



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 26.3.2003  
COM(2003) 142 final

Proposal for a

**COUNCIL DECISION**

**on the principles, priorities, intermediate objectives and conditions contained in the  
Accession Partnership with Bulgaria**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

At its meeting in Luxembourg in December 1997, the European Council decided that the Accession Partnership would be the key feature of the enhanced pre-accession strategy, mobilising all forms of assistance to the candidate countries within a single framework. In this manner, the Community targets its assistance towards the specific needs of each candidate so as to provide support for overcoming particular problems with a view to accession.

The first Accession Partnership for Bulgaria was decided in March 1998. In line with the provisions laid down in Regulation (EC) No. 622/98<sup>1</sup> (article 2), the Accession Partnership was updated a first time in December 1999, and for a second time in January 2002<sup>2</sup>, taking into account further developments in Bulgaria. In the Commission's Communication on Roadmap for Bulgaria<sup>3</sup>, it was stated that the Commission would propose revised Accession Partnerships for Bulgaria in the light of the findings of the 2002 Regular Reports and roadmap. The Communication also stated that short and medium term issues identified in the roadmap would be further developed in the revised Accession Partnership to be presented next year, and that the Accession Partnership would continue to be the basis for programming pre-accession assistance, but that priorities for assistance would also be drawn from the Regular Reports, roadmap and revised National Development Plans to be prepared by each country in line with Structural Funds requirements. It was stated that the Accession Partnership would complement the roadmap and, taken together, would be the main tools guiding Bulgaria's work on preparation for accession to the EU.

The attached decision does not have financial implications.

In view of the above, the Commission invites the Council to adopt the attached decision.

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<sup>1</sup> OJL85,20-3-1998,p.1

<sup>2</sup> Council Decision of 28 January 2002 on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Bulgaria *OJ L 044* , 14/02/2002 *P. 0001 - 0011*

<sup>3</sup> COM(2002)624

Proposal for a

## **COUNCIL DECISION**

**on the principles, priorities, intermediate objectives and conditions contained in the  
Accession Partnership with Bulgaria**

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 States in the framework of the pre-accession strategy, and in particular on the establishment of Accession Partnerships<sup>4</sup>, and in particular to Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Luxembourg European Council stated that the Accession Partnership is a new instrument and the key feature of the enhanced pre-accession strategy;
- (2) The Copenhagen European Council stated that following the conclusions of the European Council in Brussels and depending on further progress in complying with the membership criteria, the objective is to welcome Bulgaria as a member of the European Union in 2007. It endorsed the Commission's communication on roadmap for Bulgaria<sup>5</sup>, including the proposals for a significant increase in pre-accession assistance, and stated that the high level of funding to be made available should be used in a flexible way, targeting the priorities identified, including in key areas such as Justice and Home Affairs. It stated that further guidance in pre-accession work would be provided by the revised Accession Partnerships to be presented to them next year.
- (3) Regulation (EC) No 622/98 sets out that the Council is to 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 State, as well as on subsequent significant adjustments applicable to them;
- (4) 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; 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;

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<sup>4</sup> OJL85,20/3/1998,p.1

<sup>5</sup> COM(2002)624

- (5) 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;
- (6) The 2002 Commission's Regular Report presents an objective analysis on Bulgaria's preparations for membership and identifies a number of priority areas for further work;
- (7) Bulgaria needs to ensure that the appropriate legal and administrative structures needed for the programming, coordination, management, control and evaluation of EC pre-accession funds are in place;

HAS DECIDED AS FOLLOWS:

*Article 1*

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

*Article 2*

The implementation of the Accession Partnership shall be examined in the Europe Agreement bodies and by the appropriate Council bodies on the basis of regular reports by the Commission to the Council.

*Article 3*

This Decision shall take effect on the third day following that of its publication in the Official Journal of the European Communities.

Done at Brussels,

*For the Council*  
*The President*

## **ANNEX**

### **1. Introduction**

At its meeting in Luxembourg in December 1997, the European Council decided that the Accession Partnership would be the key feature of the enhanced pre-accession strategy, mobilising all forms of assistance to the candidate countries within a single framework. In this manner, the Community targets its assistance towards the specific needs of each candidate so as to provide support for overcoming particular problems with a view to accession.

The first Accession Partnership for Bulgaria was decided in March 1998. As provided for in Regulation (EC) No. 622/98 (article 2), the Accession Partnership was updated a first time in December 1999, and for a second time in January 2002<sup>6</sup>, taking into account further developments in Bulgaria. In the Commission's Communication on Roadmap for Bulgaria, it was stated that the Commission would propose revised Accession Partnerships for Bulgaria<sup>7</sup> in the light of the findings of the 2002 Regular Reports and roadmap. The Communication also stated that short and medium term issues identified in the roadmap would be further developed in the revised Accession Partnership to be presented next year, and that the Accession Partnership would continue to be the basis for programming pre-accession assistance, but that priorities for assistance would also be drawn from the Regular Reports, roadmap and revised National Development Plans to be prepared by each country in line with Structural Funds requirements. It was stated that the Accession Partnership would complement the roadmap and, taken together, would be the main tools guiding Bulgaria's work on preparation for accession to the EU.

### **2. 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 2002 Regular Report on the progress made by Bulgaria towards membership of the Union and the Roadmap, the financial means available to help Bulgaria implement these priorities and the conditions which will apply to that assistance. The Accession Partnership provides the basis for a number of policy instruments which will be used to help the candidate States in their preparations for membership. These include *inter alia* the pre-accession fiscal surveillance procedure, the Pre-accession Economic Programme, the Pre-accession pact on organised crime as well as the National Development Plans, the Rural Developments Plans, a national employment strategy in line with the European Employment Strategy, and sectoral plans necessary for the participation in the Structural Funds after membership and for the implementation of ISPA and SAPARD before accession. Each of these instruments is different in nature and is prepared and implemented according to specific procedures and may be supported by pre-accession aid. They are not an integral part of this Partnership but the priorities they contain will be compatible with it.

