Basic information

1997/2175(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Hungary: membership application and partnership, 1st April 1994 **Subject** 8.20.02 Enlargement 2004: new Member States **Geographical area** Hungary	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	QUEIRÓ Luís (UEN)	07/11/2000

Former committee responsible	Former rapporteur	Appointed
AFET Foreign Affairs, Security and Defense Policy	QUEIRÓ Luís (UEN)	23/09/1999
AFET Foreign Affairs, Security and Defense Policy	VON HABSBURG Otto (PPE)	23/06/1997

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	BÖGE Reimer (PPE-DE)	24/04/2001
CONT Budgetary Control	BÖSCH Herbert (PSE)	29/05/2001
LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	OOSTLANDER Arie M. (PPE-DE) BERGER Maria (PSE)	29/05/2001 29/05/2001
ECON Economic and Monetary Affairs	KARAS Othmar (PPE-DE)	21/03/2001
JURI Legal Affairs and Internal Market	ROTHLEY Willi (PSE)	11/04/2001
ITRE Industry, External Trade, Research, Energy	GLANTE Norbert (PSE)	21/03/2001

EMPL	Employment and Social Affairs	ETTL Harald (PSE)	12/04/2000
AGRI	Agriculture and Rural Development	GÖRLACH Willi (PSE)	27/03/2001
RETT	Regional Policy, Transport and Tourism	VATANEN Ari (PPE-DE)	06/02/2001
RETT	Regional Policy, Transport and Tourism	JONCKHEER Pierre (V /ALE)	06/02/2001
CULT	Culture, Youth, Education, Media and Sport	ANDREASEN Ole (ELDR)	11/04/2001
AFCO	Constitutional Affairs	RACK Reinhard (PPE-DE)	24/01/2001
FEMM	Women's Rights and Equal Opportunities	SMET Miet (PPE-DE)	20/03/2001

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2078	1998-03-30
Culture	2427	2002-05-23

European Commission

Commission DG	Commissioner
Neighbourhood and Enlargement Negotiations	

Key events

Date	Event	Reference	Summary
17/12/1998	Non-legislative basic document published	COM(1998)0700	Summary
08/03/1999	Committee referral announced in Parliament		
24/03/1999	Vote in committee		Summary
24/03/1999	Committee interim report tabled for plenary	A4-0154/1999	
14/04/1999	Debate in Parliament		
23/05/2000	Additional information		Summary
14/09/2000	Vote in committee		Summary
14/09/2000	Committee interim report tabled for plenary	A5-0248/2000	
03/10/2000	Debate in Parliament		

04/10/2000	Decision by Parliament	T5-0424/2000	Summary
09/07/2001	Vote in committee		Summary
09/07/2001	Committee interim report tabled for plenary	A5-0257/2001	
04/09/2001	Debate in Parliament		
05/09/2001	Decision by Parliament	T5-0433/2001	Summary
05/09/2001	End of procedure in Parliament		
21/03/2002	Final act published in Official Journal		

Technical information

Procedure reference	1997/2175(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/13760 AFET/4/10903 AFET/4/09135

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee interim report tabled for plenary		A4-0154/1999 OJ C 219 30.07.1999, p. 0006	24/03/1999	
Interim resolution adopted by Parliament		T4-0331/1999 OJ C 219 30.07.1999, p. 0370-0439	15/04/1999	Summary
Committee interim report tabled for plenary		A5-0248/2000 OJ C 178 22.06.2001, p. 0007	14/09/2000	
Interim resolution adopted by Parliament		T5-0424/2000 OJ C 178 22.06.2001, p. 0072-0146	04/10/2000	Summary
Committee interim report tabled for plenary		A5-0257/2001	09/07/2001	
Interim resolution adopted by Parliament		T5-0433/2001 OJ C 072 21.03.2002, p. 0083-0191 E	05/09/2001	Summary

European Commission

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	COM(1997)2001	15/07/1997	Summary

Non-legislative basic document	COM(1998)0700	17/12/1998	Summary
Document attached to the procedure	COM(1998)0712	17/12/1998	Summary
Non-legislative basic document	COM(1999)0500	13/10/1999	Summary
Supplementary non-legislative basic document	COM(1999)0505	13/10/1999	Summary
Document attached to the procedure	COM(2000)0700	08/11/2000	Summary
Supplementary non-legislative basic document	COM(2000)0705	08/11/2000	Summary
Document attached to the procedure	COM(2001)0655	13/11/2001	Summary
Non-legislative basic document	COM(2001)0700	13/11/2001	
Supplementary non-legislative basic document	SEC(2001)1748	13/11/2001	Summary
Non-legislative basic document	COM(2002)0700	09/10/2002	Summary
Document attached to the procedure	SEC(2002)1404	09/10/2002	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EU	Document attached to the procedure	31999D0850 OJ L 335 28.12.1999, p. 0001	06/12/1999	Summary
EU	Document attached to the procedure	32002D0087 OJ L 044 14.02.2002, p. 0037-0044	28/01/2002	

