

Speech by Mr Olli Rehn

Member of the European Commission, responsible for
Enlargement

**“Bulgaria and Romania to become
Member States in the EU”**

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Presentation in the EP

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Mr President, Honourable Members,

I would like to join President Barroso in congratulating Bulgaria and Romania on their historic achievement. Over the past months, both countries have demonstrated their readiness to join the EU. The key to this success was a combination of substantial Bulgarian and Romanian efforts with the strong encouragement and support of the Union.

Let me also join President Barroso in thanking the European Parliament for its continuous support for a carefully managed accession process.

The Commission's assessment is based on an even more rigorous system of conditionality than that applied in the past. Over the past two years in particular, Bulgaria and Romania have responded strongly to our system of conditionality. This has resulted in a remarkable transformation, with reforms in several sectors peaking over the past 3-4 months. The strategy we devised together last May has worked well.

Today's report focuses on those areas which required further progress in May. The majority of Bulgaria's and Romania's overall preparations had already been completed by then.

As you will see in the report, the two countries have successfully addressed about half of the open areas we identified in May. We therefore expect the majority of remaining issues to be resolved during the months to come.

In terms of the political criteria, Bulgaria has continued the judicial reform process. The legal framework has improved, for instance, through the adoption of rules establishing objective procedures for the appointment and evaluation of magistrates. The ongoing preparations of constitutional reform are also very welcome.

Efforts to combat corruption have resulted in more officials having to declare their personal assets and in the establishment of internal fraud inspectorates. The Prosecutor General has continued to be pro-active in terms of requests for lifting immunity of members of parliament. However, the implementation record and the practical results still need improvement.

In the fight against organised crime more specialists have been recruited and some successful actions have been registered against criminal networks. However, at the moment, the number of successful prosecutions is still low.

Romania has made further progress in reforming its justice system. Results are tangible: the interpretation and application of the law is being further harmonised and staffing levels are increasing.

There has also been progress in the fight against corruption. Criminal liability has been broadened to legal persons and rules on financing for political parties have been tightened. This has led to further non-partisan investigations and indictments of high level corruption.

The report outlines a limited number of areas where we need to see further progress in the months leading up to accession and beyond. Consequently, this report also spells out accompanying measures which the Commission will initiate upon accession, unless the remaining concerns have been remedied.

The Commission will set up a mechanism for cooperation and verification of progress in the areas of judicial reform and the fight against corruption and organised crime. For this purpose, benchmarks have been established which refer to the particular circumstances of each country. The mechanism allows the Commission to help the countries to continue the reforms with vigour, and to verify that the expected progress is taking place on the ground.

The Commission will request both Bulgaria and Romania to report bi-annually on progress in addressing these specific benchmarks until they have been met. The first report should be submitted by 31 March 2007. The Commission will then report to the European Parliament and the Council by June. The Commission will apply the safeguard measures of the Accession Treaty, if either country fails to address the benchmarks adequately.

The report underlines that EU rules contain the necessary guarantees for the proper management of EU agricultural and structural funds.

The new Regulation on structural funds provides the mechanisms to ensure these funds – EU-taxpayers' money – are spent properly. There are two stages of controls before the Commission can make any payments. Payments can be interrupted, suspended or cancelled, if the Commission suspects or detects cases of irregularities or fraud including corrupt practices. Moreover, further to this range of safeguard measures to the EU funds, financial corrections can take place if individual or systemic irregularities are found during the regular controls.

There is still a risk that preparations for the management of agricultural funds may not have been completed upon accession. As a precaution, we have adopted specific provisions to ensure the proper management of these funds by Bulgaria and Romania.

This gives both countries time to complete preparations in 2007. At the same time, failure to do so will enable the Commission in 2007 to reduce the payments. Of course, we hope that we will not have to resort to this mechanism, which should be seen as an incentive for both countries.

As to food safety, some measures are currently in place because of animal diseases. These will be maintained after accession. Restrictions may also need to be applied upon accession on the use of certain animal by-products. Non-compliant food establishments in the milk, meat and fish sectors will be denied access to the internal market, but will be allowed to produce for the national market bearing a specific label. After three years, they have to comply with EU rules or close down.

Mr President, Honourable Members,

I have outlined the sufficient guarantees offered by the acquis and the Accession Treaty. I am therefore confident that Bulgaria and Romania will enrich the Union without compromising the proper functioning of EU policies and institutions. The interests of the EU and its citizens can be assured and EU taxpayers' money protected.

Overall, Bulgaria and Romania should be commended for their far-reaching efforts to adapt their legislation and administration to the laws and rules of the European Union. On the basis of the progress made, our report shows that both countries will be ready to join the Union in 2007. The suggested accompanying measures will ensure the continuity and irreversibility of the reforms in the two countries.

I trust that I can count on your support for facilitating swift and successful ratification of the Accession Treaty in the Member States. Bulgaria and Romania have undertaken remarkable efforts to join us in the European Union. They deserve our congratulations and a warm welcome.

Thank you.