Bulgaria: membership application and partnership, 14 December 1995

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The Regular Report for 2000 on Bulgaria follows the same structure as the Commission's 1997 Opinion and of the subsequent regular reports; however, it differs from that used in the previous years on three major points . Firstly, the part of the present report assessing Bulgaria'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 Bulgaria'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 Bulgaria in translating the acquis into its offical language. This report takes into consideration progress since the 1999 Regular Report and looks at whether intended reforms referred to in the 1999 regular report have been carried out and it also examines new initiatives. With regard to the relations between the EC and Bulgaria, in July 2000, the Council mandated the Commission to open negotiations with the associated countries with a view to new reciprocal concessions in the field of fish and fisheries products. In the steel sector an anti-dumping complaint against Bulgaria (amongst others), relating to imports of hot-rolled coils, which was lodged in December 1998, the investigation was concluded and a price undertaking reached earlier this year. It should also be noted that in November 1999, agreement was reached on the early closure of Units 1-4 of the Kozloduy Nuclear Power Plant. Under the Understanding signed between the Bulgarian Government and the European Commission, the former committed to the definitive closure of Units 1 and 2 before 2003, and to early closure of units 3 and 4; the precise closure date for the latter two units, which the Commission understands will be 2006 at the latest, will be decided in 2002 in agreement with the Commission. The Commission for its part offered a substantial multi-annual aid package to Bulgaria's energy sector, including grants and a Euratom loan. As far as Community aid is concerned, there are, since January 2000, three pre-accession instruments financed by the European Community to assist the applicant countries of Central Europe in their pre-accession preparations: the Phare programme; ISPA finances large-scale infrastructure projects in the fields of environment and transport; SAPARD supports agricultural and rural development. In the years 2000-2002, the indicative annual financial allocations for Bulgaria are EUR 100 million from Phare, EUR 52 million from SAPARD, and between EUR 83 and 125 million from ISPA. The Report states that Bulgaria has made progress in adopting secondary legislation necessary to implement the Civil Service Law, and also to implement this. The adoption of the Child Protection Act in June 2000, which creates a State Agency for Child Protection, is another positive step forward. However, little has been done to upgrade the judiciary, which remains weak. Also corruption continues to be a very serious problem and a global, transparent anti-corruption strategy with overt backing from government and parliament would be of benefit. Moreover, although Bulgaria has clearly made progresstowards becoming a functioning market economy, it is not yet able to cope with competitive pressure and market forces within the Union in the medium term. Although Bulgaria has made progress in privatisation, especially regarding banks, and a major reform of health and pension systems has begun, structural reforms still need to be taken further. In addition, measures to address the weaknesses in the implementation and enforcement of the legal and regulatory framework need to be taken to improve the business climate. Since the last Regular Report, Bulgaria has maintained a good pace of alignement of legislation with the acquis but needs to pay more attention to how this will be implemented and enforced. Regarding the internal market, Bulgaria has made further progress in most areas. In particular in the free movement of good, progress has been made in standardisation to introduce the New and Global Approach principles. It has also made good progress in liberalsation of movement of capital with the adopton of laws on foreign exchange and securities. Progress has also been made in the following areas: the legal alignment of industrial property rights, consumer protection, transport, energy, environment, the audio-visual, justice and home affairs. On the other hand, further progress needs to be made in the following areas: data protection, veterinary inspection. In general, the capacity of the Bulgarian administration and

judicial systems to ensure application of the acquis is still very limited. Efforts are focused on preparation and adoption of legislation with insufficient attention on how this will be implemented and enforced. Bulgaria has fulfilled partially the large majority of short-term Accession Partnership priorities relating to the acquis. Concerning administrative capacity, Bulgaria has advanced on priorities with the exception of those on building the capacity to assess the financial and institutional impact of new legislation and on strengthening the judiciary, where little progress has been made.