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 13/10/1999 - Supplementary non-legislative basic document

PURPOSE : to present the 1999 Regular Report on Hungary's progress towards accession. CONTENT : In line with the conclusions of AGENDA 2000 and the Vienna European Council, the Commission presents the 1999 regular report on Hungary's progress towards accession. The Report describes relations with the Union. It analyses the situation in terms of the Copenhagen criteria, and covers judicial and administrative capacity. Relations with the Union: Hungary's trade with the EU has continued to increase. In March 1999, the EU imposed a definitive anti-dumping duty in respect of some Hungarian imports. The report examines developments in the Europe Agreement and Accession Partnership. With regard to pre-accession aid, total financial aid in the years 2000-2002 will be 96M EUR for Phare, 38.1M EUR for Sapard and between 70M and 1000M EUR for Ispa, per year. Copenhagen political criteria: Hungary fulfils the Copenhagen political criteria, but two areas still need attention. The first is the situation of the Roma. Roma people continue to face widespread discrimination in access to education, employment, health services, housing and public institutions. The government has adopted a medium-term action plan aimed at improving the living conditions of Roma. It needs to make available adequate budgetary resources. The other area is widespread corruption, and recent efforts to combat this need to be further enforced. Copenhagen economic criteria: Hungary is a functioning market economy and the structures which underpin a market economy have been further strengthened. It should be able to cope with competitive pressures in the medium term, provided it continues to make further progress. A key area needing attention is pension reform. The deterioration of the fiscal deficit needs to be dealt with, and, in this respect, priority should be given to health sector reform. Hungary has acquired good credentials for macroeconomic management, which has allowed high inflows of foreign direct investment. Urgent measures are needed to put

public finance on a sounder footing. Ability to assume the obligations of membership: Hungary continues to make progress aligning and implementing the acquis in most areas. Notable progress has been made in adopting legilation on self-employment which removes restrictions on EU-individuals wishing to establish in Hungary. Aside from the fight against organised crime, the pace of alignment has been slow in the area of justice and home affairs, particularly with respect to border management and asylum. There has been no progress on customs and a slow down in the adoption of environmental legislation. In regional development, the legislative framework is in place but implementation has been limited due to a lack of financial and human resources. Administrative capacity to apply the acquis: Steady progress has been made, yet administration still needs to be strengthened in specific areas. These include state aid control, and market surveillance. Hungary needs to allocate enough resources to regional development and environment andimprove capacities to use and monitor funds from the EU. Both short term and medium term priorities under the Accession Partnership have been satisfactorily addressed.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 08/11/2000 - Supplementary non-legislative basic document

This Regular Report for 2000 on Hungary largely follows the same structure as the Commission's 1997 Opinion and of the subsequent reports; however, it differs from that used in previous years on three minor points. Firstly, the part of the present report assessing Hungary's ability to assume the obligations of membership has been structured to follow the list of 29 negotiating chapters covering the acquis. Secondly, this part has been broadened to cover Hungary's adminstrative capacity to apply the acquis under each of the negotiating chapters (previously discussed in a separate section of the report). Thirdly, the report includes, for the first time, a section assessing the progress made by Hungary in translating the acquis into its official language. This report takes into consideration progress since the 1999 regualr report and it looks at whether intended reforms referred to in the 1999 regular report have been carried out and it also examines new initiatives. As regards the relations between the EU and Hungary, Hungary has continued to implement the Europe Agreement correctly and contributed actively to the smooth functioning of the various joint institutions. Trade with the EC has also continued to increase. In February 2000, Hungary transmitted its programme for restructuring aid to the Hungarian steel industry. As the plan did not fully meet the Commission's criteria for granting aid, the Commission requested the Hungarian authorities to amend the plan accordingly. In April 2000, a second Joint Assessment of the Hungarian authorities and the Commission services on medium term economic policy priorities was signed. Hungary was the first of the associated countries to pass to the second stage under the Europe Agreement in June 2000. This led to further liberalisation as regards the provision on establishment. The negotiations which were opended in March 1999 were concluded in May 2000 and as a consequence of the new agreement approximately two thirds of bilateral trade in agricultural products will benefit from preferences. With regard to Community aid, in the years 2000-2002 total financial assistance to Hungary will amount annually to EUR 96 million from Phare, EUR 38.7 million from SAPARD, and EUR 87.7 million from ISPA. It should be noted that Hungary continues to fulfil the Copenhagen political criteria. Although the judiciary functions satisfactorily and the training of judges in the EC acquis has progressed, the large backlog of cases before the Supreme Court hampers the unification of Court practice and the development of a consistent jurisprudence. Efforts should be made to remedy this. Although Hungary is a functioning market and considerable progress has been made towards consolidating macroeconimic stability, it will have to make further efforts towards the supervision of the financial sector. Administrative and judicial capacity still needs to be strengthened in specific areas such as state aid control, market surveillance, transport, the environment, veterinary and plant health. Hungary has satisfactorily addressed most of its short-term Accession Partnership priorities with the exception of agriculture, environment, certain elements related to the internal market, industry policy and economic and monetaryunion.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 08/11/2000

