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II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Hungary

(98/259/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe

Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Republic of Hungary's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Republic of Hungary should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

and conditions contained in the accession partnership for the Republic of Hungary are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council

The President

M. BECKETT

ANNEX

HUNGARY

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Hungary's application for membership of the European Union, the financial means available to help Hungary implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include, *inter alia*, the national programme for the adoption of the *acquis* to be adopted by Hungary, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium term. Those listed under the short term have been selected on the basis that it is realistic to expect that Hungary can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Hungary will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Hungary will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for Hungary.

3.1. Short-term (1998)

Economic reform: review and update the country's medium-term economic policy priorities within the framework of the Europe Agreement; advance structural reforms (particularly with regard to the health-care system).

Reinforcement of institutional and administrative capacity: in particular in the areas of veterinary and phytosanitary controls (particularly as regards facilities at the external borders) environment, customs policy, internal financial control and regional development.

Internal market: including certification and standardisation (further alignment of legislative measures and conclusion of a European conformity assessment Agreement), State aid (adoption of legislative framework, definition of role and powers of monitoring authority, enforcement) and increased transparency through improvement of aid inventory. Enforcement of intellectual property rights and further alignment of company law. Complete alignment and increased transparency of public procurement legislation to cover fully utilities sector.

Justice and home affairs: implementation of appropriate refugee legislation consistent with 1951 Geneva Convention, development of effective border management.

Environment: continue transposition of framework legislation, establishment and commencement of implementation of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: further efforts to improve the integration of the Roma.

Economic reform: continue to consolidate the conditions for strong investment growth through the sustained implementation of prudent macroeconomic policies and the advancement of structural reforms.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing on satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Hungary is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: development of anti-fraud unit and state audit office, improved operation of the judicial system, training for the judiciary in Community law and its application; reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel, in particular police, border guards, ministries and courts), reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration and strengthening of the nuclear safety authority.

Internal market: including further development of standardisation and conformity assessment bodies and establishment and operation of a market surveillance system, alignment of technical legislation on industrial products, further alignment of competition law, in particular for State aid, reinforcement of monitoring authorities both for competition and State aid, alignment of capital liberalisation, financial services, audiovisual policies and consumer protection, promotion of enterprise development, including small and medium-sized enterprises (SMEs) alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: including implementation of migration policy and asylum procedures as well as the fight against organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, alignment of visa policy with that of the Union and completion of alignment on international conventions and clarification of admission provisions for immigrants, notably in view of the Schengen *acquis*.

Agriculture: including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Transport: further efforts on alignment with the *acquis* in particular on rail and road transport (technical controls), and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures, in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; further development of social protection, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to waste water, waste management, air pollution, integrated industrial pollution control and risk management. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: further strengthen budgetary procedures, financial instruments, monitoring and control mechanisms in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 282 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Hungary of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Hungary including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Hungary in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Poland

(98/260/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Republic of Poland's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Republic of Poland should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Republic of Poland are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

POLAND

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Poland's application for membership of the European Union, the financial means available to help Poland implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include *inter alia* the national programme for the adoption of the *acquis* to be adopted by Poland, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium term. Those listed under the short-term have been selected on the basis that it is realistic to expect that Poland can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Poland will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Poland will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short and medium-term priorities and intermediate objectives have been identified for Poland.

3.1. Short-term (1998)

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; acceleration of the privatisation/restructuring of State enterprises (including telecommunications), and the sound development of the financial sector, including acceleration in a transparent manner of banking privatisation and improving bankruptcy proceedings.

Industrial restructuring: adoption by 30 June and start of implementation of a viable steel sector restructuring programme, pursue restructuring in the coal sector.

Reinforcement of institutional and administrative capacity: in particular improvements in the areas of customs, State aid controls, justice and home affairs ministries and services, financial control, veterinary and phytosanitary controls, (particularly as regards facilities at the external borders), environment, taxation and regional policy.

Internal market: including certification and standardisation (further alignment of legislative measures and conclusion of a European conformity assessment agreement), further alignment in the areas of intellectual and industrial property, public procurement and liberalisation of capital movements, the adoption of a law on State aid, and strengthening of monitoring authority, finalisation of State aid inventory.

Justice and home affairs: develop more effective border management and control systems in particular of the borders with Belarus and the Ukraine and align visa regimes with the Union.

Agriculture: establish a coherent structural and rural development policy; adoption of implementing regulations and implementation and enforcement of veterinary and phytosanitary requirements particularly with regard to the inspection and control arrangements for protecting Community external borders. In particular, upgrading of certain food-processing establishments (milk and meat sectors) and certain testing and diagnostic facilities.

Environment: continue transposition of framework legislation, establishment of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: further attention to ensuring equal access to public services.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing and satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Poland is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: development of anti-fraud unit and State audit office, strengthening of financial control capacity; improved operation of the judicial system; training for the judiciary in Community law and its application; reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel, in particular police, border guards, ministries and courts), strengthening of parliamentary law-making procedures, improvement of tax-gathering capacity, reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration.

