Comprehensive monitoring report on the state of preparedness for Union membership of Romania

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PURPOSE: presentation of the Commission’s 2005 Regular Report on Romania’s progress towards EU accession.

CONTENT: This report assesses the progress made by Romania in the course of 2005 to prepare itself for EU accession. It outlines, in particular, the achievements of this country in meeting the Copenhagen criteria:

1) political criteria: As regards the political requirements for membership, Romania continues to meet them. Romania has taken decisive steps to further reform the judiciary system towards more independence and to improve the situation on media freedom, property restitution, minorities and child protection. However, a number of shortcomings still exist and significant efforts will be required in the following areas:

- the reform of public administration and of the justice system;
- The fight against corruption should receive high priority. Efforts should focus on the effective enforcement of anti-corruption legislation and on preventive measures, fighting high-level corruption and corruption within law enforcement bodies;
- In the area of human rights and the protection of minorities further efforts are needed to combat ill-treatment in custody, strengthen the administrative capacity of the national office for preventing trafficking in human beings, continue efforts to improve the situation of disabled and mentally ill people, raise awareness on new legislation on children's rights, and ensure the effective integration of the Roma minority in particular as regards access to housing, social services and the labour market.

2) economic criteria: Romania continues to comply with the criterion of being a functioning market economy. Vigorously implementing its structural reform programme should enable it to cope with competitive pressure and market forces within the Union. Romania has broadly maintained macroeconomic stability, even if the policy mix turned less prudent and raised concerns about the sustainability of recent stabilisation achievements. It continued implementing its structural reform programme, although not vigorously in all fields.

As regards the areas where 2004’s report emphasised the need for further improvements, some progress – although uneven – has been made on the majority of these issues. However, disinflation has slowed down, external imbalances have widened and growth was increasingly unbalanced due to buoyant household consumption and slowing export growth. Priority should be given to re-establishing a prudent fiscal policy, notably by implementing additional measures to permanently strengthen the revenue base, and by a cautious public sector wage policy within the framework of a clear medium-term expenditure strategy aimed at growth potential and preparing for EU accession. Continuation of the privatisation programme, active dismantling of non-viable enterprises, further improvement in enforcing financial discipline and substantial progress in the functioning of the judiciary are required to establish a positive business environment and free the economy from mis-allocated resources.

transposition and implementation of EU laws and standards: Romania has reached a considerable level of alignment with the *acquis*in most policy areas. Efforts to strengthen overall administrative capacity should continue with a view to properly implementing the adopted legislation. The areas requiring attention with implementation fall into 3 main categories:

a) those areas in which Romania is almost ready or in which any remaining problems should be resolved between now and accession, if the current momentum of preparation is maintained. These include, for example, transport, application of anti-trust policy, mutual recognition of vocational qualifications (vital for the implementation of the principle of free movement of persons);

b) those sectors where increased effort is necessary to harmonise Romanian policy with European standards: this relates in particular to the control of state aids, the implementation of customs rules and the effective application of controls in relation to Community assistance granted to Romanian beneficiaries;

c) sectors where Bulgaria must take immediate and decisive action to address issues of **serious concern** if it is to be ready by the envisaged date of accession: This covers the field of public procurement, as well as the protection of intellectual and industrial property rights. Many issues still remain to be addressed in the field of *agriculture*, in particular regarding Romania's preparations to set up its paying agencies and implement the integrated administration and control system. Furthermore, this concerns in the area of veterinary issues, measures relating to transmissible spongiform encephalopathies (TSEs) and animal by-products (in particular the collection system of cadavers, the absence of rendering plants, the introduction of the feed ban) but also the veterinary control system in the internal market (identification and registration of animals, the establishment of border inspection posts), animal disease control measures and veterinary public health. Other issues of serious concern the administrative capacity in the *taxation* area, notably the slow pace of achieving IT system interoperability; the urgent need to strengthen institutional structures and financial management and control mechanisms to deal with *regional policy and coordination of structural instruments* as well as industrial pollution and overall administrative capacity in the field of *environment*. Lastly, urgent action is required in the field of *justice and home affairs*, in particular as regards preparations for applying the Schengen *acquis* and for the management of the future EU external border, as well as the fight against fraud and corruption, if Romania is to be ready for membership by the envisaged date.