The Commission has presented for the first time a 'strategy document for enlargement' which seeks to be more analytical and forward-looking than its previous versions issued in 1998 and 1999. In the first part, the Commission recalls the challenges of the future enlargement, in particular in geopolitical and strategic terms, which go far beyond those faced in previous enlargements: Europe's improved security, stability and prosperity will be top priority in the complex negotiations which will result in the membership of between 10 and 13 new member states. The Commission also discusses the new potential candidates for membership from the Balkans area which will be declared in the relatively near future. A process in parallel to that started in 1989 for the current candidates from Central and Eastern Europe is under way in this region so as to prepare the countries of the former Yugoslavia and Albania for future membership: this involves a stabilisation and association process coupling financial and technical support, as well as strengthening the political dialogue between the parties. In recalling the various elements that comprise the pre-accession strategy (accession partnerships; national programmes for the adoption of the acquis communautaire; more than 3 billion euros per year of financial assistance with PHARE, ISPA and SAPARD; association agreements that set the institutional framework and the structural objectives of pre-accession; involvement of the candidate countries in the various Community programmes and agencies), the Commission presents a state of play sector-by-sector of the progress made by the candidates on the path to accession. The Copenhagen criteria (political, economic, adoption of the acquis) are reviewed in the second part of the document in order to determine for each country concerned the work that remains to be done before becoming a member of the Union. The Commission describes, in a third and important part of the section, the negotiation strategy that it intends to implement in the course of the next two years (2001-2002). In this regard, the Commission stresses the need to respect the timetable for the negotiations, considering that it is not in the interests of either the Union or the candidate countries to see the enlargement process get bogged down indefinitely. This is why a strategy in stages is proposed in order both to encourage the candidate countries to intensify their preparation efforts and to give them greater confidence in the process under way. This strategy involves the following stages: 1) the drawing up of a lists of candidate countries' requests for transitional measures and negotiation of these measures by making, on the EU side, a clear distinction between measures considered acceptable (basically transitional measures in the short term of a technical nature that do not pose a particular problem), negotiable (measures having an effect on competition or the internal market and a longer duration), and unacceptable (posing very fundamental problems in the context of membership); 2) the drawing up of a detailed 'road map'for each country laying down clearly the order in which pending questions should be dealt with in 2001-2002. The road map is, without doubt, the most innovative aspect of the planned negotiation method since it involves for all the parties an undertaking to finishnegotiations within a realistic timescale. The approach favoured by the Commission is one in two phases: 2001 will see the majority of the pending questions raised (mainly, the internal market, social questions, environment) with the exception of those which have the most important financial implications; these

latter will be dealt with in the course of the first six months of 2002, with the 'institutional questions' chapter and the other unresolved matters (agriculture, in particular). A clear list of chapters for negotiation that must be tackled is presented in the Commission's document, breaking down the most important questions to be resolved into 3 semesters (up to June 2002); 3) the opening of negotiating chapters: it is up to the candidate countries to open negotiating chapters as a function of the timing proposed by the Commission in its road map. Certain countries that are already well advanced would be able, by virtue of the principle of differentiation, to pursue their negotiations at a more sustained rhythm and hope to be part of the first cluster of new member states. However, where the number of remaining problems is very limited, these can be put aside provisionally to be revisted in order to find a solution to the few remaining issues at the appropriate moment. In conclusion, and in virtue of the method proposed in this working document, the Commission considers that Union should be in a position to welcome new Member States from the end of 2002.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 06/12/1999 - Document attached to the procedure

PURPOSE: presentation of the second accession partnership for Hungary. CONTENT : Like its previous version, this partnership for the accession of Hungary resembles a work programme proposing priorities and objectives to be attained by the country in the short and the medium-term in order to become a member of the Union. These objectives take into account the regular report on Hungary (1999). The short-term priorities (end of 2000) concern political criteria (introduction of a framework programme for the Roma people with appropriate financial resources); economic criteria (restructuring of public finances and reform of the healthcare system, restructuring of the steel sector); the internal market (basically continuing the harmonisation process and the modification of the banking rules to prevent the opening of anonymous accounts) ; agriculture, transport, environment (integrated pollution prevention and control), social affairs and employment, justice and home affairs (implementation of the Schengen acquis and improved frontier management, combat of corruption) and the strengthening of administrative and judiciary capacity (in particular the management and control of EU funds). In the medium term, the measures will concern the follow-up of efforts seeking to resolve the Roma question. In the area of the internal market, the complete liberalisation of public procurement by 2001 and the abolition by the end of 2002 of the national preference clause for public contracts; progress in alignment in the area of free movement of goods, taxation and customs. With regard to the programming of financial resources, the partnership confirms aid granted in line with AGENDA 2000 and the various instruments provided therein (Phare, SAPARD and ISPA) in accordance with the rules already foreseen. It should be noted that assistance is only granted if the country respects the provisions of the EC-Hungary Association Agreement, makes progress towards satisfying the Copenhagen criteria and assures in the year 2000 the achievement of the specific priorities of this accession partnership.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 04/10/2000 - Interim resolution adopted by Parliament

