## Basic information

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|---|---|
| **2006/2114(INI)**<br>INI - Own-initiative procedure | Procedure completed |
| Accession of Bulgaria<br>**Subject**<br>8.20.01 Candidate countries<br>**Geographical area**<br>Bulgaria | |

## Key players

European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| AFET Foreign Affairs | VAN ORDEN Geoffrey (PPE-DE) | 18/01/2005 |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| DEVE Development | The committee decided not to give an opinion. | |
| INTA International Trade | The committee decided not to give an opinion. | |
| BUDG Budgets | The committee decided not to give an opinion. | 20/09/2004 |
| CONT Budgetary Control | The committee decided not to give an opinion. | |
| ECON Economic and Monetary Affairs | The committee decided not to give an opinion. | |
| EMPL Employment and Social Affairs | The committee decided not to give an opinion. | |
| ENVI Environment, Public Health and Food Safety | The committee decided not to give an opinion. | |
| ITRE Industry, Research and Energy | The committee decided not to give an opinion. | |

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| IMCO | Internal Market and Consumer Protection | The committee decided not to give an opinion. | |
| TRAN | Transport and Tourism | The committee decided not to give an opinion. | |
| REGI | Regional Development | The committee decided not to give an opinion. | |
| AGRI | Agriculture and Rural Development | The committee decided not to give an opinion. | |
| PECH | Fisheries | The committee decided not to give an opinion. | |
| CULT | Culture and Education | The committee decided not to give an opinion. | |
| JURI | Legal Affairs | The committee decided not to give an opinion. | |
| LIBE | Civil Liberties, Justice and Home Affairs | NASSAUER Hartmut (PPE-DE) | 20/06/2006 |
| AFCO | Constitutional Affairs | The committee decided not to give an opinion. | |
| FEMM | Women's Rights and Gender Equality | GERINGER DE OEDENBERG Lidia Joanna (PSE) | 22/06/2006 |
| PETI | Petitions | The committee decided not to give an opinion. | |

European Commission

| Commission DG | Commissioner |
|---|---|
| Neighbourhood and Enlargement Negotiations | REHN Olli |

**Key events**

| Date | Event | Reference | Summary |
|---|---|---|---|
| 16/05/2006 | Non-legislative basic document published | COM(2006)0214 | Summary |

| | | | |
|---|---|---|---|
| 18/05/2006 | Committee referral announced in Parliament | | |
| 23/11/2006 | Vote in committee | | Summary |
| 27/11/2006 | Committee report tabled for plenary | A6-0420/2006 | |
| 29/11/2006 | Debate in Parliament | | |
| 30/11/2006 | Decision by Parliament | T6-0511/2006 | Summary |
| 30/11/2006 | Results of vote in Parliament | | |
| 30/11/2006 | End of procedure in Parliament | | |

## Technical information

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|---|---|
| **Procedure reference** | 2006/2114(INI) |
| **Procedure type** | INI - Own-initiative procedure |
| **Procedure subtype** | Strategic initiative |
| **Legal basis** | Rules of Procedure EP 55 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | AFET/6/34035 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee opinion | FEMM | PE376.605 | 04/10/2006 | |
| Committee draft report | | PE374.159 | 26/10/2006 | |
| Amendments tabled in committee | | PE380.785 | 09/11/2006 | |
| Committee opinion | LIBE | PE378.565 | 22/11/2006 | |
| Committee report tabled for plenary, single reading | | A6-0420/2006 | 27/11/2006 | |
| Text adopted by Parliament, single reading | | T6-0511/2006 | 30/11/2006 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Non-legislative basic document | COM(2006)0214 | 16/05/2006 | Summary |
| Document attached to the procedure | SEC(2006)0595 | 16/05/2006 | Summary |
| Document attached to the procedure | SEC(2006)0598 | 16/05/2006 | |
| Follow-up document | COM(2006)0549 | 26/09/2006 | Summary |

# Accession of Bulgaria

2006/2114(INI) - 16/05/2006 - Document attached to the procedure

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.

