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 SLOVAKIA : Slovakia's macroeconomic performance has been improving considerably, although some imbalances remain significant. Slovakia's progress on the reform path, also in the public finance area, has received strong new impetus. Various measures have been decided on and some have already become effective. As regards the areas, where last year's report suggested improvements, some progress has been made, but challenges remain. The government has been reversing the expansionary fiscal policy stance. The restrictive fiscal policy stance supports a narrowing of Slovakia's high current account deficit. The preparation of additional public expenditure reforms, which are necessary to underpin the envisaged fiscal consolidation, has gained very strong momentum. However, most of the necessary measures still need to be further specified, appropriately sequenced and implemented. The Slovak government has been moving more decisively to tackle the deep-seated structural unemployment problem. Progress has been made as regards financial sector supervision, but the authorities need to continue to safeguard the expanding financial sector against stability risks. Further measures to improve the legal framework for a market economy have been instituted. Its effective implementation is also being enhanced. Nevertheless, additional vigorous efforts in the area need to be pursued. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Slovak public administration and judiciary, but there is room for further improvements. In the field of public administration, the number of staff in sectors dealing with issues related to European integration should be increased, accompanied by a long term strategy for training. With respect to the ongoing decentralisation of the public administration, it is important that the transfer of functions and fiscal decentralisation go hand in hand. As regards the judicial sector, the administrative capacities of the Judicial Council need to be strengthened and its financial independence ensured. Further efforts are necessary to reduce the duration of court proceedings in civil and commercial cases, and as regards judicial training. The fight against corruption should continue to receive high priority, in particular as regards strict enforcement of existing rules. Further legislative measures should be taken in the areas of conflict of interests, financing of political parties and lobbying. As regards the implementation of the acquis in specific policy areas, it should be noted that Slovakia 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 Slovakia partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession; 3) areas that need immediate attention. Slovakia must take immediate and decisive action to address four issues of serious concern in two chapters of the acquis if it is to be ready by the date of accession. - competition policy field as regards the fulfilment of the conditions specified in the Accession Treaty for the transitional arrangement granted in the steel sector; - agriculture, as regards Slovakia's preparations for setting up the Paying Agency, for implementing the Integrated Administration and Control System and for upgrading the agri-food establishments in the area of public health protection.