The European Parliament adopted the report drafted by Mr Luís QUEIRO (UEN, P) on Hungary's application for membership of the European Union. The Parliament applauds Hungary's progress towards the adoption of the acquis, and its steady economic growth. However, organised crime is highlighted as being probably the most worrying internal problem. The Parliament stresses the need for firm, foreseeable dates for the conclusion of the negotiations and for accession to be established as soon as possible in order to help prevent disappointment or even discontent within certain sectors of Hungarian society. Furthermore, the Parliament hopes that the medium-term measures intended to prevent discrimination against the Roma community and welcomes steps taken to improve their situation. As regards agriculture, the European Parliament emphasises the need for the modernisation of Hungarian agriculture. Moreover, the restructuring of the health sector must be speeded up. With regard to the environment, the Parliament welcomes the "Joint Declaration" on environmental protection concluded between Hungary and its neighbours to prevent cross-border environmental pollution, although cross-border pollution remains a problem, notably in the Danube and Tiszla rivers.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 13/10/1999

This second composite document, like the first in the series, provides a resumé of the regular reports prepared for all accession candidate countries. Although the main areas covered, the methodology and the analysis of the progress made by all the candidate countries remain the same, the Commission's formal conclusions on a country by country basis differ from those in the 1998 report. Firstly, the Commission recalls that the enlargement process is a complex one which is not simply confined to pure and simple integration of new countries in the Union. Besides the difficulties associated with integration both for the Union and the countries themselves, the Commission considers that the new configuration of 25-30 countries will require not only internal but also external changes. In particular, it considers that the development of Europe has inevitable consequences with respect to the Eastern countries that are not yet on the 'candidate list' (ex-Yugoslavian countries, Albania, in the first instance), but also further East with Russia and the Ukraine, with which relations will have to be accorded a new dimension. The Commission considers that the new configuration envisaged also implies a modification in Europe's approach with respect to the South and in particular the countries of North Africa in respect of which new responsibilities are developing. On another level, the Commission considers that the enlargement negotiations should be started with all the candidate countries (thus abandoning the 'in' and 'non-in' idea) that satisfy the political Copenhagen criteria and can prove that they are ready to take the necessary measures to satisfy the economic criteria. Negotiations will continue with those countries with which negotiations have been under way since 31 March 1998 (Hungary, Poland, Estonia, Slovenia, Cyprus and the Czech Republic) and will commence in 2000 with Malta, Latvia, Lithuania, Slovakia and, if certain conditions are fulfilled, with Romania and Bulgaria. In this document, the Commission also outlines the method that it intends to apply to open negotiations with each of the countries concerned. In taking account of the progress made by each candidate country in its preparation for membership, the Commission will open one (or several) chapters for negotiation based on the principle of differentiation (certain chapters for certain countries in function of progress in given fields of the acquis). The chapters left in suspense in the framework of the negotiations under way, will be reviewed afterwards taking into account the progress of the country in these fields. The provisional closure of certain chapters will also depend on the extent to which the candidate country has undertaken its commitments in preparing for membership. Furthermore, the

Commission considers that membership can only take place if the institutional reform has taken place by the end of 2002. The Commission also considers that the Union should undertake to be in a position to decide by that date on the eventual membership of candidates that fulfil the required criteria. Lastly, during 2000, the situation of all candidates from the point of view of the application of the competition regime andinternal market rules should be reviewed, as well as that of the liberalisation of trade in agricultural products.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 17/12/1998

This composite paper presents an outline of the progress made towards accession by all of the candidate countries in relation to the Copenhagen criteria since the publication of the Commission's opinions in June 1997. These regular reports for each of the candidate countries concentrate on all aspects of the adoption of the Community acquis and establish a precise assessment of the capacity of each of the candidates to fulfil the political and economic criteria required for accession. Overall, the Commission's analysis of the progress achieved by each of the candidate countries since June 1997 has not persuaded it to amend its general assessment of the candidacies. Therefore, it does not consider it necessary, on the basis of the reports being presented, to make new recommendations "on the conduct or extension of the negotiations". Nonetheless, the Commission stresses the increasing importance of revising the national programmes for adoption of the acquis in order to further accelerate the process of alignment with European legislation and strengthen the administrative capacity of the candidate countries, with a view to efficiently implementing all the regulations necessary for admission to the Union. The document ends by specifying that the preparatory measures undertaken must determine for now, the assistance of the Union to these countries and, subsequently, the timetable for the first accessions. For this reason, the Commission intends to submit further progress reports to the Council at the end of 1999 to allow it, if appropriate, to take decisions on the conduct or extension of the negotiations.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 05/09/2001 - Interim resolution adopted by Parliament