### **3. Principles**

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

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<sup>6</sup> Council Decision of 28 January 2002 on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Bulgaria OJ L 044, 14/02/2002 P001 -0011

<sup>7</sup> COM(2002)624

- that the candidate State 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 in 1995, the European Council stressed the need for the candidate States to adjust their administrative structures to ensure harmonious operation of Community policies after accession. At Luxembourg, in 1997, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient, since it is also necessary to ensure that it is actually applied. The Feira and Gothenburg European Councils in 2000 and 2001 respectively confirmed the vital importance of the applicant countries' capacity to implement and enforce the *acquis*, and added that this required important efforts by the applicants in strengthening and reforming their administrative and judicial structures. The Copenhagen European Council in 2002 again underlined the importance of judicial and administrative reform, which would help bring forward Bulgaria's overall preparation for membership.

#### **4. Priorities**

The Commission's Regular Reports have highlighted, besides the progress already made, the extent of the efforts which still have to be made in certain areas by candidate countries to prepare for accession. The 2002 Regular Reports concluded that Bulgaria continues to fulfil the political criteria and that it is a functioning market economy. However, it is not yet able to cope with competitive pressure and market forces within the Union. Bulgaria does not yet fully meet the *acquis* criteria. In order to complete its preparations successfully, Bulgaria needs to continue its efforts to transpose, implement and enforce the *acquis*. It also needs to continue the reform of public administration and the judiciary in order to have the necessary administrative and judicial capacity for this.

The roadmap for Bulgaria, which covers the period up to accession, indicates the main steps that it needs to take to be ready for membership. It is based on the commitments made in the negotiations and on what needs to be done to fulfil the Copenhagen and Madrid criteria for membership. The roadmap aims to support Bulgaria's efforts to meet the remaining criteria for membership by identifying the tasks ahead and providing increased financial assistance. There is particular emphasis on administrative and judicial capacity necessary to implement the *acquis* and on economic reform. For the *acquis* chapters, the roadmaps provide benchmarks against which Bulgaria's progress can be monitored. These cover both alignment of legislation and development of administrative capacity.

This revised Accession Partnership complements the roadmap and, taken together, these are the main tools guiding Bulgaria's work on preparation for accession to the EU. The Accession Partnership further develops the short and medium term issues identified in the roadmap, identifying priorities that it is realistic to expect that Bulgaria can complete or take forward substantially over the period 2003/4. The priorities in the Accession Partnership have been set in cooperation with the countries concerned. The achievement of these will condition the degree of assistance granted. Within these priorities, issues that require particularly urgent action have been highlighted.

It is also important that Bulgaria fulfils the commitments of legislative approximation and the implementation of the *acquis* in accordance with the commitments made under the Europe Agreement, and in the context of the negotiation process. It should be recalled that 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 basis of the analysis of the Commission's 2002 Regular Report and the roadmap, the following priorities and intermediate objectives have been identified for Bulgaria. These priorities are presented in accordance with the structure of the Regular Report<sup>8</sup>.

## **Political Criteria**

### *Democracy and the rule of law*

#### ***Public administration***

- Prepare a fully comprehensive public administration reform strategy, including an action plan, in 2003. The strategy should involve a twin track approach combining; continuing to support institution building directly relevant to the *acquis* and management of EC funds; and horizontal reform designed to improve the effectiveness of the public administration more generally.
- Take steps to ensure application of transparent procedures for recruitment and promotion and to improve human resource management. Take steps towards ensuring sufficient qualified staff to ensure sustainability of reforms. Increase staff percentage with civil servants status. Protect staff, whatever their status, from unfair dismissal.
- Improve (through simplification and clarification) the legal framework for administrative decision-making and procedures to ensure legal certainty. Take further steps to ensure accountability, openness and transparency of public service.
- Strengthen administrative structures to ensure that it has the necessary capacity for fully effective use of and proper accounting for EC funds.
- Strengthen capacity for strategic planning, policy analysis and evaluation at the centre of government and in line ministries.
- Give more attention when the EC *acquis* is transposed, to how this can be implemented and enforced, including in the court system, at national, regional and local levels, in a way appropriate to the situation in Bulgaria.
- Further improve the quality of consultation with affected parties (e.g. social and economic partners, civil society, and private sector) on preparation of new legislation.

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<sup>8</sup> The order of presentation is that used in the 2002 Regular Report and Roadmap.

## **Judicial System**

- Take steps to continue the reform of the judicial system:
  - Continue to implement the National Reform Strategy for the Bulgarian Judicial System and Action Plan and adopt implementing legislation in line with EU practices.
  - Review the structure of the judiciary in line with EU best practices, including a review of the organisation of the pre-trial phase.
  - Review the degree of penal immunity of members of the judiciary to ensure this is in line with EU best practices.
  - Take steps to improve judicial proceedings in particular to reduce excessive length and ensure full implementation of fundamental rights in penal cases, in particular as regards legal aid.
  - Ensure the budget for the judiciary is adequate.
- Clearly distinguish between the roles of the Supreme Judicial Council and of the Ministry of Justice aiming to respect the independence of the judiciary.
- Strengthen the administrative capacity of the Supreme Judicial Council to ensure its proper functioning as regards both strategic decision-making and management of the court system.
- Take steps to improve the functioning of courts through increasing management training for Court Presidents, development of efficient administrative support at both central and local levels and through introduction of a transparent case distribution system.
- Improve security and working conditions in courts and prosecution offices.
- Establish a more open, fair and transparent system for recruitment, evaluation and promotion process based on merit within the judiciary.
  - Enhance professionalism in the judiciary by ensuring adequate state funding for the National Institute for the Judiciary allowing it to develop high quality training for judges, prosecutors and administrative staff.
- Modernise management methods in the prosecution service in order to improve the transparency and efficiency of case handling.

