Slovenia: membership application and partnership, 10 June 1996

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PURPOSE : To present the 1999 Regular Report on Slovenia's progress towards accession. CONTENT : The Report describes Slovenia's relations with the Union and analyses the situation in respect of the Copenhagen criteria. It also covers judicial and administrative capacity. Relations with the Union: Developments under the Europe Agreement are described, as is the implementation of the Accession Partnership and the presentation of the revised National Programme for the Adoption of the Acquis. In the years 2000-2002, total financial assistance available will amount to the following: Phare 25M EUR per year, Sapard 6.6M EUR per year and Ispa between 10M to 20M EUR per year. Phare funding for twinning has so far focused primarily on the priority sectors of agriculture, environment, public finance, Justice and Home Affairs and preparatory measures for the Structural Funds. Copenhagen political criteria: the Commission judges that Slovenia fulfils the Copenhagen political criteria, although further attention needs to be given to the streamlining and speeding up of the judicial and parliamentary process. Copenhagen economic criteria: Slovenia can be regarded as a functioning market economy able to cope with competitive pressures and market forces within the Union in the medium term, provided further structural reforms are achieved more quickly. Priority should be given to privatisation, including the two state banks. Improved corporate governance is needed.Restructuring of the public utilities is necessary. Macroeconomic stability is well established. A major reform of the tax system has been made, through the introduction of value added tax. Agreement has been reached on pension reform. Ability to assume the obligations of membership: Slovenia significantly accelerated its overall legislative approximation effort and demonstrated impressive progress across most sectors of the acquis. It still needs to put in place the legal framework for state aids. The areas of border control and drugs require continued attention. It has met most of its short term Accession Partnership priorities. Administrative capacity to apply the acquis: this is still very weak in some sectors and overall public administration reform has not showed sufficient progress. The Slovene judiciary remains overburdened and the number of cases and the backlogs have increased. In many sectors, there is the need to strengthen capacity and recruit and train more staff. Continuing attention needs to be paid to the strengthening of the environment, taxation, state aids and justice and home affairs administrations.