# Accession of Bulgaria

2006/2114(INI) - 16/05/2006 - Non-legislative basic document

PURPOSE : to present the monitoring report on the state of preparedness for EU membership of Bulgaria and Romania in 2007.

CONTENT : this monitoring report follows up on the findings of the October 2005 report on the state of preparedness of the accession of Bulgaria and Romania to the Union (please refer to INI/2005/2204 and INI/2005/2205). It is based on the detailed assessment contained in the accompanying Monitoring Reports for each country (**SEC(2006)0595** for Bulgaria and **SEC(2006)0596** for Romania in procedure reference **INI/2006/2115**).

More specifically, in this report, the Commission:

– reviews, as of end April 2006, developments and the preparedness of both countries in areas previously identified as in need of further improvement;

– examines measures required to remedy any shortcomings that might persist upon accession;

– draws conclusions on the state of preparedness for EU membership of Bulgaria and Romania.

**Conditional accession in 2007** : Bulgaria and Romania have continued to make progress in their preparations for membership. In many areas the countries are generally meeting their commitments or are on track to fulfil the *acquis* requirements. However, a number of outstanding issues still need to be addressed. Some of these require increased efforts, and in a few cases immediate action is needed.

In the light of the overall progress made by Bulgaria and Romania assessed in the accompanying Monitoring Reports and summarised in this communication, the Commission considers that Bulgaria and Romania should be prepared for membership by 1 January 2007, provided that they address a number of outstanding issues. An **impartial, independent and effective justice system properly equipped to fight corruption and organised crime is of paramount importance**, as it underpins the functioning of the whole society and economy. In this regard:

- Bulgaria needs to demonstrate clear evidence of results in the fight against corruption, in particular high-level corruption, notably in terms of investigations and subsequent judicial proceedings. It needs to further reform the judiciary, in particular to reinforce its transparency, efficiency and impartiality, and remove any ambiguity regarding its independence;

- Romania needs to continue its efforts and demonstrate further results in the fight against corruption, notably in terms of further investigations and subsequent judicial proceedings. It also needs to consolidate the implementation of the ongoing judicial reforms, and further enhance the transparency, efficiency and impartiality of the judiciary.

Other more specific demands are made of these two countries :

1. Bulgaria needs to demonstrate clearer evidence of results in the following areas:
    - investigating and prosecuting organised crime networks;
    - implement more effectively and efficiently laws for the fight against fraud and corruption;
    - intensify the enforcement of anti-money laundering provisions;
    - set up a proper integrated administration and control system (IACS) in agriculture;
    - build up the necessary rendering collection and treatment facilities in line with the *acquis* on TSE and animal by-products;
    - strengthen financial control for the future use of structural and cohesion funds.
2. In addition, Romania needs to:
    - accredit paying agencies for handling common agriculture policy expenditure;
    - set up a proper integrated administration and control system in agriculture;
    - build up the necessary rendering collection and treatment facilities in line with the *acquis* on TSE and animal by-products;
    - ensure that the tax administration IT systems are ready for inter-operability with those of the rest of the Union, to enable a correct collection of VAT throughout the EU internal market.

Safeguards and other measures : it is the responsibility of the authorities of both countries to take all the necessary measures to address the outstanding issues identified in this Report, so as to be able to carry out their obligations under the *acquis* upon accession. This concerns mainly the areas giving rise to serious concern, but also areas identified in this report as requiring increased efforts.

Failure to do so would lead the Commission to take the necessary preventive or remedial action to safeguard the functioning of EU policies. This part sets out the safeguards and other measures which could be imposed in the event of certain shortcomings not having been adequately addressed upon accession. These are outlined in three broad areas:

1. **Internal market :** a certain number of safeguard clauses are provided in this area in the event that Bulgaria or Romania are not able to abide by all its obligations upon accession. The Accession Treaty safeguard can be taken up to three years after accession. Other instruments, such as the infringement procedure, and the enforcement mechanisms for competition rules, may also be applied. This section covers both the four freedoms, and the EU policies on competition, energy, transport, environment, telecommunication, taxation, agriculture and consumer and health protection insofar as they have cross-border effects. Regarding transmissible spongiform encephalopathies, if no progress is made in rendering collection and treatment facilities to be fit, the Commission will take a decision on the basis of the *acquis* in order to prevent the related animal products awaiting treatment from returning into the feed chain. The EU framework for VAT and excise duties foresees computerised systems interconnected within the EC data systems. Romania's preparations need to be accelerated to ensure that its IT systems are fully operational and ready for interconnection upon accession.
2. **Justice, freedom and security :** this remains principal problem area. The Accession Treaty provides for safeguard measures for up to three years from accession, in the event that Bulgaria or Romania is not able to abide by its obligations pertaining to judicial co-operation. If implementation of reforms in the justice system is not sufficiently advanced in either country before accession, or if the fight against corruption in the judiciary has not yielded sufficient tangible results, the Commission will establish on the basis of Article 38 of the Act of Accession a mechanism for further monitoring in this area. The mechanism would be in place for up to three years and would require a yearly report to the Commission on progress in implementing reforms in the judiciary and in related law enforcement bodies, and on anti-corruption measures affecting them. The decision establishing the mechanism would contain

benchmarks tailored to the specific shortcomings observed in each country, and against which progress will be measured. The Commission would report yearly on the results of the mechanism to the European Parliament and Council. Should either country fail to address shortcomings adequately, the Commission would adopt safeguard measures suspending obligations of the current Member States to automatically recognise judgements or execute warrants issued by that country's courts or prosecutors.

3. **Disbursement of EU funds :** a Member State needs to offer the necessary guarantees on proper spending of EU funds under shared management, i.e. the Common Agricultural Policy and the Structural and Cohesion Funds. Any shortcoming in this respect may delay the disbursement of funds or give rise to subsequent claims by the Commission for financial corrections or recovery. In the area of agriculture, accredited paying agencies as well as a proper integrated administration and control system (IACS) are necessary for handling direct payments to farmers and operators. In Romania, the paying agencies are not fully operational and accredited. A proper IACS is not set up in Bulgaria and Romania. If this is not remedied, in addition to the existing mechanisms, the Commission may take measures based on Article 37 of the Act of Accession to withhold payments to Bulgaria or Romania. Implementation of EU structural actions requires effective programming and monitoring structures, as well as financial management and control systems, including for procurement. Bulgaria's preparations for the control over structural funds expenditure need improvement. If these are not remedied, this would delay the release of payments by the Commission.

**Conclusions and subsequent steps :** the Commission is firmly committed to ensuring that both countries successfully complete their final preparations for accession. To that end, it has closely monitored the progress made by Bulgaria and Romania and has provided targeted support to help them in their reform efforts. Although both countries can be commended on their achievements, the Commission makes clear that, if shortcomings persist upon accession, it will take the necessary action in its role as guardian of the treaties and propose safeguard measures as mentioned above.

Itwill report on Bulgaria's and Romania's progress in addressing the outstanding issues no later than **early October 2006**. On this basis, the **Commission will consider whether the date of their accession to the European Union on 1 January 2007 can be maintained**.

To conclude, the Commission recalls that the Accession Treaty provides that Bulgaria and Romania will join in 2007 unless the Council decides, upon a recommendation from the Commission, to postpone the accession of either country until 2008. The Council may so decide:

– by qualified majority, if serious shortcomings have been observed in the fulfilment by Romania of one or more of a number of the specific commitments and requirements related to justice and home affairs and competition policy, listed in Annex IX to the Act of Accession, or

– by unanimity, if there is clear evidence that the state of preparations for adoption and implementation of the acquis in Bulgaria or Romania is such that there is a serious risk of either country being manifestly unprepared to meet the requirements of membership by 1 January 2007 in a number of important areas.