## **Anti-corruption measures**

- Continue to implement the National Anti-corruption Strategy and the Action Plan.
- Take steps to ensure the legal framework for tackling corruption is implemented and enforced. Introduce the notion of criminal liability of legal persons in Bulgarian Criminal Law. Ratify the Council of Europe Civil Law Convention on Corruption.



### *Human rights and the protection of minorities*

- Adopt and start to effectively implement comprehensive anti-discrimination legislation transposing the EC anti-discrimination *acquis*<sup>9</sup>.
- Complete reorganisation and modernisation of the police, continue efforts for police officers to respect basic human rights in all circumstances; broaden the use of community policing approaches, which improves relations with public, in particular minority groups.
- Continue efforts to tackle trafficking in human beings, including prevention and social reintegration efforts.
- Take further steps to bring all places of pre-trial detention, in particular police stations, into line with the basic requirements identified in the Council of Europe Committee for the Prevention of Torture report.
- Ensure implementation and sufficient budgetary resources to ensure access to justice and legal aid.
- Ensure the childcare system is reformed so as to systematically reduce the number of children in institutional care in particular through developing alternative social services aimed at children and families. Ensure the full implementation of the UN Convention on the Rights of the Child.
- **In need of particularly urgent action:** Provide a legal framework which ensures the necessary safeguards against arbitrariness of detention and improve living conditions in the mental health care system. Adopt and implement a strategy and action plan with an adequate financial framework of substantial reform in the mental health care system.
- Take concrete action to implement the Roma Framework Programme with particular attention to providing necessary financial support, significant strengthening the government body in charge of minority issues and ensuring equal access to health, housing, education and social security. Elaborate a concrete action plan and financial framework to the Roma Framework Programme which improves implementation.

### **Economic Criteria**

The high degree of macroeconomic stability achieved over recent years should be maintained and the implementation of the reform programme to remove remaining difficulties needs to be continued.

- Make further efforts in the following areas:
  - The privatisation programme;
  - Developing small and medium-sized enterprises, in particular the number of start-ups;

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<sup>9</sup> See also chapter “Employment and social policy”

- Implementing the programme to reduce and simplify licensing procedures;
- Reforming customs and tax administrations;
- The efficiency of bankruptcy procedures;
- Developing financial intermediation and the non-banking financial sector
- Enforcing property rights;
- The number of transactions and prices of agricultural land;
- The volume and quality of public investment, including infrastructure, education environment and health;
- The reduction of State Aid, in particular in the energy and transport sectors.

### **Ability to assume the obligations of membership**

#### ***Free movement of goods***

- Take necessary horizontal and procedural measures.
  - Transpose 80% of European standards including full transposition of European harmonised standards in the field of New Approach Directives.
  - Strengthen administrative capacity in the field of standardisation and support the development of the conformity assessment bodies and laboratories.
- Ensure that the transposition of all New and Old Approach Directives is completed and that the texts are fully in line with EC legislation
  - Strengthen the administrative capacity in the fields of chemical substances and motor vehicles.
  - Transpose the *acquis* on chemical substances, motor vehicles, wood, the control of weapons and return of cultural goods.
  - Reach full compliance with the *acquis* concerning pharmaceuticals for human use as well as medicines for veterinary use, including as regards marketing authorisations.
  - Amend the Law on public health.
- Continue efforts in food safety and foodstuffs.
  - Progressively align the legislation on the *acquis* on foodstuffs.
  - Develop administrative capacity, create a system of national training of inspectors and food operators, ensure proper application of the HACCP (hazard analysis of critical control points), accredit and reform the laboratories.

- Ensure progress in non-harmonised areas. Integrate the principle of mutual recognition into relevant legislation on goods.
  - Complete the screening of the legislation in the non-harmonised area to check conformity with Articles 28-30 of the Treaty and eliminate non-compliant provisions.
- Make further efforts to align legislation and to ensure its effective enforcement as regards public procurement.
  - Establish a State agency on public procurement.
  - Identify the constitutional changes required to transpose remedies system provisions.
  - Amend the Law on public procurement, including the removal of the national preference, to ensure full compatibility with the *acquis*.

### ***Free movement of persons***

- Continue legislative work on mutual recognition of professional qualifications and diplomas and ensure administrative structures are in place.
- Make preparations to revise the Bulgarian Constitution to ensure compliance with the *acquis* on the right of vote, including special legislation on elections of the European Parliament.
- Continue to align legislation with Community rules with respect to nationality, residence and language requirements, as well as equal treatment for migrant workers.
- Continue preparatory work for participating in the EURES network.
- Take preparatory measures to meet the financial and administrative obligations, which will result from application of the rules on co-ordination of social security.

### ***Freedom to provide services***

- Further uphold the right of establishment and freedom to provide services.
  - Amend further the Law on foreigners to remove incompatibilities with the *acquis*.
  - Amend the Attorney Act, the Law on gambling and the Law on weapons and dual-use goods.
- Fully align legislation on financial services with the *acquis*, including with the new Directives or Regulations adopted as part of the Financial Services Action Plan. Pursue the strengthening and independence of the financial supervisory bodies.
  - Transpose further the *acquis* in the field of insurance services, in particular, start to bring compensation progressively in line with EU minimum levels with regard to third party liability motor insurance.

