CONFERENCE ON ACCESSION TO THE EUROPEAN UNION - BULGARIA -

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STATEMENT OF THE MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF BULGARIA, H.E. NADEZHDA MIHAILOVA ON THE OCCASION OF THE OPENING OF NEGOTIATIONS ON THE ACCESSION OF BULGARIA TO THE EUROPEAN UNION Brussels, 15 February 2000

Mr. President, Dear Colleagues!

It is an honour and privilege to address you on the occasion of the opening of the Intergovernmental Conference launching the negotiations on Bulgaria's accession to the European Union (EU). Please, allow me on behalf of my country and its citizens to outline the position of my Government.

A full membership in the European Union is a strategic goal for Bulgaria. It is supported by a wide consensus among the political forces and the society at large. The long cherished aspirations of the Bulgarian people for sharing the identity and the political future of a United Europe will be fulfilled by this membership.

The Luxembourg conclusions paved the way to the historic enlargement of the EU by launching an inclusive and evolutionary accession process and setting out the principles of equal treatment and individual assessment of each and every candidate. In response to that Bulgaria has further mobilised its efforts in preparing for membership.

The Europe Agreement will remain the main legal instrument of our relationship with the Union. The Agreement is being correctly implemented and the various joint institutions are functioning smoothly. Bulgaria and the European Union are well on their way to further evolve its various provisions with a view of the pre-accession stage. The Accession Partnership framework, focused on a set of priorities, streamlines the overall assistance in the context of accession.

Bulgaria has made a significant progress in meeting the membership criteria. We have fulfilled the political criteria by achieving stability of institutions, guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities. We are committed to the values and principles shared by all Members and wish to preserve and defend them in co-operation with the Union.

In the economic area Bulgaria did concentrate its efforts on the consolidation of the market reforms and policies, and the enhancement of the institutions of a functioning market economy. Backed by the EU and the international financial institutions, we achieved considerable progress in the restructuring of the industrial, agricultural, and financial sectors. Despite the shock, caused by the Russian and Asian crises and deepened further by the Kosovo conflict, the Bulgarian economy sustained its stability and growth. This strong performance was underpinned by a Currency Board Arrangement, prudent fiscal policies, economic and financial liberalization, and

opening up to the world economy. The existing consensus on the economic policies guarantees successful completion of the reforms.

The process of the transposition of Community legislation was accelerated and extended over all sectors. Bulgaria advanced in strengthening its administrative capacity, needed for the implementation of the Acquis. The National Programme for the Adoption of the Acquis is a reflection of the legislative and administrative priorities for the pre-accession period.

Bulgaria has achieved significant progress in transposing the Community legislation in the area of Justice and Home Affairs and in aligning with the best implementation practices of the Union. To successfully undertake its obligation as an external border of the Union, Bulgaria strengthened the capacity and improved the management of border controls.

Bulgaria aligns its foreign and security policy with that of the EU and NATO. We participate actively in the multilateral dialogue within the framework of the Common Foreign and Security Policy. Bulgaria follows a proactive policy of good-neighbourly relations and regional cooperation. Our efforts for ensuring security and prosperity represent a strong contribution to maintaining the stability in South Eastern Europe and in the Continent as a whole.

The 1999 Regular Report of the European Commission acknowledges the significant progress, achieved by Bulgaria in meeting the criteria for membership in the European Union. The decision of the Helsinki European Council to open accession negotiations with Bulgaria is a further confirmation of the success of the reforms and Bulgaria's preparation for EU membership. It is also a strong incentive for the country to pursue its goal of accession to the EU with even greater determination.

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Being fully aware of the rights and obligations of membership, Bulgaria is committed to observe the content, the principles and the political objectives of the Treaties and the legislation stemming from them. Bulgaria will accede to all achievements of the European integration by the date of accession.

It is our view that finding the right formula of the negotiation process is extremely important for the steady advance to accession. The opening of chapters should go in parallel with the adoption and the implementation of the relevant acquis. This holds true even for the most difficult and legislatively complex sectors. The opening of such chapters will further enhance the development in the relevant sectors and will give an impetus to the alignment process.

During the negotiations each candidate country will proceed at its own pace and will be assessed on its own merits. Our preparation is based on the working hypothesis that Bulgaria will accede to the EU before the end of 2006.