Internal market: including completion of alignment of public procurement legislation, financial services, further development of standardisation and conformity assessment bodies and establishment and operation of a market surveillance system, alignment of technical legislation on industrial products, further improvements in the field of competition (e.g. merger control), efficient enforcement of competition law, audiovisual, property ownership and external frontier control, reinforcement of the anti-trust and State aid authorities, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: including development of effective border management and implementation of migration policy and the new asylum system as well as the fight against organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, alignment of visa policy with that of the Union and completion of alignment on international conventions, implementation of reforms of legislation on aliens, notably in view of the Schengen *acquis*.

Agriculture: including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity, implementation of structural and rural development policy. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Fisheries: development of capacity to implement and enforce the common fisheries policy.

Transport: further efforts on alignment with the *acquis* in particular on road transport (market access, safety rules and taxation) and rail, and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; further development of social protection, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to drinking water, waste water, the waste sector, air pollution, as well as to large combustion plants. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: completion of legal basis, development of administrative structures and budgetary procedures, financial instruments, monitoring and control mechanisms in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 526 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Poland of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council on implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Poland in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with Romania

(98/261/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on Romania's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, Romania should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for Romania are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

ROMANIA

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Romania's application for membership of the European Union, the financial means available to help Romania implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include *inter alia* the national programme for the adoption of the *acquis* to be adopted by Romania, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and Intermediate Objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium term. Those listed under the short-term have been selected on the basis that it is realistic to expect that Romania can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Romania will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Romania will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for Romania.

3.1. Short-term (1998)

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; make satisfactory progress on the government's economic reform programme, including the privatisation of two banks, the transformation into commercial companies of most *régies autonomes*, the efficient and transparent implementation of the foreign investment regime, and restructuring/privatisation of a number of large State-owned industrial (e.g. coal and steel) and agricultural companies (notably by reducing their losses and financial arrears); continue the implementation of the agreements with the international financial institutions.

Reinforcement of institutional and administrative capacity: adoption of draft law on the civil service and progress in public administration reform, phytosanitary and veterinary controls, particularly as regards facilities at the external borders, the financial sector (strengthening of supervisory bodies of banking, financial services and capital markets), customs; strengthening of financial control and auditing mechanisms and competition, anti-trust and State aid monitoring bodies and environment, begin to set up structures needed for regional and structural policy.

Internal market: including the restructuring of the banking sector and the capital markets, the completion of company law reform, including measures for the promotion of enterprise development and small and medium-sized enterprises (SMEs), foreign direct investment, harmonisation and improved application of indirect taxation, harmonisation of public procurement, adoption of a law on State aid and a first State aid inventory. Establishment of standardisation and conformity assessment structures.

Justice and home affairs: in particular further efforts to implement measures to combat corruption and organised crime and improve border management.

Environment: continue transposition of framework legislation, establishment of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: continuation of child protection reform, further efforts to integrate the Roma, consolidation of protection of individual liberties and improvement of the functioning of the courts.

Economic reform: particular attention should be devoted to creating the basis for a sustained increase of productivity and to the further restructuring/privatisation of State-owned enterprises, including banks.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing and satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Romania is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: in particular of a comprehensive public administration reform programme; major efforts to improve public administration including competition, strengthening of internal financial control; improved operation of the judicial system; training for the judiciary in Community law and its application; reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel in particular police, border guards, ministries and courts), reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration, strengthening of the nuclear regulatory authority.

Internal market: promotion of enterprise development, including SMEs, alignment with the *acquis* in the fields of telecommunications, consumer protection, the internal energy market and audiovisual policies, enforcement of intellectual property rights, insurance, competition policy, in particular effective enforcement of competition law, reinforcement of standardisation of conformity assessment structures, establishment of a market surveillance system and alignment of technical legislation on industrial products.

Justice and home affairs: improvement of border management systems, capacity to handle asylum and migration questions, alignment of visa policy with that of the Union and completion of alignment on international conventions, fight against organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, notably in view of the Schengen *acquis*.

Agriculture: including the establishment of a land register and functioning land market, alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Fisheries: development of capacity to implement and enforce the common fisheries policy.

Transport: further efforts on alignment with the *acquis* in particular on maritime, rail and road freight sectors (safety rules and taxation), and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures, in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; development of adequate social protection, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to the air and water sectors. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: complete establishment of legal basis, development of administrative structures and budgetary procedures. Strengthening financial instruments and control mechanisms in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 284 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. In addition, Romania is eligible for support from the catch-up facility envisaged for 1998. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Romania of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Romania including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Romania in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Slovak Republic

(98/262/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Slovak Republic's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Slovak Republic should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Slovak Republic are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

SLOVAKIA

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Slovakia's application for membership of the European Union, the financial means available to help Slovakia implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include, *inter alia*, the national programme for the adoption of the *acquis* to be adopted by Slovakia, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium term. Those listed under the short term have been selected on the basis that it is realistic to expect that Slovakia can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Slovakia will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Slovakia will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium term priorities and intermediate objectives have been identified for Slovakia.

3.1. Short-term (1998)

Political criteria: free and fair presidential, national and local elections in 1998; ensuring effective opposition participation in parliamentary oversight committees and supervisory boards; the adoption of legislative provisions on minority language-use and related implementing measures.