- Fully align Data Protection Act with the *acquis* and develop the necessary administrative capacity to implement it.
- Fully transpose the *acquis* on conditional access and on technical standards.

### ***Free movement of capital***

- Finalise alignment on capital movements, except where transition periods have been granted.
  - To adopt all necessary amendments to the Foreign Exchange Law and shortly afterwards the regulations on its implementation.
- Develop programmes in financial institutions against money laundering.
  - All relevant professions, particularly all credit and financial institutions, to co-operate fully with the authorities responsible for combating money laundering in accordance with the Anti Money Laundering Directive (91/308/EEC) well ahead of accession.
- Reinforce administrative capacity of Bureau of Financial Intelligence.
- Take further steps to complete alignment of legislation on payment systems.
- Take further steps to complete alignment of legislation on money laundering.

### ***Company law***

- Fully align legislation on Intellectual and Industrial Property Rights with the *acquis* and improve its enforcement. Intensify measures to combat piracy and counterfeiting in particular through strengthening border controls, improving co-ordination between the customs, police and judiciary on enforcement of intellectual and industrial property rights and ensuring proper training of enforcement bodies, including judges and prosecutors.
- Make further progress in the alignment with the *acquis* on company law and accounting and pursue improvement of administrative capacity in this area, in particular with regard to law enforcement.

### ***Competition policy***

- Complete the legal antitrust framework, pursue training efforts and further develop record of effective implementation and enforcement of anti-trust rules.
  - Ensure that the antitrust legislation takes full account of the *acquis*, including the more recent block exemptions.
  - Ensure a more deterrent sanctions policy and emphasis on preventing serious distortions of competition.
  - Increase awareness of the rules, in particular with the business community and the judiciary.

- Complete the legislative framework in relation to State aid
  - Make further modifications to the substantive implementing rules.
  - Under the Europe Agreement mechanisms, adopt jointly with the Community of a regional aid map in line with the *acquis*.
- Upgrade expertise and improve the quality of State aid decisions, as well as State aid transparency.
  - Further strengthen (e.g. training and resources) the administrative capacity, including intensified cooperation between the Commission for protection of competition (CPC) and the State aid department of the Ministry of Finance.
  - Improve State aid transparency, ensuring that inventory and annual reports include all aid measures.
  - Increase awareness of the rules, in particular among aid grantors, the business community and the judiciary.
- Improve State aid enforcement record, in particular by assessing existing schemes in Bulgaria under which State Aid is being granted to bring them into line with the *acquis* and ensure that through the ex-ante control of all new aid measures, full compatibility with the *acquis* is assured.
- Prepare an overall restructuring plan, along with individual plans, for the steel sector.

### ***Agriculture***

- Continue to upgrade the capacities to operate management mechanisms of the CAP , particularly the Paying Agency and the Integrated Administration and Control System.
- Continue to improve the efficiency of the implementation of SAPARD.
- With regard to horizontal issues, continue to upgrade the administrative structure in areas such as quality policy, organic farming, FADN (Farm Accountancy Data Network).
- Continue implementation of Common Market Organisations for all relevant products, including the setting-up of the vineyard register and the development of approved distilleries, development of capacities of intervention agencies, development of inter-branch organisations.
- Upgrade administrative structures for design, implementation, management, monitoring, control and evaluation of EC funded rural development programmes and the EU forestry strategy.
- Continue work on a national cadastre and property register to improve the situation of the land market.
- Complete alignment of veterinary and phytosanitary legislation in order to enforce internal market control systems and imports from third countries fully and

effectively; continue to implement veterinary, phytosanitary and food safety legislation, including animal disease control measures.

- Continue the efforts of establishing the national database for bovine animals in order to make it fully operational by the end of 2003.
- Continue the upgrading of food processing establishments, including the upgrading of old slaughterhouses.
- Resource the NVS adequately and establish a programme of the National Veterinary Service for establishments to meet fully the EU requirements until the end of 2004.
- Continue the process of upgrading or developing all proposed long-term veterinary border inspection posts, including training of relevant personnel in all procedures required to meet EU legislation.
- Continue training for official veterinarians.
- Continue implementation of EC legal requirements on animal movements with a view to a system in full conformity with *acquis* on identification and registration of animals.
- Progress on transposing and implementing *acquis* on animal waste.

### ***Fisheries***

- Complete the establishment of adequate organisation, adequate institutional resources and equipment relating to inspection and controls, market and structural policy at central and regional levels.
- Complete the fishing register in full compliance with EC requirements.
- Develop a reliable system of fisheries statistics.
- Implement recently adopted legislation governing the functioning of the main administrative structures.
- Make additional staff available for the Fisheries Department within the Ministry of Agriculture, Food and Forestry.
- Strengthen control activities by putting more emphasis on training fisheries inspectors, providing appropriate equipment, and increasing the number of inspectors for controlling sea fisheries.
- Preparation to implement the regulations concerning resources management and control.

### ***Transport policy***

- Continue legal alignment in road transport and its implementation, especially to adapt the fleet to technical and safety requirements (tachographs and speed limitation devices), social legislation, introduction and gradual increase of the financial

standing requirements for access to the profession, transport of dangerous goods and alignment of the system of vehicle taxes and road charges.

