in line with public health requirements. Furthermore, it concerns, in the area of veterinary and phytosanitary control, measures relating to transmissible spongiform encephalopathies (TSEs) and animal by-products, movement controls of animals, and the control of potato ring rot and wart disease; - resource management and inspection and control, and market policy in the fisheries chapter.

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**MONITORING REPORT ON THE CZECH REPUBLIC :** The Czech Republic has broadly maintained macroeconomic stability. However, public finances have deteriorated. The Czech Republic continued on its reform path, albeit hesitantly. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges remain. The continued deterioration of the general government deficit led the government to undertake steps towards the consolidation of the public finances and to present a set of measures aiming at bringing the deficit down to 4% by 2006. A deeper and a more comprehensive reform affecting the social benefits and the pension system and healthcare is needed. The Czech Consolidation Agency resumed the selling off of bad assets to private investors. This process should accelerate in order to free the economy from misallocated resources. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Czech public administration and judiciary, but there is room for further improvements. In the field of public administration, sufficient resources should be allocated to the implementation of the Civil Service Act, which will enter into force on 1 January 2005. As regards the judicial system, a key area for further improvement is the reduction in length of court proceedings. The fight against corruption should continue to receive high priority, in particular the actual prosecution of corruption cases needs to be stepped up. As regards the implementation of the acquis in specific policy areas, it should be noted that the Czech Republic has reached a high level of alignment with the acquis in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the acquis: 1) areas that cause no or few problems; 2) areas in which the Czech Republic partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that the Czech Republic must take immediate and decisive action to address. It must take immediate action to address

three issues of serious concern in three chapters of the acquis if it is to be ready by the date of accession. - free movement of persons, relating to the Czech Republic's preparations for mutual recognition of qualifications of certain professions, including in the healthcare sector; - agriculture, it concerns progress in the upgrading of agri-food establishments in order to meet public health requirements; - transport, where the implementation of the social and technical acquis should be considerably reinforced.

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**MONITORING REPORT ON HUNGARY :** The overall macro-economic equilibrium of the Hungarian economy has deteriorated, in particular as regards the composition of GDP, external accounts and exchange and interest rate stability. A significant budget deficit in 2002 has been addressed by a tighter albeit very ambitious fiscal policy stance in 2003, while inconsistent monetary and exchange rate policies added to the strain in the policy mix. The economic reform path is being pursued in a credible manner, through the privatisation of some remaining state-owned companies, a stepwise liberalisation of administered prices and the broad completion of the progressive pension reform. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges remain. The general government deficit is on a downward trend, following a redirection of fiscal policy since 2003, but more progress is needed, also as regards the structure of fiscal reform. Health care sector reform is being addressed in the framework of a ten years' programme, which received a boost through the admission of private general practitioners' practices in 2002, and a new law adopted in 2003 opening the way for large-scale privatisation of healthcare assets, including hospitals. Wage developments in 2003 have started to moderate, coming down from the high growth rates of 2001 and 2002, especially in the corporate sector, with the economy slowly adapting to the new low-inflation environment. Nevertheless, even in 2003 real wage growth continues to exceed productivity growth by a considerable margin. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Hungarian public administration and judiciary, but there is room for further improvements. In the field of public administration, the general reform should be continued in the fields of regional development, local self-government and state administration, and transparency in personnel matters should be improved. A number of further steps remain to be taken as regards the judicial system, such as to ensure an adequate financing of the judiciary to establish further regional courts and to improve the legal aid system. The fight against corruption should continue to receive high priority, in particular through the rapid implementation of the "glass-pocket" programme that was adopted in April 2003. As regards the implementation of the acquis in specific policy areas, it should be noted that Hungary has reached a high level of alignment with the acquis in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the acquis: 1) areas that cause no or few problems; 2) areas in which Hungary partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that Hungary must take immediate and decisive action to address. It must take immediate and decisive action to address four issues of serious concern in one chapter of the acquis if it is to be ready by the date of accession. - agriculture chapter, relating to Hungary's preparations to setup its Paying Agency, to implement the Integrated Administration and Control System, to prepare for the implementation of rural development measures and to ensure public health standards in agri-food establishments.