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; implementation of policies aimed at tackling internal and external imbalances and sustaining macroeconomic stability; progress on structural reforms, and on privatisation and restructuring of enterprises, finance, banking, and energy intensive heavy industries.

Reinforcement of institutional and administrative capacity: including the adoption of a civil-service law and development of public administration reform strategy with emphasis on the strengthening of administration dealing with Union accession, institutional strengthening in the area of environment, veterinary and phytosanitary administrations, particularly as regards facilities at the external borders, begin to set up structures needed for regional and structural policy.

Internal market: including continued legislative alignment in the fields of standards and certification, State aid (progress towards adoption of a law), intellectual property (alignment of legislation), public procurement (including transparency), bankruptcy and agriculture (veterinary and phytosanitary fields), establishment of standardisation and conformity assessment structures.

Environment: continue transposition of framework legislation, establishment and commencement of implementation of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: further steps to ensure respect for the Constitution and rights of the opposition, to guarantee the independence of the judiciary, and to foster and strengthen the functioning of the institutions of democracy, non-governmental organisations (NGOs), independence of the media (in particular radio and television) and the policies and institutions protecting the rights of minorities.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing and satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Slovakia is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: the State audit office, financial control and internal audit functions, customs, banking and financial market supervisory bodies, regional development institutional structures and budgetary mechanisms; improved operation of the judicial system; training for the judiciary in Community law and its application, reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel in particular police, border guards, ministries and courts), strengthen the nuclear safety authority, reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration.

Internal market: including further alignment of legislation in the fields of competition (anti-trust and State aid monitoring and transparency), indirect taxation, intellectual property (enforcement), financial services, data protection and audiovisual, reinforcement of standardisation and conformity assessment structures, establishment of a market surveillance system and alignment of technical legislation on industrial products, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: further development and strengthening of JHA institutions (with a view in particular to ensuring the accountability of the police, and the independence of the judiciary), to further develop effective border management; to fight organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, and to align visa policy with that of the Union and to complete alignment on international conventions, improve capacity to handle asylum and migration questions, notably in view of the Schengen *acquis*.

Agriculture: including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Energy: implementing a comprehensive long-term energy strategy based on efficiency and diversification which foresees the alignment to and implementation of Community energy legislation, the completion of Mochovce nuclear power station according to internationally agreed safety principles, and implementation of a realistic programme for the closure of the Bohunice plant.

Transport: further efforts on alignment to the *acquis* in particular on road transport (market access, safety rules and taxation) and rail, and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination of employment policies, alignment of labour and occupational health and safety legislation, in particular early adoption of the framework directive on health and safety at work, further development of an active social dialogue; further development of social protection; enforcement of equal opportunities between women and men, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to air, water and the waste sector as well as the integrated industrial pollution control and risk management. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: establishment of legal, administrative and budgetary framework for an integrated regional policy in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 95 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. In addition, Slovakia is eligible for support from the catch-up facility envisaged for 1998. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the cohesion fund.

5. Conditionality

Community assistance will be conditional on respect by Slovakia of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Slovakia including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Slovakia in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Latvia

(98/263/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Republic of Latvia's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Republic of Latvia should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Republic of Latvia are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

LATVIA

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Latvia's application for membership of the European Union, the financial means available to help Latvia implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include, *inter alia*, the national programme for the adoption of the *acquis* to be adopted by Latvia, the joint assessment of economic policy priorities, the pact against organized crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium term. Those listed under the short term have been selected on the basis that it is realistic to expect that Latvia can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Latvia will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Latvia will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for Latvia.

3.1. Short-term (1998)

Political criteria: take measures to facilitate the naturalisation process to better integrate non-citizens including Stateless children and enhance Latvian language training for non-Latvian speakers.

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; acceleration of market-based enterprise restructuring, in particular through the completion of the privatisation process; continued strengthening of the banking sector; modernisation of the agriculture sector and establishment of a land and property register.

Reinforcement of institutional and administrative capacity: further structural reform of public administration is needed and in particular in customs and tax administration, financial control capacity, reinforcement of the agriculture ministry and the establishment of a training strategy for the judiciary, reinforcement of the veterinary and phytosanitary administrations, particularly as regards facilities at external borders, institutional strengthening in the area of environment, begin to set up structures needed for regional and structural policy.

Internal market: including further alignment in the areas of intellectual and industrial property rights, public procurement, financial services, competition, State aid and indirect taxation, adoption of a law on State aid and increased transparency through improvement of the aid inventory and reinforcement of the new anti-trust authority.

Justice and home affairs: in particular further efforts to implement measures to combat corruption and organised crime and to continue judicial reform.

Environment: continue transposition of framework legislation, establishment of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: accelerated integration of non-citizens by facilitating the naturalisation process including for Stateless children.