- Reinforce administrative capacity in road transport, especially in connection to transport of dangerous goods, social legislation (driving times and rest periods), market access, access to the profession and road-side checks.
- Continue legal alignment, implementation and reinforce administrative capacity in the railways sector – including strengthening of the regulatory body, the notified body, independence of the railway infrastructure manager, the rail infrastructure charging scheme and financial stabilisation of the main operator, with a view to implementing the revised railway *acquis*; ensure complete transposition and implementation of the EU legislation on interoperability.
- Ensure necessary administrative capacity to prepare for the significant investments needed in rail and road infrastructure, in anticipation to being able to benefit from EU structural funds; implement schedule to ensure the necessary investments for upgrading and rehabilitating the road network up to EU axle-weight norms, taking account of environmental protection legislation.
- Complete full accession to the Joint Aviation Authorities and continue legislative alignment and implementation of related secondary legislation on Joint Aviation requirements, implement a staged introduction of Third Package Regulations and harmonisation of requirements and administrative procedures in the field of civil aviation, reinforce the qualification of the aviation administration personnel.
- Complete alignment with EU maritime legislation in safety and non-safety areas; improve maritime safety, in particular improve the performance of maritime safety administrative institutions, firstly as a Flag State, and then as a Port State, and guarantee their independence; strengthen Bulgarian Maritime Administration; further align with EU maritime *acquis* in areas of safety through the Merchant Shipping Code and implementing legislation. Continue to improve the maritime safety record of the Bulgarian fleet under the Paris memorandum by adopting and implementing all appropriate measures.

### ***Taxation***

- Develop an updated business strategy for the tax administration and approve other linked strategies, such as audit strategies and the creation of a unified National Revenue Agency.
- Continue alignment of tax legislation in VAT and excise duties.

### ***Statistics***

- Strengthen administrative capacity, through particular attention to further staff development in the statistics administration and information technology capacity, notably in regional offices.
- Further improve regional statistics in order that regional statistics, regional databases and the settlements register to be in line with EU requirements.

- Further improve the quality and coverage of national accounts, short-term statistics and the quality and coverage of the business register.
- Implement an agriculture census in 2003 in accordance with Eurostat methodology.
- Start the preparations for the Intrastat system.

### ***Employment and social policy***

- Continue alignment of the *acquis* in the area of labour law in particular through amending the Labour Code and Employment Promotion Act and the respective by-laws. Strengthen the related administrative and enforcement structures including labour inspectorates and establish an independent guarantee fund for employees in the case of employer's insolvency.
- Transpose and implement the EU legislation in the field of equal treatment for women and men and ensure its proper implementation.
- Adopt legislation to transpose the anti-discrimination *acquis*. Establish a body for the promotion of equal treatment of all persons without discrimination on grounds of race or ethnic origin.
- Complete transposition of the *acquis* on health and safety at work and develop implementation capacity, in particular of the General Labour Inspectorate. Undertake an assessment of financial impact of implementing health and safety Directives. Abolish the compensation system for bad working conditions
- Implement the adopted National Action Plan for Employment, taking into account the revised European Guidelines and the priorities, commitments and recommendations identified in the Joint Assessment of Employment Policy Priorities. Develop the capacity of the National Employment Agency to implement active labour measure and employment programmes and strengthen its regional and local structures.
- Continue alignment of legislative framework and develop implementation capacity for the *acquis* on public health, including the *acquis* on tobacco control. Continue to establish a system for the surveillance and control of communicable diseases in line with Community requirements and for health monitoring and information in line with EU standards
- Continue efforts to strengthen the capacity to ensure access to and quality of health care in order to optimise the investment in health needed to improve the health status of the population.
- Continue to support social partners' capacity-building efforts, in particular with a view to their future role in the elaboration and implementation of EU employment and social policy, including the European Social Fund. Promote autonomous social dialogue, especially at the enterprise and sectoral level, in order to improve its coverage. Prepare a social inclusion and anti-poverty national strategy, including data collection, with a view to future participation in the European strategy on social inclusion.



- Start to prepare a social inclusion and anti-poverty national strategy, including data collection, with a view to future participation in the European strategy on social inclusion.

### ***Energy***

- Implement the commitments taken for the progressive constitution of oil stocks as required by the *acquis*; strengthen and equip the State agency responsible for the management of these stocks; ensure the necessary financing for the constitution of stocks.
- Implement the new energy strategy paying particular attention to the need for a proactive and co-ordinated policy to reduce the energy intensity of the Bulgarian economy, at all stages of the energy cycle, with a view to enhancing rapidly support for improving energy efficiency, increasing energy savings and enhancing the use of renewable energy sources; ensure transposition of the energy efficiency *acquis* (labelling appliances, minimum efficiency standards).
- Adopt new framework legislation and start to implement a schedule to establish conditions for a full implementation of the EU internal market for electricity and gas and for the staged opening of the electricity market and gas market, analyse long term contracts and power purchases agreements in view of possible “stranded costs” according to the current *acquis*; eliminate remaining price distortions in the energy sector, in particular for household electricity and heating prices. Continue to strengthen the role and administrative capacity of the State Energy Regulatory Commission in enforcement of these rules, notably its financial independence. Prepare for further market opening and liberalisation under forthcoming new EU internal market *acquis*.
- Continue to implement the restructuring plans (including privatisation) in the energy sector, including the Action Plan for restructuring of the solid fuel sector.
- Continue to implement the recommendations contained in the 2001 Council report on “Nuclear Safety in the Context of Enlargement”, and its subsequent Peer Review Status Report of June 2002, with due regard to the priorities assigned in the report, including the strengthening of the capacity and independence of the Nuclear Regulatory Authority; prepare to implement commitments taken as regards the early closure of Units 3&4; advance the preparation for and, as appropriate, start to address the early closure's economic, social, financial, technical and environmental consequences.
- Continue to ensure a high level of nuclear safety at Units 5 & 6 of the Kozloduy nuclear power plant and maintain a high level of nuclear safety through the decommissioning phases of Units 1-4.
- Improve management of radioactive waste and adopt a Strategy Plan on Safety and Effective Nuclear Fuel Cycle Management.

