Mr Olli Rehn

Member of the European Commission, responsible for Enlargement

Accession of Bulgaria and Romania to the EU- a debate in the Bundestag

EU Committee of the German Bundestag Berlin, 18 October 2006

Honourable Chairman, honourable members,

It is with great pleasure that I accepted your invitation to address the meeting of your Committee. I will use this opportunity to inform you and discuss with you on matters related to enlargement, in particular the September report of the Commission on Bulgaria and Romania.

Three weeks ago, the Commission issued its report on the Bulgarian and Romanian accessions. The Commission concluded that as a result of the progress made, Bulgaria and Romania will be in a position to take on the rights and obligations of EU membership on 1 January 2007.

This is a historic achievement by Bulgaria and Romania. The key to their success was a combination of their own efforts with the strong encouragement and support of the Union, not least of the German Bundestag. Their accession will mark the end of the fifth enlargement, which was triggered by the re-unification of Germany in 1990.

Our report contains two main messages. First, Bulgaria and Romania made sufficient progress in their preparations for EU Membership. A critical mass of preparations has been achieved. Bulgaria and Romania will not put at risk the EU's core policies and its regulatory framework.

Secondly, we have sufficient tools to address specific problems which may arise after accession.

Over the past two years in particular, Bulgaria and Romania have responded strongly to our system of conditionality, which has been even more rigorous than the one applied in the past. This has resulted in a remarkable transformation, with reforms in several sectors peaking over the past 3-4 months. The strategy, which we discussed here during my previous visit on 31 May, has worked well.

At the same time, in a limited number of areas, though important progress has been made, we need to see further progress in the months leading up to accession - and beyond. Consequently, the report also spells out accompanying measures, provided for by the EU legislation and the Accession Treaty, which the Commission will initiate upon accession, unless the remaining problems have been remedied.

President Barroso and I visited both countries immediately after the publication of the report.

The objective of our visits was to congratulate Bulgaria and Romania with the progress made, and, in particular, to ensure work would continue in both countries. Both countries have well understood this message. As President Barroso indicated, they celebrated the confirmation of 2007 as date of accession one day, and went back to work on further progress the next day.

The report identifies accompanying measures for the accession of Bulgaria and Romania. These cover food safety, agricultural funds, aviation safety and judicial reform and the fight against corruption and organised crime.

In the September report, the Commission established a mechanism for cooperation and verification of progress in the areas of judicial reform and the fight against corruption and organised crime. This is a new mechanism which enables the Commission, for the first time, to keep a close eye after accession on developments in these important areas.

The Commission has identified benchmarks for Bulgaria and for Romania which the countries need to fulfil in the areas of judicial reform and the fight against corruption and organised crime.

The Commission is now preparing a Decision establishing the details of this cooperation and verification mechanism for these areas. This will be adopted before the end of 2006. It will allow the Commission to be thoroughly informed about the further reforms and actions in these important areas.

The Commission will advice the countries on the basis of information from a broad array of sources, including the valuable contributions from Member States' experts.

Both countries are requested to submit reports on their progress in these areas end March 2007. The Commission will issue a first report on this mechanism to the European Parliament and the Council in June 2007. The Commission will apply the appropriate safeguard measures in case one of the countries does not adequately fulfil the benchmarks. These measures are based on the Accession Treaty.

Together with the report, the Commission adopted a Regulation enabling it to withhold 25 % of the agricultural funds for direct payments in case the proper administrative and control systems are not fully operational. The Commission continues its close monitoring in this area and has now created the right incentives to encourage substantial progress.

In the field of food safety, the Commission can, if necessary, decide on specific measures, in December, taking into account the latest developments in the areas where problems exist. Like for any other Member State, the Commission can, upon its own initiative or upon request form a Member State, decide to restrict the sale of certain products on the internal market in case it cannot be assured these products meet the high level EU standards. This ensures that the current problems with animal diseases (classical swine fever) in Bulgaria and Romania can be adequately addressed.

In addition, the Commission will update the list of Bulgarian and Romanian food processing

establishments which do not yet meet the EU standards and are therefore not yet allowed to sell products outside Bulgaria or Romania.

In the field of aviation safety, the Bulgarian government understood the warning of the September report well. It is working swiftly to address the shortcomings identified by the European Aviation Safety Agency EASA. EASA will closely monitor the situation and make a new assessment early December. If the situation has not sufficiently improved, the Member States can take measures.