Economic reform: consolidation of the privatisation process; reinforcement of market-driven restructuring in the enterprise, finance and banking sectors, development of regulatory framework for utilities and financial services, and strengthening of competition policy.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing and satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Latvia is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: enforcement of Community internal market legislation and establishment of institutions able to implement the Community's regional development programmes and agricultural policy (including statistical capacities) including anti-fraud services, strengthening of the budgetary process and macroeconomic forecasting capacity; improved operation of the judicial system; training for the judiciary in Community law and its application, reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel in particular police, border guards, ministries and courts), reform of customs and tax administrations to ensure readiness to apply the *acquis*, reinforcement of food control administration.

Internal market: including alignment of legislation in the fields of customs, audiovisual policies, statistics and financial services, upgrading of standardisation and conformity assessment structures, establishment of a market surveillance system and alignment of horizontal technical legislation on industrial products, further alignment of competition legislation in particular in the field of State aid, reinforcement of the anti-trust and State aid authorities, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: including development of effective border management in particular on the eastern border, implementation of migration policy and asylum and refugee legislation, alignment of visa policy with that of the Union and completion of alignment on international conventions, continuation of fight against organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption notably in view of the Schengen *acquis*.

Agriculture: including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity, consolidation of land structure and development of a rural policy. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Fisheries: development of capacity to implement and enforce the common fisheries policy.

Transport: further efforts on alignment with the *acquis* in particular on road-freight transport (technical rules and taxation), shipping (safety) and rail transport, and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market policies and joint review of these policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures, in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; further development of social protection, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to air pollution, drinking water, waste water and the waste sector. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: introduce the legal administrative and budgetary framework for a national policy to address regional disparities through an integrated approach, in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 112 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. In addition, Latvia is eligible for support from the catch-up facility envisaged for 1998. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Latvia of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Latvia including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Latvia in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Estonia

(98/264/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Republic of Estonia's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Republic of Estonia should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Republic of Estonia are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

ESTONIA

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Estonia's application for membership of the European Union, the financial means available to help Estonia implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include *inter alia* the national programme for the adoption of the *acquis* to be adopted by Estonia, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short- and medium-term. Those listed under the short-term have been selected on the basis that it is realistic to expect that Estonia can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short-term has been limited. The priorities listed under the medium-term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Estonia will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Estonia will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for Estonia.

3.1. Short-term (1998)

Political criteria: take measures to facilitate the naturalisation process and to better integrate non-citizens including Stateless children. Enhance Estonian language training for non-Estonian speakers.

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; in particular with a view to sustaining the high growth rates of recent years, while reducing inflation and increasing the level of national savings; acceleration of land reform with a view to increase private ownership and introduction of key legislation linked to pension reform.

Reinforcement of institutional and administrative capacity: in particular as regards regulatory and monitoring bodies and the development of a comprehensive national training strategy for civil servants and developing a strategy and timetable for the consolidation of the various supervisory agencies in the financial sector, strengthen internal financial control, reinforcement of phytosanitary and veterinary administrations, particularly as regards facilities at external borders, institutional strengthening in the area of environment, begin to set up structures needed for regional and structural policy.

Internal market: including further alignment in the areas of public procurement, intellectual and industrial property, financial services, taxation, technical legislation and competition (especially the transparency of State aid). Adoption of new competition law, covering both anti-trust and State aid, reinforcement of the State aid monitoring authority and the establishment of a first State aid inventory.

Justice and home affairs: in particular further efforts to implement measures to combat corruption and organised crime and continue judicial reform.

Environment: continue transposition of framework legislation, establishment of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: pursue integration of non-citizens by strengthening Estonian language training for Russian-speakers in primary and secondary schools as well as adult training courses, and by further measures to accelerate the naturalisation process.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing on satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Estonia is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: at central and local level to ensure efficient management of the public sector; special attention should be paid to the budgetary process, internal financial control, statistics, environment and agriculture; improved operation of the judicial system; training for the judiciary in Community law and its application, reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel, in particular police, border guards, ministries and courts), reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration.

Internal market: including alignment, in particular in public procurement, financial services (banking and insurance rules), intellectual and industrial property and, State aid, data protection, strengthening of securities regulatory bodies, audiovisual and indirect taxation. Upgrading of standardisation and conformity assessment structures, alignment of technical legislation on industrial products and establishment of a market surveillance system. Completion of alignment and effective implementation of competition law and the reinforcement of the competition authorities, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: ratification and application of necessary international legal instruments relevant for the *acquis*, enhanced border management especially on the eastern border, implementation of migration policy and asylum procedures, alignment of visa policy with that of the Union and completion of alignment on international conventions, enhanced fight against organised crime (in particular money laundering, drugs and trafficking in human beings), notably in view of the Schengen *acquis*.

Agriculture: including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity, completion of the land restitution and land registration process. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Fisheries: development of capacity to implement and enforce the common fisheries policy.

