Accession of Bulgaria

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PURPOSE: to present the 2006 Commission’s monitoring report on the state of preparedness of Bulgaria in light of the accession process.

CONTEXT: the accession negotiations with Bulgaria were successfully concluded in December 2004. The Accession Treaty was signed in April 2005. Bulgaria and 14 Member States have already ratified it. The Treaty envisages accession on 1 January 2007 unless the Council decides, upon a Commission recommendation, to postpone it until 1 January 2008. Following the conclusion of the negotiations, the European Union decided that it would continue closely to monitor Bulgaria's preparations and achievements and that, to this end, the Commission would continue to submit annual reports on Bulgaria's progress towards accession, together with recommendations, if appropriate.

The Commission presented its first such report in October 2005. This report showed that Bulgaria was already well advanced in preparing for accession. It also identified a number of areas where further efforts were needed to complete preparations. The Commission decided to step up its monitoring activities and report again in spring 2006.

CONTENT: this report reviews Bulgaria's preparations for membership, focusing on the areas in need of further improvement in the light of the three Copenhagen accession criteria. Accordingly, the report contains three main parts:

• The 1st partassesses political issues which were identified as in need of further improvement.

• The 2nd partassesses economic issues which were identified as in need of further improvement.

• The 3rd partassesses where Bulgaria stands in implementing commitments and requirements arising from the accession negotiations.

The report identifies the progress made since October 2005 and the gaps in policies, legislation and implementation which remain to be addressed.

General evaluation

Bulgaria has reached a considerable degree of alignment with the *acquis.* The October 2005 report concluded that Bulgaria would be ready by accession in a large number of areas. A number of other areas required increased efforts, and 16 areas gave rise to serious concern.

Since then, further progress has been made. Bulgaria should be ready by accession in the following additional areas if the current pace of progress is maintained: public procurement, mutual recognition of industrial product specifications; freedom to provide non-financial services; most agriculture Common Market Organisations; aviation; excise duties; taxation implementing structures; postal services liberalisation; regional policy legislation; chemicals and genetically modified organisms, noise legislation; visa policy; and customs preparations. Progress has also been made in a number of areas, which no longer give rise to serious concern but still require increased efforts to complete preparations: the insurance sector, the protection of intellectual property rights, the paying agency for agriculture, the milk common market organisation, animal diseases control measures, veterinary border inspection posts; animal welfare,

trade in live animals and animal products, veterinary aspects of public health; institutional and financial management structures for regional policy, as well as Schengen preparations and the management of the future EU external borders.

Increased efforts are also needed for: mutual recognition of professional qualifications; financial services, information society services, protection of personal data; legislation to fight money laundering; agriculture trade mechanisms; the Common market organisations on wine and alcohol and on beefmeat; legislation in the veterinary and phytosanitary sector; most aspects of fisheries; sea transport; VAT, direct taxation rules; labour law, social dialogue, social inclusion, anti-discrimination policy, the European Social Fund, public health; energy market liberalisation; nuclear energy and nuclear safety, in particular the commitments to early closure and subsequent decommissioning of the reactors of the Kozloduy plant; steel industry restructuring; electronic communications; programming, monitoring and procurement capacity for regional policy; horizontal environmental legislation, water quality, integrated pollution prevention and control, waste management; consumer protection; asylum, judicial co-operation; fight against drugs; protection of the EU's financial interests; and the translation of the *acquis* into Bulgarian.

The report lists **six areas of serious concern**, which require urgent action:

- § setting up a proper integrated administration and control system (IACS) in agriculture;
- § building-up of rendering collection and treatment facilities in line with the acquis on TSE and animal by-products;
- § clearer evidence of results in investigating and prosecuting organised crime networks;
- § more effective and efficient implementation of laws for the fight against fraud and corruption;
- § intensified enforcement of anti-money laundering provisions;
- § strengthened financial control for the future use of structural and cohesion funds.