The European Parliament adopted the report by Mr Luis QUEIRÓ (UEN, P) on Hungary's application for membership of the European Union. (Please refer to the previous text). In addition, the House adopted one amendment which calls for the opposition parties to be adequately represented on the boards of the public media.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 13/11/2001 - Supplementary non-legislative basic document

The Commission has prepared this fourth series of Regular Reports with a view to the Laeken European Council in December 2001. The structure followed for this Report is the same as that used for the 2000 Regular Report. This report takes into consideration progress since the 2000 Regular Report. It looks at whether intended reforms referred to in the 2000 Regular Report have been carried out and examines new initiatives. The Report contains a separate section examining the extent to which Hungary has addressed the Accession Partnership priorities. With regard to the pre-accession instruments, for the years 2000-2002, total financial assistance to Hungary amounts annually to around EUR 96 million from Phare, EUR 38.7 million from SAPARD and between EUR 72.8 and EUR 104 million from ISPA. With regard to the main Copenhagen criteria for membership, an overall evaluation presents sector by sector Hungary's progress in the accession negotiations : 1) Political Criteria : Hungary has continued to make good progress in aligning and implementing the acquis in many areas. Further progress in the modernisation of the public administration is apparent from the continued implementation of the 1999 programme. In the area of public administration reform, positive steps were taken with the introduction of a new legal framework increasing accountability and efficiency of the administration. In addition, better salaries and career possibilities have made the civil service more attractive. Within the judiciary, the overall efficiency of Courts further improved after the introduction of additional measures in the area of institution. The scare budgetary resources make it difficult to implement the remaining elements of the judicial reform. The fight against corruption remained high on the political agenda and new legislation on asset declaration and more severe punishment was adopted to address the issue. Corruption remains a problem. New policy instruments and measures were adopted for the Roma minority which was accompanied by increased budgetary means for further implementation of this medium term action programme, already adopted by the Government in 1999. 2) Economic Criteria : Hungary is a functioning market economy. Provided it fully maintains and implements its reform programme in a consistent manner, it should be able to cope with the competitive pressure and market forces within the Union in the near future. The macroeconomic situation continues to be sound. Based on past structural reforms and careful macroeconomic management, economic growth has reached its highest level since the beginning of transition. Although privatisation is nearly completed, foreign direct investment remains the motor of growth and productivity gains. 3) Legislative Alignment with the acquis : Hungary continued to make progress in aligning and implementing the acquis in many areas. In the reporting period, the country has moved steadily towards achieving a degree of administrative capacity needed to satisfactorily implement the acquis. - in the internal market : continued good progress could be noted concerning the internal market. In this area, the major part of the acquis has been gradually adopted, and basic administrative structures are in place. As regards the free movement of goods, the alignment process has continued in respect of harmonised and "new approach" product legislation and Hungary has been able toapply for full membership in the European standard bodies CEN and CENELEC. With regard to public procurement, efforts will be needed to achieve full alignment and to ensure a transparency and enforcement of the current rules at all levels of government and in all sectors, in particular in motorway contruction. In the field of services, banking and insurance legislation has largely been aligned, and the supervisory authority appears to be working satisfactorily. Capital movements were almost fully liberalised. The adoption of an important new law on the fight against money laundering, which aims at, inter alia, phasing out anonymous savings books in order to meet the recommendations of the Financial Task Force (FATF), is pending at Parliament. In the field of company law, the Hungarian legislation with regard to the industrial and intellectual property rights is already largely in line with the acquis; Hungary has a relatively good enforcement record. In competition policy, substantial and procedural rules for state aid control were further aligned with the acquis. Further efforts are needed to align state aid schemes, in particular the fiscal aid schemes. Both anti-trust and state aid enforcement bodies are working satisafactorily. - environment : significant progress was also made in the area of the environment, notably through the adoption of legislation on Environmental Impact Assessment,

on water, waste, industrial pollution control and risk management, on chemicals and on radiation protection; - as to agriculture : progress in the reporting period was limited to te food safety and veterinary and phyto-sanitary areas still need to be updated. Further efforts are needed to establish in time the necessary procedures and structures for Hungary's participation in the CAP; - transport sector : legal alignment needs to be sustained in the area of transport, and efforts are needed to carry out the restructuring of the rail sector that is indispensible to prepare for the the implementation of the market access acquis. In addition, appropriate institutions will have to be set up in order to enforce the acquis adequately; - in the energy sector : only limited progress was made. The necessary legal framework for the participation of Hungary in the internal market still needs to be created. No progress could be noted with regard to the audio-visual sector; - social policy and employment : considerable progress was made in the area of social policy and employment, notably through the adoption of the revised Labour Law. - in the area of Justice and Home Affairs, significant progress was achieved through further alignment with the acquis in the fields of visa policy, migration and asylum. The fight against fraud, corruption, money laundering and organised crime was made more efficient through the adoption of additional legislation and reinforced institutional structures. As regards ewternal borders, a strategy on the integrated development of border crossing points was adopted. The Schengen Action Plan addresses the main issues of the acquis. 4) Administrative Capacity : Hungary made further progress in building up its administrative capacity to apply the acquis in most areas. However, with regard to the administrative and judicial capacity, further efforts will have to be made in particular in areas such as state aid control, audiovisual, market surveillance, transport and agriculture. Further effortsare also required in establishing the necessary administrative capacity to ensure the sound, efficient and controllable management of EC funds. 5) Accession Partnership : Hungary has continued to address its short-term Accession Partnership priorities with the exception of certain items in the field of agriculture, audio-visual policy, free movement of goods and competition policy. In addition, Hungary has implemented a number of medium-term priorities in the areas of social policy and employment, environment and Justice and Home Affairs (on asylum matters and visa policy).

