Accession of Romania

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

CONTEXT:the accession negotiations with Romania were successfully concluded in December 2004. The Accession Treaty was signed in April 2005. Romania 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 Romania's preparations and achievements and that, to this end, the Commission would continue to submit annual reports on Romania's progress towards accession, together with recommendations, if appropriate.

The Commission presented its first such report in October 2005. This report showed that Romania 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 Romania’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 Romania 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

Romania has reached a considerable degree of alignment with the *acquis*. The October 2005 report concluded that Romania would be ready by accession in a large number of areas. A number of other areas required increased efforts, and 14 areas gave rise to serious concern.

Since then, further progress has been made. Romania should be ready by accession in the following additional areas if the current pace of progress is maintained: public procurement, protection of personal data; animal welfare; fisheries resource, fleet, control and market policies; regional policy legislation; visa policy; customs preparations; and protection of the EU's financial interests.

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: protection of intellectual property rights; veterinary border inspection posts and animal identification and registration, animal diseases control measures, and veterinary aspects of public health; institutional and financial management structures for regional policy regional policy; industrial pollution prevention and control; Schengen preparations and management of the future EU external borders; fight against fraud and corruption.

Increased efforts are also needed for: industrial product horizontal and procedural measures; product requirements under the old approach including the production and marketing of GMOs; EU citizens' rights; freedom to provide non-financial services; capital requirements for banks and investment funds, motor insurance; fight against money laundering; State aid control and steel restructuring programmes implementation; most agriculture common market organisations, quality policy, agriculture trade mechanisms, zootechnics, animal nutrition, trade in live animals and animal products; structural actions in fisheries; VAT, direct taxation; labour law, occupational health and safety, social dialogue, social inclusion, equal treatment of women and men, the European Social Fund; public health; Community Youth programme; audio-visual policy; regional policy monitoring; horizontal environmental legislation, nature protection, waste management, water quality, police co-operation and fight against organised crime, judicial co-operation, fight against drugs; public internal financial control, external audit and control over structural actions expenditure; the translation of the *acquis* into Romanian.

There remain **four areas of serious concern**, which require urgent action:

- § fully operational paying agencies accredited for handling direct payments to farmers and operators, building on progress made, under the common agriculture policy;

- § setting up a proper integrated administration and control system (IACS) in agriculture, building on progress made;

- § building-up of rendering collection and treatment facilities in line with the *acquis* on TSE and animal by-products;

- § tax administration IT systems ready for inter-operability with those of the rest of the Union, to enable a correct collection of VAT throughout the EU internal market.