### ***Small and medium-sized enterprises***

- Implement the European Charter for Small Enterprises.

### ***Science and research***

- Reinforce research-related administrative capacity and infrastructure, in order to increase the benefits from association with the relevant Community Framework Programmes including the 6<sup>th</sup> Framework Programme (2002-2006).

### ***Education and training***

- Prepare for full implementation of the Directive on education of children of migrant workers by the date of accession.

### ***Telecommunications and information technologies***

- Complete the transposition of the telecommunications *acquis* and implement it effectively, especially the promotion of competition and applying those aspects of the legislation which apply to operators with Significant Market Power.
- Enhance the capacity of the telecommunications regulator, especially addressing the ability to enforce the *acquis*. Improve its financial independence.
- In preparation for a fully open telecommunications market, *inter alia* develop a more commercially oriented approach in the incumbent operator.
- Prepare the transposition and implementation of the new *acquis* by the time of accession; reinforce capacity of regulator as needed to cope with new responsibilities.
- Strengthen the regulatory framework for postal services. Adopt and implement further legislation to achieve full compatibility with the *acquis* (including new 2<sup>nd</sup> Directive and in particular, with a view to ensuring a financially viable provision of universal service at the appropriate level of quality). Continue work for appropriate licensing and authorisation mechanisms.
- Implement a clear postal price policy regime to put in place precisely after its market is completed de-regulated by 2003.

### ***Culture and Audio-visual policy***

- Strengthen the administrative capacity of the national regulatory body in the field of broadcasting.
- Establish the conditions for a predictable, transparent and effective implementation of the new regulatory framework in the field of audio-visual policy.

### ***Regional policy and co-ordination of structural instruments***

- Make progress in implementing the Bulgarian National Strategy for preparation on Structural Funds and the Cohesion Fund. Continue to adopt the framework legislation needed to implement the *acquis* under this chapter.
  - Further elaborate the arrangements to ensure inter-ministerial co-ordination as well as the definition of the tasks to be performed by the bodies involved in the

preparation and implementation of Structural Funds and the Cohesion Fund at the national and regional level.

- Further adopt legislation which ensures compatibility of operations financed by the Structural Funds and Cohesion Fund with Community policies and legislation, including rules on competition, on the award of public contracts, on environmental protection, on elimination of inequalities and promotion of equality between men and women.
- Elaborate a legislative framework allowing for multi-annual budget programming with a view to provide the national co-financing for the Structural and Cohesion Funds assistance and allowing for sufficient flexibility for financial adjustment.
- Bring administrative capacity of the units within the ministries designated or to be designated as future managing or paying authorities up to the level required for efficient and correct implementation of Structural Funds assistance (in terms of recruitment, career profiles and training).
- Accelerate efforts in improving the quality of the National Development Plan (NDP). Bulgaria needs to put serious efforts in strengthening its strategic capability and operational capacity to improve and implement the National Development Plan, in order to transform it into a comprehensive national planning tool (further integration of the NDP into the national budgetary and policy making process).
- Continue to develop the capacity to discuss, prepare and select development priorities and projects both at the national and regional level to be financed by the different structural funds , FEDER,ESF,EAGGF.
- Finalise preparations for extended decentralisation (EDIS).
- Make progress in ensuring compliance with *acquis* requirements for monitoring and evaluation of the Structural Funds, in particular for ex-ante evaluation and for the collection of the relevant statistical information and indicators.
- Elaborate a general legal and institutional framework for financial control and audit.
- Make progress in establishing appropriate systems and procedures for financial management and control, in particular in relation to the structure of the managing and paying authorities, in order to fulfil the specific requirements of the Structural Funds regulations. Specific attention is to be given to an adequate separation of functions within the whole implementation structure.

### ***Environment***

- Update the overall assessment of the situation in the environment sector, including regarding the transposition of the EU *acquis*, in order to identify gaps to be filled in.
- Continue transposition of the *acquis*, including secondary legislation, with particular emphasis on environmental impact assessment, access to information, waste management, industrial pollution and risk management, nature protection, chemicals and genetically modified organisms, and nuclear safety and radiation protection.

Ensure full consultation with all relevant stakeholders (other ministries, economic operators, NGOs).

- Develop implementation plans, together with financing strategies, to outline the steps needed to ensure full implementation of the *acquis* in the medium and longer term; these plans should take into account all available resources and institutional training and further elaborate mechanisms to monitor effective implementation, with particular emphasis on air quality, waste management, water quality, industrial pollution and risk management. Focus on planning, identification and availability of financial resources to prepare for the significant investments needed to ensure implementation of the *acquis*.
- Continue implementation of the *acquis* with particular emphasis on access to information, air quality, waste management, water quality, nature protection, industrial pollution and risk management as well as nuclear safety and radiation protection. Ensure that the environmental *acquis*, particularly the Environmental Impact Assessment Directive, is properly implemented in preparing large-scale infrastructure projects.
- Ensure and reinforce the administrative structures necessary for the full implementation, monitoring and enforcement of the *acquis*, in particular through further strengthening of regional inspectorates, municipalities and other public bodies at the local level, with an emphasis on water quality, industrial pollution and risk management, as well as waste management. Reinforce staffing of the Ministry and other public bodies. Ensure adequate training and staff development plans.
- Continue integration of environmental protection requirements into the definition and implementation of all other sectoral policies so as to promote sustainable development, including in the energy sector. Improve inter-ministerial co-ordination on environmental issues.