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 13/11/2001 - Document attached to the procedure

In line with the previous strategy papers from the Commission which aim to set out the steps to be followed for the next enlargement, the Commission has puslished a new general document which sets out the progress made by all of the candidate countries with regard to accession to the European Union. If, on the one hand, certain countries have made substantial progress, considerable efforts still have to be made in order to ensure the effective application of EU legislation and standards ("acquis communautaire") before their accession. This is why the Commission announces that it shall present an important action plan in order to help the candidate countries strengthen their institution building capacities. The negotiations are conducted on the basis of the existing acquis, applying the principles of own merits and catching-up. It shall continue to follow the road map (please refer to the previous Commission working document for the year 2000) and the calendar approved by the European Council, which foresees the conclusion of the negotiations with the better prepared candidate countries before the end of 2002. In this context, the Union does not create new conditions for accession, which signifies that for all the subjects to come (in particular those which bare important financial implications such as agriculture, regional policy and the budget, shall be dealt with throughout the first semester of 2002), the Commission shall present negotiation proposals based on the acquis and the existing budgetary framework. The Commission considers that this framework provides a sufficient basis for the accession of up to 10 new Member States in 2004. The accession negotiations can be concluded independently of decisions for financing the EU after 2006. Given the present pace of negotiations and the progress made so far, the Commission should be able to make recommendations on those candidate countries ready for accession on the basis of its 2002 Regular Reports. It should also be noted that the countries which should be ready for accession on this date may be able to participate as Members of the Union in the 2004 European Parliament elections. In addition, it should be noted that the Commission's important action plan aiming to reinforce institution building should mobilise EUR 1 billion for the year 2002 alone (drawn mostly from the PHARE programme). In conclusion, the Commission announced that from November 2002, the Regular Reports that it presents shall identify which candidate countries are ready to become full Members of the European Union. The countries which do not conclude the negotiations in 2002 shall become subject to a new updated road map and eventually, a revised pre-accession strategy.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 09/10/2002

The European Commission has published its last Strategy Paper which highlights the processes to be accomplished before the integration of 10 new Member States. The Commission considers that Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia fulfil the political criteria and will have fulfilled the economic and acquis criteria within the timeframe foreseen for accession by the European Council. These countries will be ready for membership from the beginning of 2004. The Commission recommends concluding the accession negotiations with these countries by the end of this year with the aim of signing the Accession Treaty in Spring 2003. As for Bulgaria and Romania, the Commission will strongly support these two countries in achieving their objective to join in 2007. In addition to assessing progress made by each candidate, the Regular Reports and the Strategy Paper also evaluate to what extent the candidates will fulfil the Copenhagen criteria by accession, taking into account the envisaged timeframe for enlargement defined by the European Council. - Concerning the accession negotiations : the Commission therefore recommends to conclude the accession negotiations with these countries by the end of this year. The Regular Reports point to a number of areas where further improvements need to be made in the context of the political and economic criteria and in relationship to the adoption, implementation and enforcement of the acquis. These should be vigorously pursued. For all ten acceding countries, negotiations on both the chapters "agriculture" and "financial and budgetary matters" are not yet provisionally closed, although most issues in these chapters which are not linked to the financial framework to be proposed by the Union have been dealt with. Moreover, even if the chapters "regional policy" and "institutions" have been provisionally closed, specific questions linked respectively to the budgetary allocations and to institutional matters have been reserved for the last stretch of negotiations. In principle and in line with a practice followed in previous enlargements, it will not be possible to go beyond a certain point in time when considering new acquis in the negotiations. The Commission therefore has proposed to limit the scope of the negotiations as such to all acquis adopted and published up until 1 November 2002. - Overcoming difficulties : the 2002 Regular Reports show that, overall, candidate countries have generally reached a high degree of alignment in many areas, as a result of the considerable progress in transposing the acquis over the last years. Moreover, commitments made in the negotiations are generally being fulfilled. However, some difficulties are still apparent in areas such as customs, agriculture (very few candidate countries are at an advanced stage regarding the setting up of the integrated administration and control

