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Romania's path towards accession

Excellencies, Ladies and Gentlemen,

It is a great pleasure for me to speak to you today on Romania's EU accession negotiations. The sentiment of being truly in the "middle" of Europe here, once the current round of enlargement, of which Romania forms an integral part, will be successfully completed, gives me a particular satisfaction, as I have been involved with the preparations of EU accession negotiations ever since 1994. Romania is literally at the verge of joining the European Union. As you know, it is our common objective to see the country join the EU, together with Bulgaria, in January 2007. The Commission only a week ago has expressed its expectation that Romania, and Bulgaria, should be ready for membership by that date. I would like to pay tribute to the great efforts the Romanian government, and of course the Romanian people, have put into making this vision become reality.

It is clear that preparing for EU membership has been and continues to be a demanding task for Romania. I believe the progress in accession negotiations has been a true and honest reflection of the difficulties that can be overcome, and of the actual progress on the ground Romania has achieved so far.

Membership criteria are challenging in political, economic, social, and, last but not least, administrative and budgetary terms. The EU is closely monitoring Romania's progress in transposing and implementing the acquis, and in further developing the necessary administrative capacity to enforce it. The credibility of the whole process lies with this approach, where every country comes in on the same terms.

It is clear that politically and economically, against the background of its legacy, Romania has had to come a longer way than, say, Slovenia. It has to work hard on further integrating minorities like the Roma. It has to vigorously continue its economic reform path, thus creating a reliable business environment. It has to put great effort into bringing its administration and judiciary up to the necessary level.

The European Commission, in its recent Regular Report on Romania's progress towards accession, has concluded that Romania complies with the criterion of being a functioning market economy. The Commission also points out that vigorous implementation of its structural reform programme should enable Romania to cope with competitive pressure and market forces within the Union. However, the Commission also stresses what needs to be done: financial discipline, adjustment of energy prices towards cost recovery, perseverance in restructuring are some key aspects in this regard.

On the political criteria, which are fulfilled by Romania, I would just like to mention two important issues that will be of direct relevance for the final phase of the negotiations: I refer to the independence and effectiveness of the judiciary that has to further improve, and to the sustained efforts needed on the issue of corruption. With the chapter Justice and Home Affairs still on the negotiating table, it is clear that Member States will be particularly vigilant.

All shortcomings identified in the Regular Reports have to be addressed energetically in order to remedy them before accession. While more than two years until accession might seem like still a long time, there is in fact not much time left in order for Romania to tackle the issues ahead. As you know, an enhanced monitoring will be conducted and the Commission will report regularly to the Council.

Since we started accession negotiations with Romania in 2000, we are now almost at their conclusion. As you know, it is our common goal to wrap up the negotiations still this year. Negotiating chapters can only be provisionally closed where a country has made sufficient progress on the ground and its commitments to fully comply with the *acquis* until accession are therefore reliable.

The breakthrough in Romania's accession negotiations was achieved with agreement on the financial package covering both Romania and Bulgaria. It is both fair and realistic. It was drawn up on the same basis and principles applied to the ten new Member States, ringfencing expenditure over three years. It took into account the needs and specific situation of Romania, as well as the need to have regard for budgetary discipline. We succeeded in handling this crucial aspect of the negotiations without getting entangled in the wider discussions over the next Financial Perspective. This was not an easy task, I can assure you.

In addition, a number of chapters proved difficult in the course of the negotiations, for various reasons. For example on Energy, where Romania has to effectively fight the problem of accumulation of arrears which burden the state budget.

The great efforts both sides have put into the accession negotiations have born fruits. I should say that, also looking at the results of the negotiations, Romania has been treated on the same basis as the ten new Member States, in terms of the transitional arrangements we have agreed. To give you some examples: We accepted transitional periods for the acquisition of land and secondary residences under the chapter on the Free movement of capital, we agreed a number of specific provisions in Agriculture, without however jeopardising the high level of food safety in the EU, or we admitted that extra time will be necessary in some areas of the environmental acquis, because they are investment-heavy. However, I should underline that it is of pivotal importance for Romania to further strengthen its administrative capacity in order to be in a position to live up to the obligations of membership.

With the provisional closure of the chapter freedom to provide services last month, all chapters governing the four freedoms in the Internal Market have been successfully dealt with. Environment has been a complex chapter, where we managed to agree on a number of transitional periods also in September. However, we need to come back to a number of issues under this chapter, on water and industrial pollution for example. Finally, we provisionally closed the chapter on Regional Policy recently, confirming the substantial financial assistance Romania is set to receive as an EU member, if it has all the structures and procedures properly in place to take advantage of the funds.

Where do we stand now, only weeks away from the European Council on 17 December? Two full chapters, Competition and Justice and Home Affairs, are still on the negotiating table, together with the environmental issues I mentioned before. I believe these two chapters represent in a nutshell the challenges Romania is facing: the good functioning of the market economy in the sense of the membership criteria,

which include the crucial compliance with EU competition policy as regards state aids, but also restructuring in the steel sector.

Closing negotiations on the chapter Justice and Home Affairs finally will be the moment of truth for the credibility of Romania's membership preparations, if I can put it that way. It is about key state functions, consolidating a reliable judiciary, fighting corruption and organised crime, protecting its citizens and the EU's external border.

Finally, let me say a word about the specific safeguard or "postponement clause" that has already been agreed with Bulgaria. Let me be quite clear about this: It is not that the Union has less confidence in Romania or Bulgaria than it trusted the ten new Member States. It is a question of time, since we are about to finalise negotiations two years ahead of the envisaged accession date. But we have to be sure, and this is also in the interest of Romania and Bulgaria, that both countries can for example properly protect the external borders of the EU, safeguard a high level of food safety, or, last but not least, take full advantage of the funds under the Common Agricultural Policy.

Finalisation of the negotiations with Romania still this year is within reach, and personally, I am confident that this will be achieved. But enhanced monitoring will continue until accession and Romania will have to persevere in its efforts in order to deliver on all its commitments.

Thank you very much for your attention.