We are convinced that the membership will contribute to the harmonious and balanced development of our country. It will promote strong, sustainable growth and will assist economic modernisation. At the same time the road to accession and the accession itself should not affect the progressive strengthening of the ability of Bulgaria to cope with competitive pressures and market forces within the Union. It is our understanding that in some cases transitional arrangements, limited in scope and duration, will be necessary. Those will provide for smooth integration and coherence of the process.

As per the substantive part of the negotiating process, we would like to share the following considerations.

INTERNAL MARKET

The full participation of Bulgaria in the Internal Market shall provide the basis for long-term economic development, strengthening of enterprise competitiveness and creation of new jobs. We expect to become fully integrated into all areas and policies of the Internal Market. This will allow Bulgaria and all its partners in the Union to draw benefits from accession and jointly face the challenges of globalisation.

Bulgaria shares the understanding of how important the external borders' control of the Single market is, and is therefore committed to further enhance the control of its borders. We are fully aware that a Single Market without internal borders can only function if it is protected from external destabilising factors. In committing ourselves to perform the necessary control at the borders, we consider that financial assistance will be needed in the pre-accession period, thus allowing for smooth transformation of national services into Community services.

COMMON COMMERCIAL POLICY

Bulgaria is preparing itself to accept the Common Customs Tariff and the Common Commercial Policy upon accession. Important progress has been made in this direction to date. It might be necessary to seek a temporary solution with respect to maintaining trade relations with Macedonia, depending on whether the transitional period, envisaged in the future Association and Stabilisation Agreement between the EU and that country goes beyond the date of Bulgaria's accession.

ECONOMIC AND MONETARY UNION

The Bulgarian economy is characterised by sustained macroeconomic stability. Thanks to the successful implementation of measures, targeted at achieving long-term economic stability, progress has been made in the nominal implementation of the Maastricht criteria. Independence of the monetary authority has been assured and the public sector has no longer a privileged access to financial instruments.

Bulgaria recognises the benefits of the Economic and Monetary Union, and fully shares its objectives. We have made progress in implementing the acquis, and we would like to participate in the euro area as soon as possible - upon accession at the latest.

AGRICULTURE AND FISHERIES

The agricultural sector is of enormous significance to the Bulgarian economy. It went through an adverse transition, which shall need to be accounted for as a special factor during the negotiations. That transition created an economic basis over which the legislative and institutional framework needed to fully operate the Common Agricultural Policy is being built. Bulgaria is working hard to provide for sustainable economic growth of agriculture, taking into account the protection of the environment, the preservation of rural heritage, and the establishment of durable rural communities. It welcomes the pre-accession structural funds and believes that they will greatly contribute to making Bulgarian agriculture strong enough to resist the intensive competitive pressure of the market forces in the Union.

The favourable economic environment resulting from the adoption of the acquis, the currently implemented measures, and the favourable natural and climatic conditions that Bulgaria enjoys, will eventually unfold the full potential of the Bulgarian agriculture. It is our belief that during the upcoming negotiations under the Common Agricultural Policy that potential should be accounted for.

Bulgaria has a long tradition of fishing in the Danube, the Black Sea, and in the open seas. It also has a developed fresh water fish breeding industry. Some areas along the Danube and the Black Sea are dependent on fishing, so are some processing industries. Bulgaria is prepared to adopt the Common Fisheries Policy but it attaches importance to preserving access to its traditional fishing grounds and traditional fishing practices.

TRANSPORT AND ENERGY

With accession to the European Union, the Bulgarian transport network will become part of the European transport network and will have to operate accordingly. The efficient operation and development of the national infrastructure network integrated in the Trans-European transport system is of common interest for both Bulgaria and the European Union. The advanced legislative alignment needs to be backed up by a major investment. Taking into consideration the size of this investment and the fact that it shall be of benefit both for Bulgaria and for the European Union, we would expect solidarity on behalf the Union.

Bulgaria fully shares the objectives of the policy pursued by the Union in the field of energy and will seek to implement the Union standards. A high degree of infrastructure development in the energy sector is in the common interest of both Bulgaria and the European Union. As compliance with certain parts of the EU legislation is quite capital intensive, some temporary and partial derogation might be envisaged.

ENVIRONMENT

Bulgaria fully shares the objectives of the environmental policy of the European Union and is resolved to implement its high standards. The application of the EU acquis is directly linked to the capacity of our economy and shall be implemented in due correspondence to the improving competitiveness of the economy.