Transport: further efforts on alignment with the *acquis* in particular on road transport (market access, safety rules) and maritime transport (safety) and rail transport, and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; further development of social protection, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to air pollution, the water, and waste sector, including radioactive waste. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: further develop the legal administrative and budgetary framework for a national policy to address regional disparities through an integrated approach, in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 90 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Estonia of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Estonia including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Estonia in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Lithuania

(98/265/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Republic of Lithuania's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Republic of Lithuania should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Republic of Lithuania are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

LITHUANIA

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Lithuania's application for membership of the European Union, the financial means available to help Lithuania implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include *inter alia* the national programme for the adoption of the *acquis* to be adopted by Lithuania, the joint assessment of economic policy priorities, the Pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium-term. Those listed under the short term have been selected on the basis that it is realistic to expect that Lithuania can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Lithuania will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Lithuania will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for Lithuania.

3.1. Short-term (1998)

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; acceleration of large-scale privatisation and progress towards the restructuring of the banking, energy and agri-food sectors, enforcement of financial discipline for enterprises.

Reinforcement of institutional and administrative capacity: in particular major efforts on public administration reform, border control, customs, taxation and finance, as well as preparation of training strategy for civil servants and the judiciary, veterinary and phytosanitary administrations, particularly as regards facilities at the external borders, institutional strengthening in the area of environment, begin to set up structures needed for regional and structural policy.

Internal market: including further alignment in the areas of intellectual and industrial property, public procurement, financial services, phytosanitary and veterinary administration, and upgrading of independent standardisation and conformity assessment structures. Adoption of new competition law and establishment of transparent State aid inventory.

Justice and home affairs: in particular further efforts to implement measures to combat corruption and organised crime and improve border management in facilities for refugee reception.

Environment: continue transposition of framework legislation, establishment and commencement of implementation of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

Energy: in particular establishing a comprehensive, long-term, energy strategy and decommissioning plan for the nuclear power plant Ignalina according to commitments entered into in the Nuclear Safety Account Agreement.

3.2. Medium term

Economic reform: consolidate the privatisation process and restructuring of the banking, energy and agri-food sectors and align legal framework (bankruptcy and competition legislation, simplification of business regulations including licensing).

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing on satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Lithuania is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: development of anti-fraud unit and State audit office and of budget and financial control mechanisms; improved operation of the judicial system; training for the judiciary in Community law and its application; reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel, in particular police, border guards, ministries and courts), strengthening of the nuclear safety authority, reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration.

Internal market: including alignment of capital liberalisation, public procurement legislation, audiovisual policies, indirect taxation and statistics, further alignment and effective enforcement of competition law, in particular State aid control; reinforcement of competition authorities, upgrading of standardisation and conformity assessment structures, establishment of a market surveillance system and alignment of horizontal technical legislation on industrial products, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: development of effective border management, fight against organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, alignment of visa policy with that of the Union and completion of alignment on international conventions, implementation of migration policy and asylum procedures notably in view of the Schengen *acquis*.

Agriculture: including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity, completion of land registration and establishment of a functioning land market. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Fisheries: development of capacity to implement and enforce the common fisheries policy.

Energy: implementation of a comprehensive energy strategy based on efficiency and diversification, including respect of nuclear safety standards and realistic nuclear power plant closure commitments (NSA).

Transport: further efforts on alignment with the *acquis*, in particular on maritime (safety) and road and rail transport, and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination of employment policies, alignment of labour and occupational health and safety legislation, in particular early adoption of the framework directive on health and safety at work; further development of an active social dialogue; further development of social protection; enforcement of equal opportunities between women and men, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to air pollution, drinking water and the waste sector as well as nuclear safety. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: introduce the legal administrative and budgetary framework for a national policy to address regional disparities through an integrated approach, in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 145 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. In addition Lithuania is eligible for support from the catch-up facility envisaged for 1998. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Lithuania of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Lithuania including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Lithuania in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Bulgaria

(98/266/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Republic of Bulgaria's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Republic of Bulgaria should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Republic of Bulgaria are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

BULGARIA

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Bulgaria's application for membership of the European Union, the financial means available to help Bulgaria implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include *inter alia* the National Programme for the Adoption of the *acquis* to be adopted by Bulgaria, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium-term. Those listed under the short term have been selected on the basis that it is realistic to expect that Bulgaria can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium-term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Bulgaria will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Bulgaria will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for Bulgaria.

3.1. Short-term (1998)

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; pursuit of the programme launched by the government, including transparent privatisation of State enterprises and banks and restructuring measures in industry, financial sector and agriculture and measures to encourage increased foreign direct investment.

Reinforcement of institutional and administrative capacity: adoption of the draft civil-service law and progress in public administration reform as well as institutional strengthening in the areas of internal financial control capacity, environment, customs policy, reinforcement of phytosanitary and veterinary administrations, particularly as regards facilities at external borders, begin to set up structures needed for regional and structural policy.

Internal market: further alignment including in the areas of intellectual and industrial property rights (strengthening of enforcement of protection), financial services, taxation, the adoption of the necessary legislative framework for State aid monitoring and the establishment of a first State aid inventory, the adoption of a new competition law.

Justice and home affairs: concrete steps to combat corruption and organised crime and improve border management.

Environment: continue transposition of framework and horizontal legislation, establishment of implementation of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

Energy: in particular establishing a comprehensive, long-term energy strategy and respect of nuclear safety standards and realistic closure commitments for certain units are entered into in the Nuclear Safety Account Agreement.