### ***Consumers and health protection***

- Continue alignment of legislation in particular in the field of sales of consumer goods and associated guarantees, injunctions for the protection of consumer interests, timeshare, consumer credit, distance contracts, comparative advertising, general product safety and product liability.
- Ensure effective implementation of legislation, in particular through an efficient market surveillance mechanism.
- Further promote the capacity of consumer organisations to play an active role in the area of consumer protection.
- Better integrate consumer concerns into other policy areas.

### ***Co-operation in the fields of justice and home affairs***

- Adopt and implement the new Border Security Act and the secondary legislation as well as an integrated border management strategy covering all borders of Bulgaria. Particular attention should be given to the gradual modernisation of the border infrastructure and equipment, the necessary training for professional border guards

and customs officers, especially as regards the use of risk analysis methods and strengthening their intelligence functions and for the co-ordination and practical co-operation between authorities; develop an integrated sea surveillance system.

- Continue to implement and update on a regular basis the Schengen Action Plan, continue preparation for full participation in SIS II by developing national databases and registers.
- Continue alignment with the EU positive and negative visa lists; continue to upgrade the administrative capacity of the Visa Centre and continue to provide all diplomatic and consular offices with technical equipment for detecting forged and falsified documents.
- Bring the Asylum and Refugees Act fully in line with the EU acquis, especially as regards its articles 13 and 16; increase the capacity of the reception centres for asylum seekers and refugees; further improve the administrative capacity of the Agency of Refugees; accelerate screening procedures and improve the conditions for integration of refugees and prepare the infrastructure to ensure the full implementation of the Regulations relating to ‘EURODAC’ and ‘Dublin II’ upon accession.
- Continue efforts to combat efficiently illegal immigration, through and from Bulgaria, with special attention to criminal organisations facilitating the illegal entry into EU member states (in particular of women and children); ensure assistance for victims of trafficking; adopt new legislation on migration in line with the current EU acquis; establish a national co-ordination body.
- Enhance combating corruption, in law enforcement bodies by (i) adopting and implementing a code of ethics for magistrates, (ii) developing a corrupt practices prevention programme as well as a code of ethics for officials in Ministry of Interior, in particular traffic and border police and (iii) providing specialised training and equipment, including an information system, to the officials who are directly involved in countering corruption.
- Continue efforts to align Bulgarian legislation with the EU acquis in the field of criminal-law protection of the Communities’ financial interests (PIF convention and its protocols); assure that there is no overlap in activities between the Public Internal Financial Control Agency (PIFCA) and the anti-fraud structure that will be set up in the Ministry of Interior.;
- Fully align with the EU acquis on the criminal law protection of the Euro against counterfeiting.
- Implement the strategy on the fight against crime, with special attention for various forms of transborder and organised crime such as trafficking in drugs, human beings, etc..., and for the co-ordination and practical co-operation between law enforcement bodies.
- Adopt an action plan to implement the National Drugs Strategy, including a realistic budget. Strengthen the administrative and co-ordinating capacity of the National Drugs Council. (i) Establish a National Focal Point. (ii) Further develop a drugs information system. (iii) Adopt the necessary legal framework for the National Drugs

Intelligence Unit. (iv) Increase level of co-operation with the EU Member States by seconding liaison officers in them as well as in other strategic countries in terms of drug enforcement.

- Improve the capacity of the Bureau of Financial Intelligence to enforce the existing legislation and improve its co-operation with other law enforcement agencies active in the area of combating money laundering.
- Prepare to take further measures to ensure implementation of the Community instruments in the area of judicial co-operation in civil matters, notably as regards mutual recognition and enforcement of judicial decisions.
- Prepare to make legislative amendments necessary in order to accede to and implement the EU Convention on Mutual Assistance in Criminal Matters upon accession and take the necessary steps to prepare for full implementation upon accession of the instrument applying the principle of mutual recognition and in execution of orders freezing property or evidence.

### ***Customs union***<sup>10</sup>

- Make further legislative alignment with the Community customs *acquis*.
  - Make further amendments to the customs legislation, including the harmonisation of the legislation on free zones as well as the adoption of the rules on duty suspensions and tariff quotas.
  - Prepare the conditions for operating the TARIC (Community integrated tariff) and include in the TARIC measures related to the protection of intellectual property rights.
  - Fully align the legislation with the *acquis* on the control of cultural goods.
  - Accede to the Istanbul Convention on temporary importation.
- Strengthen the operational and administrative capacity of the customs administration, particularly as regards information technology and human resource policy.
  - Improve the human resources management and the stability and professional conduct of customs staff and management and increasingly grant civil servant status to customs inspectors.
  - Develop and implement Phase One of the BTMS (Bulgarian transit management system) as the national module of the NCTS (New Computerised Transit System); continue the preparation for the secure CCN/CSI (Common Communication Network / Common System Interface).
  - Upgrade customs laboratories as well as infrastructure and equipment at customs clearance points.
  - Enhance the application of risk analysis method and post-clearance control.

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<sup>10</sup> See also chapter “Financial and budgetary provisions” for the collection of own resources

- Further strengthen co-operation with customs authorities of neighbouring and other countries.
  - Implement the Strategy for rationalisation of border operations.
- Take steps to prepare for implementation, at the time of accession, of customs measures and provisions that will not be introduced until then.