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**MONITORING REPORT ON MALTA :** Economic activity remained weak, affected by low external demand and the downturn in the tourism sector. Progress with structural reforms has been mixed. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges remain. Very substantial efforts are necessary to guarantee the sustainability of public finances in the medium term. Although restructuring of public enterprises is under way, more far-reaching measures need to be implemented, leading to higher productive efficiency and supporting fiscal consolidation. The level of non-performing loans in the banking sector remains high, although several steps have been taken to improve supervision and credit assessment. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Maltese public administration and judiciary, but there is room for further improvements. In the field of public administration, the current efforts to bring about more efficiency and accountability across the public service need to be continued. The reform of the judiciary needs to be pursued in order to further decrease the backlog of pending judiciary cases and improve the functioning of the small claims tribunal. As regards the fight against corruption, Malta should adopt a comprehensive anti-corruption strategy, taking into account the recommendations of the Council of Europe's Group of States against Corruption. As far as translation of the acquis into Maltese is concerned, the number of revised texts prepared by Malta must increase greatly in the coming period up to accession. As regards the implementation of the acquis in specific policy areas, it should be noted that Malta has reached a high level of alignment with the acquis in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the acquis: 1) areas that cause no or few problems; 2) areas in which Malta partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that Malta must take immediate and decisive action to address. For instance, Malta must address six issues of serious concern in three chapters of the acquis if it is to be ready by the date of accession. - state aid in the competition policy chapter, where Malta must enhance its efforts to implement its commitments regarding the restructuring of its shipyards; - agriculture, as regards the setting up of a Paying Agency, the implementation of the Integrated Administration and Control System, external trade mechanisms, and transmissible spongiform encephalopathies (TSEs) and animal waste treatment; - transport field, as regards maritime safety.

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The Council took note of the presentation by the Commission of its monitoring reports on the Accession States' preparations for membership of the EU and its strategy paper and regular reports on progress by Bulgaria, Romania and Turkey towards accession. The Council adopted the following conclusions: - The Council welcomes the presentation by the Commission in its reports and commends the progress achieved by the acceding States in reaching a high level of alignment in most areas of the acquis which demonstrates their commitment to EU

membership. -Nonetheless, and in view of the short period remaining until accession, it considers that further enhanced efforts are still required in certain areas and there are some specific issues of serious concern as identified in the Commission's reports. The Council therefore reiterates the high importance it attaches to the smooth functioning of all EU policies upon and after accession, including the proper functioning of the internal market and of the area of freedom, security and justice, which is essential for the successful completion of the enlargement process. Achieving this goal will allow citizens throughout Europe to reap the full benefits of membership. It will also allow economic operators to take full advantage of the economic opportunities of the enlarged Union. -The Council therefore urges the acceding States as a matter of priority to tackle and effectively resolve the matters outstanding prior to accession. The Union will continue to assist the acceding States in their efforts within the existing framework, using all available tools and financial assistance to target the areas identified. Taking into account the Commission's role to safeguard the smooth functioning of all EU policies upon and after accession, the Council notes the Commission's determination to take, wherever necessary, all appropriate measures for this purpose and of the Commission's intention to keep it fully and regularly informed on any remaining concerns and on the appropriate measures that it will take in this regard.?

