Czech Republic: membership application and partnership, 17 January 1996

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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 theEuropean 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.