### ***External Relations***

- Undertake an analysis of all international treaties and agreements in order to ensure that preparations are made so that those which are incompatible with the *acquis* are terminated or renegotiated in due time.

### ***Financial control***

- Implement Public Internal Financial Control legislation and make further amendments to implement the Strategy Paper and the Operational Plan for the PIFC Agency.
  - Delegate internal auditors to remaining Ministries.
  - Further Public Internal Financial Control manuals and Audit Trails to be elaborated.
- Strengthen further the administrative capacity of the PIFC institutions.
- Ensure the professional criteria for and functional independence of the PIFC Agency leadership in compliance with commitments.
- Upgrade external audit functions, especially in terms of systems-based and performance audits, and enhancing training efforts.
  - Rules on Financial Management and Control of the NAO and any interaction with Parliament to be adopted and implemented.
  - Standard of audit of EU funds and programmes, Code of Ethics and amended General Standards to be adopted and implemented.
  - Audit manual to be finalised.
- Continue to strengthen the capacity of the National Fund, the CFCU and other implementing agencies dealing with pre-accession funds in preparation for the extended decentralisation of Phare and ISPA implementation.
- Ensure the correct implementation of the provisions with regard to the treatment of irregularities under Phare, Sapard and ISPA
- Establish a well-functioning and operationally independent Anti-Fraud Co-ordinating Service (AFCOS), responsible for the co-ordination of all legislative, administrative and operational activities related to the protection of the Communities' financial interests.

- Implement effective co-operation with OLAF through this service.
- Take the necessary steps to prepare for implementation of the acquis on the protection of the Euro against counterfeiting.

### ***Financial and budgetary provisions<sup>11</sup>***

- Further develop the Treasury Single Account, the Financial Management Information System and the System for Electronic Budgetary Payments, and continued strengthening of the drafting procedure for the annual state budget.
  - Treasury system to be implemented.
  - Financial Management Information System to be established.
  - Develop standards and instructions for the application of the chart of accounts.
  - Bank accounts regime to be improved.
- Further develop an adequately staffed and equipped co-ordinating body in the area of own resources.
- Continue efforts to bring the budgetary principles and rules into line with those standards generally applicable in the Community.
  - GNP documentation to be kept in compliance with EU legislation.
  - Further steps to be taken to reduce the number of extra-budgetary funds.
  - Special attention to be paid to multi-annual budgeting.
  - Macro-economic forecasting to be further developed.
  - Effective evaluation and monitoring procedures for projects and programmes to be developed.
- Improve compliance of national account statistics with ESA 95 standard and enhance their exhaustiveness.
  - Start to build up technical and administrative capacity as regards operational management of own resources and to collect and transfer future EC all own resources to the Community budget in a timely manner. Make progress on accounts for traditional own resources so these are in place on date of accession.
  - Take steps to prepare for implementation, at the time of accession, of the commitments in the areas of collection and control of Community own resources and management of the aspects of the common agricultural policy (control of export refunds...).

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<sup>11</sup> Certain actions agreed in negotiations under chapter 29 overlap with actions under other chapters and have therefore been omitted



- Start action on the organisational aspects and associated administrative capacity as regards sugar levies.
- Further strengthen efforts to set up effective instruments to combat fraud relating to VAT and customs duties.

## **5. Programming**

For the period 2000-2006, in addition to Phare, financial assistance to Bulgaria comprises support for pre-accession measures for agriculture and rural development through the pre-accession instrument SAPARD (Council Regulation (EC) No 1268/99, OJ L 161, 26.6.1999, p.87); and support for infrastructure projects in the fields of environment and transport through the structural instrument ISPA (Council Regulation (EC) No 1267/99, OJ L 161, 26.6.1999, p. 73), which gives priority to measures similar to the cohesion fund in the pre-accession period. Under these national allocations, Bulgaria can also fund part of its participation in community programmes including the Research and Technological Development Framework Programmes and programmes in the areas of Education and Enterprise. In the same period, Bulgaria will benefit from substantial EC financial support in the area of nuclear decommissioning and nuclear safety. In addition Bulgaria will have access to funding from multi-country and horizontal programmes directly related to the *acquis*. Joint financing by the candidate countries is systematically required for all investment projects. Since 1998 the Commission has worked with the European Investment Bank and the International Financial Institutions, in particular the European Bank for Reconstruction and Development and the World Bank, with a view to facilitating the co-financing of projects relating to pre-accession priorities.

## **6. Conditionality**

Community assistance for financing projects through the three pre-accession instruments Phare, ISPA and SAPARD is conditional on respect by Bulgaria of its commitments under the Europe Agreement, further steps towards satisfying the Copenhagen criteria and in particular progress in meeting the specific priorities of this revised 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.

## **7. Monitoring**

The implementation of the Accession Partnership and the roadmap is monitored in the framework of the Europe Agreement. As underlined by the European Council in Luxembourg, it is important that the institutions of the Europe Agreement continue to be the framework within which the adoption and implementation of the *acquis* can be examined. The Europe Agreement sub-committees provide the possibility to review implementation of the Accession Partnership priorities as well as progress as regards legal approximation, implementation and enforcement. The Association Committee discusses overall developments, progress and problems in meeting the Accession Partnership's priorities as well as more specific issues referred to it from the sub-committees.

The PHARE Management Committee ensures that actions financed under all three pre-accession instruments, PHARE, ISPA, and SAPARD, are compatible with each other as well as with the Accession Partnerships as laid down in the Co-ordinating Regulation (Council Regulation (EC) No 1266/99, OJ L 161, 26.6.1999, p. 68).

The Accession Partnership will continue to be amended as necessary in accordance with Article 2 of Regulation (EC) No 622/98.