scheme (IACS)), regional policy (reinforce their administrative capacities) and financial management and control. The Commission's assessment of candidate countries in this year's Regular Reports carries three important messages: the Union's pre-accession strategy has proved a success. The transformation process in the candidate countries has been considerably accelerated by the prospect of enlargement; the accession negotiations, which have been based on theprinciples of own merits, differentiation and catching up, can be concluded with most candidates by the end of 2002. Preparations for enlargement will continue; and enlargement is an inclusive process which is not yet completed with the first accessions. The European Union continues to give its full support to current candidates that will not be in a position to participate in the next wave of enlargement. - With regard to the process of reinforcing administrative and judicial capacity : the Commission attaches the greatest importance to ensuring that the candidates further reinforce their administrative and judicial capacity. It is an essential requirement for creating mutual trust among Member States, indispensable for membership. The Commission has prepared in the first quarter of 2002 jointly with each negotiating country an Action Plan to reinforce their administrative and judicial capacity. Based on the 2002 Accession Partnership priorities, the Action Plans identify the concrete measures that remain to be taken for each country to achieve an adequate level of administrative capacity by the time of accession. The Action Plans identify targeted assistance required to support the countries in their efforts. For that purpose, the Commission has mobilised additional financial assistance of up to EUR 250 million in 2002 to accompany these efforts, bringing the Community's total support to strengthen the administrative and judicial capacity of the negotiating countries in 2002 to around EUR 1 billion. - Regarding transitional arrangements : the process of building up administrative and judicial capacity will need to continue after enlargement. A number of transitional arrangements agreed in the negotiations also demonstrate that in certain areas candidate countries need to continue efforts until they are in a position to apply fully the Community acquis. While accession negotiations are based on the principle that candidate countries effectively apply the acquis upon accession, a number of well-justified transitional measures have been agreed in the negotiations, in line with the principles laid down for transitional measures. These principles state that any transitional measure has to be limited in time and scope and be accompanied by a plan clearly defining stages for the application of the acquis. In addition, transitional measures must not involve amendments to the rules and policies of the Union, disrupt their proper functioning, or lead to significant distortions of competition. Transitional measures have been agreed, upon request of both the candidate countries (some 190 requests accepted so far) and the Union (some 28 requests accepted so far). - As regards the safeguard clauses : the general economic safeguard clause applies to situations where "difficulties arise which are serious and liable to persist in any sector of the economy or which could bring about serious deterioration in the economic situation of a given area". The safeguard clause would allow the Commission to determine the necessary protective measures. Both, new and current Member States would be able to make use of this safeguard clause. In order to ensure a smooth phasing in of an unprecedented number of new Member States in EU policies, the Commission considers, that for a limited time, the Accession Treaty should envisage the introduction of a specific safeguard clause for the internal market (including food safety)and also in the area of justice and home affairs, allowing to react more flexibly to possible problems associated with the initial period of membership. Moreover, the particular situation in the area of Justice and Home Affairs deserves a special mention. There is now a considerable acquis in this area. It covers difficult and politically sensitive subjects, in particular where the freedom of movement of people and the consequences of the suppression of internal frontiers are concerned. The implementation of these Schengen-based objectives is subject to a two-stage process, which eliminates the need for any separate safeguard mechanism. There are, however, other non-Schengen components in the area of freedom, security and justice (for instance regarding the implementation of judicial cooperation, in particular mutual recognition) which are still causing problems. - Concerning the abolition of border controls and free movement : the EU has made clear that full application of the Schengen acquis necessitates a process in two stages. In the first stage (2004) the countries will need to have achieved a high level of border control, even though certain special arrangements such as shared infrastructure and equipment or joint patrols could be envisaged with other Member States. The lifting of internal border controls will only occur some time after accession and will be subject to a separate decision making process for each new Member State separately. - With regard to the EMU and the Euro : the new Member States cannot immediately adopt the Euro upon accession. However, as for all Member States, economic policies become a matter of common concern and hence are subject to policy co-ordination and multilateral surveillance procedures. Until that time, the Treaty obliges Member States to pursue the high degree of sustainable convergence required for the adoption of the euro, but does not specify the timetable to attain this. - Concerning the timetable : six months before the envisaged date of accession the Commission will produce a comprehensive monitoring report for the Council and the European Parliament which will look at the advancement of the implementation of necessary reforms and all commitments in the field of the Community acquis by each of the acceding countries. The Commission should adopt its Opinion on the applications for accession of the concerned countries. The European Parliament should then be asked to give its assent, followed by a decision of the Council on the admission of new Member States. Provided that the Commission can issue its Opinion in February 2003, and allowing sufficient time for the decision making process in Parliament and Council, the Accession Treaty can be expected to be signed in spring 2003. Thereafter, the Treaty, drawn up in all present and future Community languages, will be signed by the parties. - With regard to the financial framework : the Commission has proposed a common financial framework for the accession negotiations. This framework was based on the overall Berlin financial framework and on the assumption that ten new Member States would join the European Union (refer to INI /2002/2045). The Commission's proposals remain valid. In particular, the Commission considers that in the field of agriculture, the objective of gradually introducing direct payments for farmers in the new Member States from the year 2004 should be maintained.Structural actions should be based on a share of one third for the cohesion fund and be based on the overall volume proposed in January 2002. Also a temporary budgetary compensation, through a lump sum payment, should be envisaged for each new Member State which would find itself in a net budgetary position which is worse in comparison with its situation in the year before accession as beneficiary of pre-accession funds. Lastly, the Commission reiterates the need to earmark additional funds for the northern part of Cyprus in order to back a political settlement.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 15/04/1999 - Interim resolution adopted by Parliament