In case any problem arises in any other area, the Commission can take measures based on the EU legislation or based on the safeguard measures of the Accession Treaty. The measures based on the Accession Treaty can be invoked up to three years after accession. Any measures actually invoked may remain in place until the underlying problems are solved, even if this is beyond the period of three years.

With the above provisions, I am 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.

Honourable members,

The last phase of the fifth enlargement is a carefully prepared process. Since the early nineties, the Union has started to support the reform efforts of both Bulgaria and Romania. Following their application for Membership in 1995, the Union enhanced its pre-accession support. Accession negotiations started in 2000 and were closed in 2004. Since then, the Commission intensified its monitoring.

In addition, the Accession Treaty provides several safeguard measures. The result of this is that we can welcome two new Member States of the European Union on 1 January 2007. This is in line with the 2004 conclusions of the Council, which declared that Bulgaria and Romania would join the EU in 2007 if they were ready.

I am confident that we can count on your full support for this important step for the European project.

Allow me now to elaborate briefly on our present enlargement agenda, which covers the Western Balkans and Turkey. Last June the European Council reaffirmed we will honour existing commitments with respect to enlargement.

Accession negotiations with Croatia and Turkey were opened on 3 October 2005. So also in these two countries, 3 October is an historic day. Their first stage, the so-called 'screening' of their national legislation, will have been completed for all negotiation chapters by the end of this month. So far one chapter has been opened for negotiations and the negotiations in this area have been provisionally concluded for both countries.

The EU has set itself the goal of coming to terms with institutional issues and the mid-term review of the financial perspective by 2008-2009. No new accession is envisaged before

then. There will be no simultaneous entry of a large group of countries in the foreseeable future. Accession negotiations of any candidate country will be guided by the progress in the country itself.

Major challenges are presently facing the Western Balkans, Kosovo's future status being the most pressing one.

The European Council has repeatedly reaffirmed its commitment for eventual EU membership of all Western Balkan countries, once they fulfil established criteria and conditions. The future of the Western Balkans, including their European future, is of course principally in the hands of its own peoples and governments.

Concrete evidence of the European commitment are the steps made during the last year: opening of accession negotiations with Croatia, the approval of the candidate status of the former Yugoslav Republic of Macedonia, signing of the Stabilisation and Association Agreement with Albania, opening of negotiations for such agreements with Serbia-Montenegro, and Bosnia-Herzegovina, and most recently with Montenegro, following its independence.

On the other hand, as a manifestation of the fact that the EU takes conditionality seriously, negotiations with Serbia were put on hold when it was established that co-operation with the ICTY was not sufficient.

Turkey's accession is a matter for constant debate. The momentum for reform has slowed down in Turkey in the past year.

However, we should not lose sight of the progress accomplished in the last decade, nor of our commitment towards Turkey. The goal of the negotiations is EU membership of Turkey. Integrating Turkey into the EU is of mutual benefit. The EU needs, for its own interest, a democratic, modern, stable and increasingly prosperous Turkey. Turkey's strategic significance was once again illustrated by its decision to take part in the UNIFIL mission in Lebanon.

The European Council decided to open accession negotiations one year ago because Turkey sufficiently fulfilled the political criteria. This decision was widely supported in the European Parliament. The challenge of EU accession calls now for a wide and thorough reform process in Turkey. This constitutes a window of opportunity for substantial changes and welfare gains for the Turkish society. Progress in the negotiations depends first and foremost on the pace of structural reforms, notably of those related to the political criteria.

Progress in the accession negotiations also depends on Turkey honouring its obligations under the Association Agreement and its Additional Protocol, which extends the Agreement's application to the ten new Member States. This means that Turkey must open its ports to vessels under flag of all Member States, including the Republic of Cyprus.

In the past twelve months, there has been an overall lack of such progress. Crucial areas are freedom of expression, freedom of religion and the problems faced in the country's South-

east, which should be addressed in accordance with European values and standards.

To sum up, it is in our mutual interest that Turkey continues its process of political, economic and social transformation in view of joining the EU. It is therefore all the more important that it takes new initiatives and achieves tangible progress before the Commission's report is presented on 8 November. This message was also given by Chancellor Merkel during her visit to Turkey earlier this month.

Honourable chairman, honourable members,

Enlargement has been one of the most successful policies of the EU in the past years. It has brought peace, prosperity and stability to large parts of Europe, for the benefit of all of us. Enlargement needs to continue, managed by the principles of conditionality, consolidation, and communication. I count on your constructive approach towards further increasing this zone of peace, prosperity and stability.

