Romania: membership application and partnership, 22 June 1995

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PURPOSE : To present the 1999 Regular Report on Romania's progress towards accession. CONTENT : This report follows the structure of previous regular reports. It describes relations with the Union and analyses the situation in terms of the Copenhagen criteria. It addresses the question of Romania's ability to assume the obligations of membership and also covers judicial and administrative capacity. Relations with the Union: The report looks at developments under the Europe Agreement and reviews the implementation of the Accession Partnership. It assesses the use of Phare funding. In the years 2000-2002 total financial assistance available to Romania will amount to 242M EUR for Phare, 150M EUR for Sapard and between 208M EUR and 270M EUR for Ispa, per year. 16 projects have so far been twinned under Phare and 10 will be twinned under the 1999 programme. Copenhagen political criteria: The Commission considers that, at the moment, Romania still fulfills the Copenhagen political criteria although this position will need to be re-examined if the authorities do not continue to give priority to dealing with the crisis in their child care institutions. Living conditions in all child care institutions have very seriously deteriorated as result of financial and administrative problems. The unclear and complicated division of responsibilities between 4 central authorities exacerbates the problems. A single authority should be made responsible for establishing policies in relation to children in care and for supervising and controlling the performance of all institutions in accordance with established standards. The increased use of ordinances are a cause of further concern and further measures are required to ensure judicial independence. Roma still suffer from institutional and social discrimination. The fight against corruption needs to be strengthened. Copenhagen economic criteria: Romania cannot be considered as a functioning market economy and it is not able to cope with competitive pressures and market forces within the Union in the medium term. Macroeconomic instability and legal uncertainty continue to deter foreign private investments which are necessary to modernise the supply side of the economy. The reduction in exports, despite the large real depreciation of the currency, is worrying. Ability to assume the obligations of membership: alignment in the internal market is only partial. Significant progress has been made with the adoption of the law on public procurement, and a new law on state aid control. Environment continues to receive little investment and there is a need for greater attention in this sector which has serious problems in air, water and waste management. Administrative capacity: Lack of funds and weak administrative capacity continue to cause problems. Public administration reform has been identified as a priority but has not started in earnest. There is a general need to ensure the independence of regulatory and supervisory bodies, including the Central Bank. Insufficient administrative capacity is currently a major constraint in the accession preparations.