The Parliament adopted its resolution, drafted by Mr. Otto VON HABSBURG (EEP, D) concerning Hungary's progress towards EU accession. The resolution commends the swift progress made by Hungary on the acquis communautaire and welcomes Budapest's participation in the implementation of the CFSP. Amendments stress the importance of anti-corruption measures and the need to extend the scope of the Phare programme to the social field. Approval was expressed regarding the progress made in areas such as the environment, administration and economic reform. Some environment-related areas still require considerable work, as will rural development and the control of state aids.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 17/12/1998 - Non-legislative basic document

OBJECTIVE: to present the 1998 regular report from the Commission on Hungary's progress towards accession. CONTENT: in line with the timetable of Agenda 2000 and the direction given by the European Council in Cardiff, the Commission presents a report in the form of an appraisal of the progress made by this country with regard to accession. The report examines: - the relations between Hungary and the EU, particularly in the framework of the Europe Agreement; - the situation in respect of the political conditions set by the European Council (democracy, rule of law, human rights, protection of minorities); - Hungary's situation and prospects in respect of the economic conditions mentioned by the European Council (functioning market economy, capacity to cope with competitive pressures and market forces within the Union); - Hungary's capacity to assume the obligations of membership, (in particular, the Community acquis). In concluding its report, the Commission considers Hungary's results to be positive both in economic and political terms. Particular attention should be paid, nonetheless, to fighting corruption and improving the situation of the Roma people. Furthermore, Hungary can be considered to be a viable market economy, capable of coping with market pressures in the Union. However, the country needs to respect the conditions for the integration of trade and restructuring of companies. Priority needs to be given to improving the legal framework for business and the financial sector, as well as ensuring economic growth that does not threaten the stability of the external accounts and give rise to renewed inflation. With regard to adoption of the acquis, Hungary continues to approach the approximation process in a balanced manner. The rhythm of transposition has remained steady and has generally been accompanied by the introduction of adequate institutional and financial structures. A slowdown in the pace of transposition in certain sectors such as the environment has been noted. With respect to the Accession Partnership short term priorities, the Commission notes that important progress has been made in the economic area, in the veterinary and phytosanitary sector, in strengthening regional development structures, public procurement and state aid. In terms of its administrative capacity to apply the acquis, Hungary has continued to make progress. In particular, initiatives have been taken with a view to providing training in European affairs throughout the civil service and judiciary. The National Programme for the Adoption of the Acquis should soon be revised. During the second half of 1999, the Commission will present its position on the revised version of this programme to the Council at the time when the Accession Partnership is being re-examined.

Hungary: membership application and partnership, 1st April 1994

1997/2175(COS) - 15/07/1997 - Supplementary non-legislative basic document

OBJECTIVE: AGENDA 2000: presentation of the Commission's opinion on Hungary's request for membership (31 March 1994). CONTENT: all the requests for membership were assessed by the European Commission using a single method based on the criteria established at the Copenhagen European Council (June 1993). These criteria are as follows: - political criteria: the candidate countries must have stable institutions guaranteeing democracy, human rights and respect for minorities, - economic criteria: these countries must have a functioning market economy, as well as the ability to cope with competitive pressures and market forces within the Union, - criteria relating to the ability of the countries to take on the obligations of membership (in particular integration of the acquis, to a greater or lesser extent, and respect for the criteria concerning economic and monetary union). With regard to all these criteria it emerges that: 1) in political terms, Hungary presents the characteristics of a democracy, with stable institutions guaranteeing the rule of law, human rights and respect for and protection of minorities; 2) in economic terms, Hungary can be regarded as a functioning market economy and it should be able to cope with competitive pressure and market forces within the Union in the medium-term; 3) with regard to the capacity to take on the obligations of membership, this country should continue its efforts on transposition of the acquis and intensify its work on its implementation. The Commission considers that Hungary would be capable in the medium term of applying the acquis on the single market. Particular efforts are needed on investment and in sectors such as the environment, customs control and energy. With regard to social affairs, reform of pensions and social security must continue. Major efforts must be made to avoid the occurrence of unsustainable budgetary or external deficits. Substantial progress is also required with regard to standardization, consumer protection and customs controls. Generally speaking, administrative reform is indispensable if this country is to have the structures to apply and enforce the acquis effectively. In conclusion: the Commission considers that negotiations for accession can be opened with Hungary. The pre-accession strategy will allow this country to prepare rapidly for the obligations of membership.