Enlargement: a European strategy to prepare the countries of Central and Eastern Europe CEECs for accession

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OBJECTIVE: This report presents a general overview of the progress of the pre-accession strategy, the political and economic situation of the CEECs and the priorities to be implemented from 1996 in order to improve this strategy. CONTENT: - Pre-accession strategy: the main instruments of this strategy comprise the following: .Europe Agreements: in addition to the six agreements already in force, agreements were signed in 1995 with the Baltic countries and Slovenia. Under those agreements, adjustments should be made in 1996 in the agricultural sector to take account of the Uruguay Round reforms; .Structured relations: a series of meetings were held in 1995 in order to gain a better understanding of one another's concerns. The Commission proposes improving the structure of this dialogue through better preparation of the exchanges, which should relate to the pre-accession strategy itself; .PHARE: modifications have been made to PHARE planning in order to make financial contributions to the medium-term adjustment process in the beneficiary CEECs. In 1996, PHARE should implement projects in the field of justice and home affairs, with simplified procedures; .Integration in the Internal Market: national programmes for the approximation of legislation have been adopted. An information exchange office will be set up from 1996 to assist local officials more effectively in defining and implementing their amended legislation; . Agriculture: a report has been published by the Commission analysing the strategies to be adopted in order to develop agricultural relations with the ten CEECs (COS0365). In the meantime, the Commission intends to improve the use of tariff quotas opened by the Union and insufficiently used; .Improvement of cooperation, particularly by the promotion of investments in sectors such as the environment, transport, energy, networks etc. Regional cooperation and relations of good neighbourliness should also be improved through a series of appropriate programmes; .Trade: the Commission will prepare proposals in 1996 to extend the cumulation of origin rules and to harmonise them in the different agreements between the Union and the CEECs; - Political and economic situation in the CEECs: .Political situation: as a general rule, the democratic institutions are functioning well, elections are free and human rights are respected. However, with regard to the protection of minorities, the balance between institutions and the media leaves something to be desired. Work must be done in this area; .Economic situation: in 1994, all the CEECs recorded positive growth. In 1995, growth should be at least at the same level in most of these countries. Trade between CEECs has also increased. Unemployment is beginning to fall as a result of the recovery and inflation has been reduced as a result of austerity policies. With a few exceptions, the private sector represents more than half of the GDP even though privatisation strategies are not always satisfactory. Efforts must therefore be made with regard to privatisation, taxation and restructuring of undertakings.