In our view, strict compliance with certain provisions of the acquis necessitates substantial investment. To this effect some transitional solutions need to be found. An integrated approach comprising the environmentally friendly development, social cohesion and sustainable economic growth will be in common interest of the Bulgarian and the European citizens.

The natural heritage of our country needs to be preserved in order to maintain the existence of vital populations of plant and animal species, unique for the Bulgarian territory. We consider the preservation of these specific features of vital importance.

ECONOMIC AND SOCIAL COHESION

Bulgaria shares the vision that the economic and social cohesion is essential for the further prosperity of the Union. We attach particular importance to our participation in the Union's policy, based on the principles of cohesion, solidarity, due account being given to the social dimension of the economic integration. We believe that the integration process will gradually diminish the differences in regional development. To this effect we anticipate that assistance in the framework of the reformed EU Structural Policy will be accorded to Bulgaria in the same manner as to the less developed regions of the EU. In this context we expect that the whole territory of Bulgaria will be regarded as such an area under the respective Treaty provisions.

JUSTICE AND HOME AFFAIRS

Notable achievements have been made in the area of visas, asylum, immigration and other policies, related to free movement of persons. This overall progress makes Bulgaria a significant contributor and an important partner in the establishment of an Area of Freedom, Security and Justice throughout Europe. In this aspect we wish to raise an issue indirectly related to the

negotiating process and yet of a great significance for us. Bulgaria is confident that the EU Member States will do their utmost to introduce a visa-free regime for Bulgarian nationals. Such a decision will correspond to the progress achieved on our side.

BUDGETARY PROVISIONS

A large degree of legislative alignment has been achieved with a view to introduce a budgetary system that will enable Bulgaria to meet Community requirements. This includes the cofinancing and the multiannual programming, as well as our participation in the Community system of own resources.

We consider that negotiations on Bulgaria's contribution to the Union's budget should be consistent with the level of the country's economic development. Bulgaria's participation in the regional, structural, agricultural and social policy financing mechanisms should be based on the principle of solidarity and equality as from the date of accession.

INSTITUTIONS

Bulgaria is interested in joining a more coherent and strong Union that will have even more democratic, transparent and operational decision-making mechanisms. It is of great importance that the balance between small and large member states will be guaranteed. Bulgaria firmly believes that enlargement should not be delayed, and that the ongoing Intergovernmental Conference on Institutional Reform will be completed successfully.

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The successful conclusion of the accession negotiations launched today will demand a sustained effort from both sides. Bulgaria is determined to take on in the next years what its European partners have been building for decades. As a future member state we are prepared to effectively contribute to the evolution of the integration process.

The accession process will provide the Bulgarian economy a further impetus for development. The full introduction of the European rules and practices in this rapidly growing emerging market will make the country very attractive for foreign investment. On the other hand by expanding its border to include Bulgaria, the European union will come closer to regions, rich in natural resources and of great economic potential, with which Bulgaria has traditional economic ties.

Bulgaria is a model for neighbourly co-operation and a factor of stability in South-Eastern Europe. Situated on a strategic cross-road between continents, Bulgaria shall endeavour to increase the influence of the European union as a global player.

Bulgaria will enrich the Union with its traditions, language, and culture resulting from a millennial historic development. Our membership will add value to the unique European diverse identity .

Ladies and Gentlemen,

History has presented us with the rare, if not unique opportunity – to unite Europe on the basis of shared ideals and agreed common rules. It is our responsibility – all of us gathered here today – to seize it and make sure that all the peoples of this continent can live together in peace, stability and prosperity, sharing common values. The negotiations that we launch are in fact a decisive and very important step towards the accomplishment of that goal. Whatever the difficulties along the road, we are confident that we can overcome them in spirit of partnership.

Let me go back more than a hundred years ago, when the European Union was not even a dream. Far back in the dawn of the new 20th century, the then Bulgarian Prime Minister Stoilov pronounced the prophetic words that can be quoted literally today:

"Bulgaria's wisest policy is to prove to the world that, small as it is, this country is a link in the chain of pan-European policy, another champion of peace, and yet another state working for the culture and advancement of Europe and the world."

There is not much that could be added.

Mr. President, dear colleagues, thank you for your kind attention!