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The committee adopted the own-initiative report drawn up by Elmar BROK (EPP-ED, D) in response to the Commission's comprehensive monitoring report on the 10 acceding countries. In its general comments, the committee urged the future Member States not to relax their efforts to fully achieve European standards after accession, especially on sensitive issues such as the Roma. MEPs pointed out that the smooth application of EU law backed up by an adequate administration and an efficient and independent judiciary was a basic condition for countries to benefit fully from the advantages of EU membership and they warned that some countries had not yet taken all the necessary steps. They also underlined the importance of properly functioning systems to ensure the delivery of EU funds. The report also highlighted concerns over issues such as food safety, the lack of progress with regard to veterinary legislation, persistent widespread corruption in the public sector, the problems of minorities, discrimination against homosexuals, unresolved border problems between some of the new Member States and Russia, the need for improved security of the EU's external borders by efficiently combating illegal trafficking and organised crime, and the big increases in unemployment, inequality and social exclusion in some of the future Member States. Turning to the individual accession countries, the Czech Republic received good marks overall, although MEPs expressed concerns about such issues as people trafficking at the Czech-German border, food-processing standards, money laundering, plans for the barrages on the upper reaches of the Elbe and delays in ratifying the Rome Statute of the International Criminal Court. As for Estonia, the report highlighted a number of shortcomings, especially in areas such as mutual recognition of professional qualifications, labour law, equal treatment of men and women, the problem of stateless persons and the liberalisation of the electricity and gas sectors. On Cyprus, MEPs welcomed the recent resumption of negotiations under the auspices of the UN Secretary-General and called on the Greek Cypriots to demonstrate their good faith and on the Turkish Cypriot leader to accept the Annan plan. They also called on Turkey to bring its full weight to bear to enable an agreement to be reached before accession and said that a failure to reach such an agreement could pose a serious obstacle to Turkey's European ambitions. MEPs were anxious at reports that the press was being intimidated in northern Cyprus and called on the authorities there to guarantee the safety of journalists and to safeguard freedom of expression and the rule of law. Regarding Latvia, MEPs welcomed improvements in the country's administrative capacity and the reform of the judicial administration but were worried about the persistent high level of corruption and other issues such as the length of pre-trial investigations, overcrowded prisons and the low priority given to investigating human trafficking. They also expressed concern at the situation of people who, despite being long-term inhabitants of Latvia, had no clear status due to changes in citizenship legislation. Latvia was urged to integrate ethnic minorities, ensure bilingual education during school age and promote the naturalisation process. MEPs also voiced disquiet at recent attempts by the Latvian parliament to remove one of Latvia's observers from the European Parliament. Lithuania was highly praised for having made enormous progress economically and reached a high level of alignment with EU legislation in most areas. It also had a satisfactory record on the integration of minorities. However, the Lithuanian authorities were urged to further address high and persistent unemployment through active labour market policies, ensure security at the country's borders and pursue the fight against illegal trafficking and organised crime. The report pointed out that the Kaliningrad-Lithuania border is especially sensitive, as was shown by the recent corruption case involving some high-ranking customs and border officials. Although Hungary's preparations for accession had maintained their momentum, the report said there was an urgent need to remedy some administrative shortcomings in the agricultural sector and to tackle the country's fiscal and trade deficits. Measures to combat discrimination and exclusion (especially where the Roma are concerned) should go hand in hand with broader social and development policies. Despite improved legislation for fighting organised and economic crime, MEPs nevertheless pointed to the seriousness of corruption, leading to misappropriation of public funds, and hoped that every step would be taken to investigate and shed light on this matter. As far as Malta was concerned, the committee welcomed the fact that all parties now unreservedly support the country's membership of the EU and that the Maltese government had managed to align Maltese legislation with that of the EU in virtually all areas. MEPs hoped that the Wild Birds Directive would be fully implemented after the transition period had expired. On Poland, MEPs noted the government's determination to remedy the shortcomings identified in the Commission monitoring report and welcomed the far-reaching reform of public finances, measures to increase security at Poland's eastern border, the adoption of laws to amend the codes of criminal and civil procedure and the new draft law on reproductive rights. However, MEPs noted that corruption was continuing to damage various spheres of economic and political activity, unemployment remained worrying and EU legislation on food safety, environment and animal welfare was still not fully implemented. Regarding Slovenia, the report welcomed the country's significant economic progress, the lifting of restrictions on direct foreign investment and the fact that it had adjusted virtually all of its legislation. MEPs called for further action to expedite the law on rail transport. A problematic issue in the relationship with Croatia was the latter's unilateral declaration of an ecological zone in the Adriatic, for which a mutually acceptable solution must be found. Lastly, as regards Slovakia, the committee noted that reform of the judicial sector was continuing, but effective implementation of the EU legal and administrative framework would require further efforts over several years, and the fight against corruption should be one of the government's priorities. The report expressed support for efforts to improve the living conditions of the Roma and to fight against their social exclusion. Finally, it said that Slovakia should have its Paying Agency for agricultural funds up and running at the time of accession, as Slovak farmers could otherwise be greatly harmed. ?

## 2004 enlargement: state of preparedness for Union membership of the 10 new countries. Comprehensive monitoring report

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The European Parliament adopted a resolution based on the own-initiative report drafted by Elmar BROK (EPP-ED, D) by 382 votes in favour,

