Bulgaria's progress towards accession. Strategy paper and 2004 report

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In presenting this Report the Commission fulfils the commitment made in its 2004 Strategy Paper *(please refer to the summary of the non-legislative base document of 06/10/2004*) and responds to a request expressed by the European Council in December 2004 to continue to submit annual reports on Bulgaria and Romania's progress towards accession, together with recommendations if appropriate. This Report assesses the countries' preparedness for membership, identifies remaining gaps and presents steps to be taken for dealing with these (sometimes serious) gaps. It reflects the situation at the end of September 2005.

Main points of the Commission's analysis: for further details regarding the Commission's conclusions on the level of preparedness for EU membership of Bulgaria and Romania, please refer to the summaries of the specific regular reports – SEC(2005)1352 and SEC(2005)1354:

1) The Commission confirms that Bulgaria and Romania meet the political criteria for membership. Nevertheless, further efforts are needed in particular to strengthen the rule of law, by improving public administration and the justice system and by fighting corruption effectively.

2) Bulgaria and Romania fulfil the requirement of being a functioning market economy. Bulgaria's continuation of the current pace of its reform path and Romania's vigorous implementation of its structural reform programme should enable them to withstand competitive pressure and market forces within the EU.

3) Both countries have continued to make progress in adopting and implementing EU legislation. In most areas they are well advanced. However, the Commission has also identified a number of areas where increased efforts are required. The authorities in both countries should vigorously pursue their preparations in order to ensure the full benefit of membership for their citizens.

Areas of concern: There are a limited number of specific gaps in both countries' preparations which give cause for serious concern. Without immediate action Bulgaria and Romania will most likely not be able to fulfil their obligations in those specific areas by 1 January 2007. Both countries will need to pay attention to reinforcing their administrative and judicial capacity in order to adequately implement and enforce the required legislation. Vigorous steps will need to be taken in the fight against corruption and in the reforms of the justice system and the public administration in order to ensure the proper functioning of the rule of law. This will involve, at all government levels, precise activity planning, setting priorities, adopting measures and ensuring an adequate allocation of the necessary financial and human resources. The Commission will continue its various monitoring activities until accession.

Financial assistance: The EU will continue to provide substantial financial assistance to both countries in order to help them prepare for membership. In 2006 approximately EUR 1 155 million will be reserved for Romania and approximately EUR 545 million for Bulgaria.

Depending on the nature of the problem, EU support could take the form of peer assistance, training seminars, advice missions, twinning (light) projects or similar instruments, which can be mobilized quickly and can be focused on well-targeted issues. Equally, a number of existing EU programmes (such as Customs 2007, Fiscalis, and other programmes) can be used to address gaps in both countries.

Next steps: The main remaining problems will be followed up in warning letters. On-site peer reviews and specific consultations will be held to ascertain the steps taken by Bulgaria and Romania; where needed, the Union will rapidly mobilise targeted assistance. The results of this follow-up will feed into a monitoring report which the Commission intends to present to the Council and Parliament in April/May 2006. At that moment, the Commission may recommend that the Council postpone the accession of Bulgaria or Romania until 1 January 2008 if there is a serious risk of any of those states being manifestly unprepared to meet the requirements of membership by January 2007 in a number of important areas. The Commission expects Bulgaria and Romania to take all necessary corrective actions until then so as to avoid having to issue such a recommendation.

Conclusion: The Report shows that both countries have made good progress in their preparations. They should be able to meet the requirements of EU membership at the envisaged date of accession on 1 January 2007 provided they concentrate all efforts on the reforms, with particular attention to their actual implementation.