3.2. Medium-term

Political criteria: further efforts to integrate the Roma and consolidation of protection of individual liberties.

Economic reform: complete the privatisation process. Strengthen market economy institutions.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing and satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Bulgaria is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: completion of reform at all levels, including training for civil servants; improved operation of the judicial system, training for the judiciary in Community law and its application; further development of the National Audit Office and internal financial control structures; establishment of anti-trust and State aid monitoring bodies; improvements in accounting, auditing and statistics and strengthening nuclear regulatory authority; reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel, in particular police, border guards, ministries and courts), reform of customs and tax administrations to ensure readiness to apply the *acquis* and the reinforcement of food control administration.

Internal market: including alignment of competition policy, State aid, customs, taxation, audiovisual policies, public procurement legislation (including transparency), upgrading of standardisation, conformity assessment structures and establishment of a market surveillance system and harmonisation of technical legislation on industrial standards. Further alignment of competition law and effective enforcement of competition laws, reinforcement of competition authorities, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: development of effective border management and frontier control systems, implementation of migration policy and the new asylum procedures, alignment of visa policy with that of the Union and completion of alignment on international conventions, as well as the fight against organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, notably in view of the Schengen *acquis*.

Agriculture: including the land restitution process and establishment of a land register and functioning land market, alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Fisheries: development of capacity to implement and enforce the common fisheries policy.

Energy: implementation of a comprehensive policy based on efficiency and diversification including respect of Bulgaria's commitments on the phased closure of certain units of Kozloduy nuclear power plant, decommissioning and nuclear waste management plan.

Transport: further efforts on alignment to the *acquis* in particular on maritime, air and road freight transport (safety rules) and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures, in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; development of social protection, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to air pollution, the waste and water sectors including its institutional requirements. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: introduction of legal basis and development of administrative structures and budgetary procedures. Strengthen financial instruments and control mechanisms in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 212 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. In addition, Bulgaria is eligible for support from the catch-up facility envisaged for 1998. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Bulgaria of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Bulgaria including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Bulgaria in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Czech Republic

(98/267/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Czech Republic's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Czech Republic should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Czech Republic are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

CZECH REPUBLIC

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on the Czech Republic's application for membership of the European Union, the financial means available to help the Czech Republic implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include, *inter alia*, the national programme for the adoption of the *acquis* to be adopted by the Czech Republic, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium term. Those listed under the short term have been selected on the basis that it is realistic to expect that the Czech Republic can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

The Czech Republic will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that the Czech Republic will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for the Czech Republic.

3.1. Short-term (1998)

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Europe Agreement; implementation of policies to maintain both internal and external balance; improvement of the framework for corporate governance, in particular by accelerating the restructuring of certain industrial sectors, such as steel as well as of banks, by implementing the laws regulating the financial sector (banks and investment companies), and by enforcing the supervision by the new Securities and Exchange Commission.

Reinforcement of institutional and administrative capacity: improving capacity in banking supervision securities, and insurance sectors, internal financial control, environment, agriculture, reinforcement of phytosanitary and veterinary administrations particularly as regards facilities at external borders, begin to set up structures needed for regional and structural policy.

Internal market: including in the areas of intellectual property rights (legislation and enforcement) and certification and standardisation (further alignment of legislative measures and conclusion of a European conformity assessment agreement), amendment of anti-trust law, further development of the legislative framework for State aid control and increased transparency through submission of additional State aid inventory.

Justice and home affairs: develop of effective border management.

Environment: continue transposition of framework legislation, establishment of detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: further work on the integration of the Roma. Strengthening of laws which guarantee press freedom. Further attention to ensuring equal access to public services.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing and satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while the Czech Republic is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: continue public administration modernisation policy; improve operation of the judicial system, training for the judiciary in Community law and its application, customs, establishment of independent bodies for supervision of data protection and for consumer protection; reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel, in particular police, border guards, ministries and courts), strengthening of nuclear safety authority, completion of alignment of financial control capacity, reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration.

Internal market: including alignment of public procurement legislation, accounting legislation, data protection, financial services, indirect taxation, audiovisual, consumer protection, further development of standardisation and conformity assessment bodies and establishment and operation of a market surveillance system, technical legislation on industrial products, strengthening of competition authorities, completion of alignment and effective enforcement of competition law, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: development of effective border management and implementation of migration policy and reforms of asylum procedures as well as the fight against drugs, organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, alignment of visa policy with that of the Union and completion of alignment on international conventions, more effective operation of the judiciary and law enforcement, notably in view of the Schengen *acquis*.

Agriculture: including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Transport: further efforts on alignment with the *acquis* in particular on road transport (market access, safety rules and taxation) and rail transport, and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures, in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; further development of social protection, undertake steps to bring public health standards into line with Union norms.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning of approximation programmes related to individual legal acts. Particular emphasis should be given to air, water and the waste sector. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: establishment of legal, administrative and budgetary framework for an integrated regional policy in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 224 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by the Czech Republic of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by the Czech Republic including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by the Czech Republic in meeting the objectives set out in this partnership.