17 votes against and 14 abstentions on the comprehensive monitoring report of the Commission on the state of preparedness for EU membership of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. Parliament called on the ten countries, which are set to join the EU on 1 May, not to relax their efforts to fully achieve European standards after their accession, especially on sensitive issues such as the Roma. Parliament noted that in only 3% of EU legislation being adopted, "serious" problems had been highlighted by the Commission but that there are also other shortcomings in the implementation and enforcement of EU law. The Commission should therefore keep up the pressure after accession. Parliament pointed out that the ten countries can only benefit fully from the benefits of EU membership if EU law is fully applied. A competent administration and an efficient and independent judiciary must back it up. Properly functioning systems are important to ensure the delivery of EU funds. Regarding concerns over the safety of food coming in from new Member States, the Commission is reminded of its obligation to prevent food products coming on to the internal market should food safety be at risk. MEPs also mentioned the possibility of applying the "safeguard clauses", but said these should be used only as a means to limit possible risks of disruption of the internal market. MEPs were specifically concerned about the poor progress made by some countries with regard to certain aspects of veterinary legislation. Current Member States intending to close their borders for a transitional period to workers from the new Member States were urged to study closely real migratory patterns after enlargement and to abolish barriers to free movement as soon as possible. Parliament was aware that, in parallel to impressive economic achievements, some accession countries have suffered big increases in unemployment, social exclusion and inequality. These issues need to be further addressed and the situation should improve through sustained investment in social and economic policies, education and health. It called on the Commission to take initiatives to prevent social disruption - such as mass emigration from rural areas - and stressed the importance of semi-subsistence farms. There was support for efforts to continue policies for addressing the problems of minorities, especially the Roma, and MEPs urged the Commission to take more energetic measures to help both new and old Member States with the integration of the Roma. The new States should fully implement EU anti-discrimination legislation and make sure that discriminatory legislation, for example against homosexuals, is repealed. Support was also expressed for continuing the fight against corruption. MEPs called on the accession states to further improve security of the EU's external borders by efficiently combating illegal trafficking and organised crime. There was concern about unresolved border problems between some of the new Member States and Russia, due to the Russian refusal to sign and ratify the border treaties. Specific remarks on individual accession countries included: Czech Republic: issues to be addressed include the alleged trafficking in human beings, especially children, the adoption of EU standards in food-processing, the combating of money laundering, mutual recognition of professional qualifications in the health care sector and financial control in connection with the regional and structural funds. The Czech authorities were asked to rethink the plans for the barrages on the upper reaches of the Elbe. On the Temelin nuclear power plant, the Commission was asked to provide full information about the implementation of the Melk agreement. Lastly, the Czech parliament was called on to ratify the Rome Statute of the International Criminal Court. Estonia: Main issues to be addressed include mutual recognition of professional qualifications, labour law and equal treatment of men and women, the problem of stateless persons, certain aspects of regional development, the liberalisation of the electricity and gas sectors by the end of 2008. Cyprus: MEPs welcomed the resumption of negotiations on 10 February under the auspices of the UN Secretary-General. Issues of concern include the alleged intimidation of journalists, problems with the future Paying Agency for agricultural funds and with external trade mechanisms and maritime safety surveillance. Latvia: Although welcoming improvements in Latvia's administrative capacity and the reform of the judicial administration, and the recent creation of the Corruption Prevention and Combating Bureau, MEPs were unhappy with the lack of democratic control of this latter office, which is under the control of the prime minister. Also of concern were the length of pre-trial investigations, overcrowded prisons and the low priority given to investigating human trafficking, as well as the situation of people who, despite being long-term inhabitants of Latvia, have no clear status due to changes in citizenship legislation. Latvia should do more to integrate ethnic minorities and ensure bilingual education during school age. Latvia needs to ensure the full operation of a Paying Agency to carry out EU-funded rural development projects and to improve its regional policy. Lithuania: Lithuania needs to further address high and persistent unemployment through active labour market policies, to ensure security at its borders and to pursue the fight against illegal trafficking and organised crime. Hungary: Hungary urgently needs to remedy some administrative shortcomings in the agricultural sector. Government and trade deficits must be tackled. The 'Status Law' regarding citizens of Hungarian extraction in neighbouring countries has been amended and the parties concerned have agreed to intensify their dialogue in order to resolve all outstanding issues. An anti-discrimination law has been adopted and a special minister appointed, but measures to combat discrimination and exclusion, especially where the Roma are concerned, should go hand in hand with broader social and development policies. MEPs pointed to the seriousness of corruption, leading to misappropriation of public funds. Malta: the Maltese government needs to speed up the examination of asylum requests. Implementation of the Wild Birds Directive needs to take place. Poland: MEPs' main concerns related to corruption, which is continuing to damage various spheres of economic and political activity. The reorganisation and modernisation process must continue and greater security should be provided for foreign investors. Unemployment is high. EU legislation on environment, food safety, and animal welfare is still not fully implemented. Other urgent issues to be addressed are the setting up of administrative structures in agriculture, the improved effectiveness of the judicial machinery, the setting up of a professional civil service to help citizens, and the transposition of EU legislation on mutual recognition of professional qualifications. Slovenia: Slovenia needs to ensure compliance with EU rules on procurement and speed up mutual recognition of professional qualifications regarding some sectors. Further action is required on corruption and the law on rail transport needs to be expedited. A problematic issue in the relationship with Croatia is the latter's unilateral declaration of an ecological zone in the Adriatic, for which a mutually acceptable solution must be found. Slovakia: Effective implementation of the EU legal and administrative framework will require further efforts over several years. The Slovak government as one of its priorities should continue the fight against corruption. There is concern about the reform of public administration, the improvement of the living conditions of the Roma and the fight against their social exclusion. Slovakia's Paying Agency for agricultural funds needs to be up and running and conditions need to be fulfilled if fiscal aid is to be granted to one particular steel company until 2009.?