# Accession of Bulgaria

2006/2114(INI) - 30/11/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based the own-initiative report drawn up by Geoffrey **van ORDEN** (EPP-ED, UK) in response to the Commission's final monitoring report on the accession of Bulgaria and Romania. The resolution was adopted by 505 votes in favour to 65 against with 36 abstentions. Parliament conformed largely to the report voted through by its competent committee, with some amendments:

-whilst welcoming the result of the Presidential elections on 29 October 2006, it deplored at the same time the strong showing of anti-European forces in those election and called on the President to use his second term to address the fears of those Bulgarian citizens being critical about Bulgaria's accession to the EU;

-the clause regarding the energy gap faced by Europe, with increasing reliance on imports of energy from Russia and areas of instability was not adopted by the plenary;

- on the matter of the Kozloduy power plant, Parliament reiterated its calls on the Council and the Commission to ensure that Bulgaria fulfilled its commitments under Article 30 of the Accession Treaty regarding the closure date for units 3 and 4 of the Kozloduy power plant. It also called on the EU institutions to keep their promises regarding the funding of EUR 210 million to Bulgaria for the period 2007 to 2008 for the closure of the Kozloduy power plant.

# Accession of Bulgaria

2006/2114(INI) - 26/09/2006

PURPOSE: to present the Commission’s follow-up report on the state of preparedness of Romania and Bulgaria for EU membership.

CONTENT: to recall, in its report of May 2006, the Commission stated that both countries should be prepared for membership by 1 January 2007, provided that they addressed a number of outstanding issues. The Commission indicated that it would report again on the state of preparedness of both countries by early October.

This report outlines the Commission's assessment of both countries' progress since May 2006. It confirms that Bulgaria and Romania have made further progress to complete their preparations for membership, demonstrating their capacity to apply EU principles and legislation from 1 January 2007. They have reached a high degree of alignment. However, the Commission also identifies a number of areas of continuing concern, and also areas where the Commission will initiate appropriate measures to ensure the proper functioning of the EU, unless the countries take immediate corrective action. Both countries are strongly encouraged to make proper use of the months before accession, in order to address the remaining issues.

The report focuses primarily on the areas highlighted in the conclusion of the May 2006 report as needing immediate action or further efforts.

**For Bulgaria**, these are the justice system, the fight against corruption, police cooperation and the fight against organised crime, money-laundering, integrated administrative control system for agriculture (IACS), transmissible spongiform encephalopathies (TSE), and financial control.

**For Romania**, these are the justice system and the fight against corruption and IACS, Paying Agencies, TSE and interconnectivity of tax systems.

Many of the challenges set out in the May reports have now been addressed. A number of sectoral issues have been resolved. There has been some progress in the areas of **judicialreform** and the **fightagainstcorruption**, **money-laundering and organised crime**, **but further tangible results are needed**.

This report identifies those issues which require further work. It draws attention to provisions in the acquis and the Accession Treaty which are designed to safeguard the proper functioning of EU policies and institutions following accession. In line with the findings of this report, the Commission, after consulting the Member States, will set up a mechanism for cooperation and verification of progress in the areas of judicial reform and the fight against corruption, money-laundering and organised crime. For this purpose, benchmarks have been established which refer to the particular circumstances of each country.

The Commission has adopted the necessary legal provisions to ensure the proper management of EU agricultural funds. The report underlines that the existing rules contain the necessary guarantees for the proper management of EU **structural funds**, and other programmes.

In the area of **food safety**, some specific measures are in place. At present, certain animals and animal products may not be exported from Bulgaria and Romania to the EU because of the presence of animal diseases. These restrictions will be maintained after accession, if necessary.

In the area of **aviation safety**, particular measures will be needed for Bulgarian aircraft and carriers.

**General conclusions**: overall, Bulgaria and Romania have made far-reaching efforts to adapt their legislation and administration to the laws and rules of the European Union. This has largely brought them into line with prevailing standards and practices within the European Union. Sustained support from the European Union will be available for addressing the remaining issues. Sufficient guarantees exist in the acquis and the Accession Treaty to ensure the proper functioning of EU policies and institutions. As a result of the progress made, Bulgaria and Romania will be in a position to take on the rights and obligations of EU membership on 1 January 2007. The Commission looks forward to welcoming Bulgaria and Romania as fully-fledged members of the European Union on this date.