COUNCIL DECISION

of 30 March 1998

on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Slovenia

(98/268/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 622/98 of 16 March 1998 on assistance to the applicant countries in the framework of the pre-accession strategy, and in particular on the establishment of accession partnerships ⁽¹⁾, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas the Luxembourg European Council stated that the accession partnership is a new instrument, the key feature of the enhanced pre-accession strategy;

Whereas Regulation (EC) No 622/98 sets out that the Council shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them;

Whereas Community assistance is conditional on the fulfilment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfilment of the Copenhagen criteria; whereas, where an essential element is lacking, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate steps with regard to any pre-accession assistance;

Whereas the Luxembourg European Council decided that the implementation of the accession partnership and progress in adopting the *acquis* will be examined in the Europe Agreement bodies;

Whereas the Commission's opinion presented an objective analysis on the Republic of Slovenia's preparations for membership and identified a number of priority areas for further work;

Whereas, in order to prepare for membership, the Republic of Slovenia should draw up a national programme for the adoption of the *acquis*; whereas this programme should set out a timetable for achieving the priorities and intermediate objectives established in the accession partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the accession partnership for the Republic of Slovenia are set out in the Annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the accession partnership will be examined in the Europe Agreement bodies and through the appropriate Council bodies to which the Commission will report regularly.

Article 3

This Decision shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 30 March 1998.

For the Council
The President
M. BECKETT

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

SLOVENIA

1. Objectives

The purpose of the accession partnership is to set out in a single framework the priority areas for further work identified in the Commission's opinion on Slovenia's application for membership of the European Union, the financial means available to help Slovenia implement these priorities and the conditions which will apply to that assistance. The accession partnership will provide a framework for a number of policy instruments which will be used to help the candidate countries in their preparations for membership. These will include *inter alia* the national programme for the adoption of the *acquis* to be adopted by Slovenia, the joint assessment of economic policy priorities, the pact against organised crime and the internal market road maps. Each of these instruments is different in nature and will be prepared and implemented according to specific procedures. They will not be an integral part of this partnership, but the priorities they contain will be compatible with it.

2. Principles

The main priority areas identified for each candidate country relate to their ability to assume the obligations of meeting the Copenhagen criteria which state that membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities,
- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union,
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

At its meeting in Madrid, the European Council stressed the need for the candidate countries to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. Priorities and intermediate objectives

The Commission's opinions and the Council's examination of these have highlighted the extent of the efforts which still have to be made in certain areas by the candidate countries to prepare for accession and took the view that none of these countries fully satisfies all of the Copenhagen criteria at the present time. This situation will require the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the countries concerned, the achievement of which will condition the degree of assistance granted and the progress of the negotiations under way with some countries and the opening of new negotiations with the others. The priorities and intermediate objectives have been divided into two groups — short and medium term. Those listed under the short-term have been selected on the basis that it is realistic to expect that Slovenia can complete or take them substantially forward by the end of 1998. In view of the short time span, and taking into account the administrative capacity required to achieve them, the number of priorities selected for the short term has been limited. The priorities listed under the medium term are expected to take more than one year to complete although work may and should also begin on them during 1998.

Slovenia will be invited to draw up a national programme for the adoption of the *acquis* (NPAA) by the end of March which should set out a timetable for achieving these priorities and intermediate objectives and, where possible and relevant, indicate the necessary staff and financial resources.

The accession partnership will indicate that Slovenia will have to address all issues identified in the opinion. Incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to ensure that it is actually applied to the same standards as those which apply within the Union. In all of the areas listed below there is a need for credible and effective implementation and enforcement of the *acquis*.

Drawing on the analysis of the Commission's opinion and the Council's examination of this, the following short- and medium-term priorities and intermediate objectives have been identified for Slovenia.

3.1. Short-term (1998)

Economic reform: establishment of medium-term economic policy priorities and joint assessment within the framework of the Interim/Cooperation Agreement; action on market-driven restructuring in the enterprise, finance and banking sectors and preparation of pension reform.

Reinforcement of institutional and administrative capacity: in particular introduction of a civil service act, improvements in the areas of the judiciary, of land registration, phytosanitary and veterinary administration, particularly as regards facilities at the external borders, financial control and audit functions, institutional strengthening in the area of environment, begin to set up structures needed for regional and structural policy.

Internal market: including alignment in the areas of indirect taxation, intellectual and industrial property, adoption of VAT law and preparation for implementation in 1999, standardisation and certification (conformity assessment), technical regulations, and of company legislation and liberalisation of capital movements (in particular currency legislation), establishment of a State aid monitoring authority, a first State aid inventory and the creation of a legal framework for State aid control, progress towards adoption of an anti-trust law.

Property law: further clarification of the situation pertaining to property legislation with particular regard to the right to purchase property for Union citizens.

Environment: continue transposition of framework legislation, finalising the detailed approximation programmes and implementation strategies related to individual acts. Planning and commencement of implementation of these programmes and strategies.

3.2. Medium-term

Political criteria: pursue efforts to speed up property restitution.

