2004 enlargement: state of preparedness for Union membership of the 10 new countries. Comprehensive monitoring report

2003/2201(INI) - 05/11/2003 - Document attached to the procedure

MONITORING REPORT ON THE CZECH REPUBLIC : The Czech Republic has broadly maintained macroeconomic stability. However, public finances have deteriorated. The Czech Republic continued on its reform path, albeit hesitantly. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges remain. The continued deterioration of the general government deficit led the government to undertake steps towards the consolidation of the public finances and to present a set of measures aiming at bringing the deficit down to 4% by 2006. A deeper and a more comprehensive reform affecting the social benefits and the pension system and healthcare is needed. The Czech Consolidation Agency resumed the selling off of bad assets to private investors. This process should accelerate in order to free the economy from misallocated resources. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Czech public administration and judiciary, but there is room for further improvements. In the field of public administration, sufficient resources should be allocated to the implementation of the Civil Service Act, which will enter into force on 1 January 2005. As regards the judicial system, a key area for further improvement is the reduction in length of court proceedings. The fight against corruption should continue to receive high priority, in particular the actual prosecution of corruption cases needs to be stepped up. As regards the implementation of the acquis in specific policy areas, it should be noted that the Czech Republic has reached a high level of alignment with the acquis in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the acquis: 1) areas that cause no or few problems; 2) areas in which the Czech Republic partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that the Czech Republic must take immediate and decisive action to address. It must take immediate action to address three issues of serious concern in three chapters of the acquis if it is to be ready by the date of accession. - free movement of persons, relating to the Czech Republic's preparations for mutual recognition of qualifications of certain professions, including in the healthcare sector; - agriculture, it concerns progress in the upgrading of agri-food establishments in order to meet public health requirements; - transport, where the implementation of the social and technical acquis should be considerably reinforced.