Economic policy: regular review of the joint assessment of economic policy priorities, within the Europe Agreement framework, focusing on satisfying the Copenhagen criteria for membership of the Union and the *acquis* in the area of economic and monetary policy (coordination of economic policies, submission of convergence programmes, avoidance of excessive deficits); while Slovenia is not expected to adopt the euro immediately on accession, it is expected to pursue policies which aim to achieve real convergence in accordance with the Union's objectives of economic and social cohesion, and nominal convergence compatible with the ultimate goal of adoption of the euro.

Reinforcement of institutional and administrative capacity: as regards public procurement (in particular transparency), supervision of the insurance and security market, the Slovene Competition Office, completion of competition law, development and implementation of agricultural and regional policies, audiovisual policies, customs administration and enforcement of the customs code; improved operation of the judicial system; training for the judiciary in Community law and its application, reinforcement of justice and home affairs institutions (ensuring sufficient and properly trained personnel, in particular police, border guards, ministries and courts), strengthening of the nuclear safety authority, reform of customs and tax administrations to ensure readiness to apply the *acquis*, the reinforcement of food control administration.

Internal market: including the alignment of legislation on public procurement, financial services, State aid (in particular alignment of monitoring rules and exclusive and special rights), upgrading of standardisation and conformity assessment structures, establishment of a market surveillance system and alignment of horizontal technical legislation on industrial products, increased efforts to liberalise the capital market and to facilitate foreign investments, further alignment of consumer protection, reinforcement of the competition office and the State aid monitoring authority, efficient enforcement of competition law, promotion of enterprise development, including small and medium-sized enterprises (SMEs), alignment with the *acquis* in the fields of telecommunications, consumer protection and the internal energy market.

Justice and home affairs: fight against organised crime (in particular money laundering, drugs and trafficking in human beings) and corruption, alignment of visa policy with that of the Union and completion of alignment on international conventions, implementation of migration policy and asylum procedures, notably in view of the Schengen *acquis*.

Nuclear safety: nuclear policy and investment plans to be adjusted in line with the results of the seismic risk assessment to be carried out in the surroundings of the Krsko NPP.

Agriculture: establishment of a functioning land registry, strengthening of structural and rural development policy, including alignment with the agricultural *acquis* (including veterinary and phytosanitary matters, in particular external border controls), attention to environmental aspects of agriculture and biodiversity. Development of the capacity to implement and enforce the common agricultural policy (CAP), in particular the fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement structural and rural development measures, adoption and implementation of the veterinary and phytosanitary requirements, upgrading of certain food-processing establishments and testing and diagnostic facilities, restructuring of the agri-food sector.

Fisheries: development of capacity to implement and enforce the common fisheries policy.

Transport: further efforts on alignment with the *acquis*, in particular on road transport (market access, safety rules and taxation) and rail, and to provide necessary investment for transport infrastructure, notably extension of trans-European networks.

Employment and social affairs: development of appropriate labour-market structures and joint review of employment policies as preparation for participation in Union coordination; alignment of labour and occupational health and safety legislation and development of enforcement structures in particular early adoption of the framework directive on health and safety at work; enforcement of equal opportunities between women and men; further development of active, autonomous social dialogue; further development of social protection.

Environment: including the development of monitoring and implementation control structures and capacities, continuous planning and implementation of approximation programmes related to individual legal acts. A particular emphasis should be given to air pollution, the waste water sector as well as integrated industrial pollution control and risk management. Environmental protection requirements and the need for sustainable development must be integrated into the definition and implementation of national, sectoral policies.

Regional policy and cohesion: introduce the legal administrative and budgetary framework for a national policy to address regional disparities through an integrated approach, in order to participate in Union structural programmes after membership.

4. Programming

The PHARE allocation for the period 1995 to 1997 has totalled ECU 72 million. Subject to the approval of the PHARE budget for the remaining period, the Commission will confirm the allocations for 1998 and 1999. Financial proposals will be submitted to the PHARE Management Committee as provided for in Regulation (EEC) No 3906/89. Joint financing by the applicant countries will be systematically required for all investment projects. Financial assistance from the year 2000 onwards will comprise aid for agriculture and a structural instrument which will give priority to measures similar to the Cohesion Fund.

5. Conditionality

Community assistance will be conditional on respect by Slovenia of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and progress in implementing this accession partnership. Failure to respect these general conditions could lead to a decision by the Council on the suspension of financial assistance on the basis of Article 4 of Regulation (EC) No 622/98.

6. Monitoring

The implementation of the accession partnership will be monitored in the framework of the Europe Agreement. This will begin in 1998 before the Commission presents its first regular report to the Council reviewing the progress made by Slovenia including implementation of the accession partnership.

The relevant sections of the accession partnership will be discussed in the appropriate sub-committee. The Association Committee will discuss overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the sub-committees. The Association Committee will report to the Association Council on the implementation of the accession partnership.

The PHARE Management Committee will ensure that financing decisions are compatible with the accession partnerships.

The accession partnership will be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98. The Commission will propose, before the end of 1999 and at regular intervals thereafter, a review of this partnership, on which the Council will take a formal decision. These reviews will include consideration of the need to further specify intermediate objectives in the light of the progress made by Slovenia in meeting the objectives set out in this partnership.
