

COUNCIL DECISION
of 6 December 1999
on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with the Republic of Poland

(1999/851/EC)

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 ⁽¹⁾, 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) 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;
- (3) Community assistance is conditional on the fulfillment of essential elements, and in particular on the respect of the commitments contained in the Europe Agreements and on progress towards fulfillment 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;
- (4) 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;
- (5) the 1999 Commission's Regular Report presented an objective analysis on the Republic of Poland's prepara-

tions for membership and identified a number of priority areas for further work;

- (6) in order to prepare for membership, the Republic of Poland should update its national programme for the adoption of the *acquis*; this programme should set out a timetable for achieving the priorities and intermediate objectives established in the Accession Partnership,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2 of Regulation (EC) No 622/98, the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership for the Republic of Poland 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 to which the Commission shall report regularly.

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, 6 December 1999.

For the Council

The President

T. HALONEN

⁽¹⁾ OJ L 85, 20.3.1998, p. 1.

ANNEX

POLAND: 1999 ACCESSION PARTNERSHIP

1. 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 1999 Regular Report on the progress made by Poland towards membership of the European Union, the financial means available to help Poland implement these priorities and the conditions which will apply to that assistance. This 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 revised National Programme for the adoption of the *acquis*, the Joint Assessment of medium-term economic policy priorities, the Pact against organised crime as well as the National Development Plans and other sectoral plans necessary for the participation in 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. They are not an integral part of this Partnership but the priorities they contain will be compatible with it.

2. 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:

- 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, the European Council stressed the need for the candidate States to adjust their administrative structures to ensure the harmonious operation of Community policies after accession and at Luxembourg, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied.

3. PRIORITIES AND INTERMEDIATE OBJECTIVES

The Commission's Regular Reports have highlighted the extent of the efforts which still have to be made in certain areas by the candidate States to prepare for accession. This situation requires the definition of intermediate stages in terms of priorities, each to be accompanied by precise objectives to be set in collaboration with the States concerned, the achievement of which will condition the degree of assistance the progress of the negotiations under way with some States and the opening of new negotiations with the others. The priorities and intermediate objectives in the revised Accession Partnerships are again divided into two groups, short- and medium-term. Those listed under the short term have been selected on the basis that it is realistic to expect that Poland can complete or take them substantially forward by the end of 2000. The priorities listed under the medium term are expected to take more than one year to complete although work should, wherever possible, also begin on them during 2000. The progress made in meeting the priorities of the 1998 Accession Partnership is assessed in the 1999 Regular Report. This assessment has been used in formulating the priorities for the current partnership.

Poland submitted a revised version of its National programme for the adoption of the *acquis* (NPAA) on 31 May 1999. It sets out a timetable for achieving priorities and intermediate objectives, based on the first Accession Partnership, as well as necessary administrative structures and financial resources.

The Accession Partnership indicates the priority areas for Poland's membership preparations. Poland will nevertheless have to address all issues identified in the Regular Report. It is also important that Poland fulfils the commitments of legislative approximation and implementation of the *acquis* in accordance with the commitments made under the Europe Agreement, the screening exercise and 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 analysis of the Commission's Regular Report, the following short and medium term priorities and intermediate objectives have been identified for Poland.

3.1. Short-term (2000)

Economic criteria:

- maintain progress achieved in ensuring macroeconomic and budgetary stability,
- make real progress in restructuring the steel sector (e.g. by implementing measures as part of a comprehensive sectoral programme for restoring viability, including control of State aid and appropriate reductions in capacity); continue restructuring of the coal sector,
- continuation of privatisation of state-owned enterprises,
- improve functioning of land market and accelerate development of property register,
- improve bankruptcy procedures and streamline implementation.

Internal market:

- adopt by June 2000 a programme for the elimination of outstanding tariff and non-tariff market access barriers (linked to Europe Agreement obligations),
- intellectual and industrial property rights: adopt Copyright and Neighbouring Rights Law and amendments. upgrade intellectual and industrial property enforcement at administrative and judiciary level,
- free movement of goods: adopt Law on National Conformity assessment system; adopt legislation implementing the general product safety and product liability directives; modify the 1993 Act on standardisation; start with transposition of New Approach directives; establish an independent administrative infrastructure in line with the acquis; adopt chemicals framework legislation; pursue alignment of traditional technical legislation,
- free movement of capital: amend the sectoral legislation restricting foreign direct investments,
- competition: adopt State aid law and provide adequate resources for State aid monitoring authority; complete preparation of State aid inventory; continue annual State aid reports; adopt and implement programme for alignment of special economic zones,
- telecommunications: adopt and implement telecommunications law; establish national regulatory authority by June 2000,
- audiovisual: complete alignment of legislation,
- taxation: implement VAT legislation with particular attention to refund schemes, rates and deductions; align the excise duty legislation as regards alcoholic beverages and the taxation of cigarettes; ensure that new tax measures comply with the principles of the Code of Conduct for business taxation,
- customs: implement modernisation strategy for the customs administration including regional levels; harmonise application of Customs code.

Agriculture:

- further elaborate and implement a rural development plan on a sustainable future for the Polish rural economy including measures dealing with the modernisation of farming and related industries, administration of agricultural lands including the issue of leasing, accompanying social measures, and raising public awareness on the future of farming in rural communities,
- review Polish agricultural trade policy with a view to reducing dependency on import barriers and increasing competitiveness,
- continue alignment of veterinary and phytosanitary legislation and upgrade inspection arrangements in particular at the future external border,
- start to rationalise and upgrade testing and diagnostic facilities; modernise meat and dairy plants to meet European Union hygiene and public health standards.

Transport:

- align legislation on maritime safety standards.

Fisheries:

- accelerate preparations for the adoption of a fisheries policy and fisheries restructuring programme,
- elaborate an integrated development programme for establishment of adequate institutional structures, resources and equipment relating to inspection and controls at central and regional level and establish fleet register.

Employment and social affairs:

- prepare a national employment strategy with a view to later participation in the European employment strategy including through the launch of a joint employment review,
- support the social partners' capacity-building efforts in developing and implementing the social acquis, notably through bipartite social dialogue.

Environment:

- draft a legal approximation strategy for the environmental sector including directive-specific approximation and implementation programmes,
- accelerate transposition and implementation with special focus on the air and waste framework directives, industrial pollution control and industry-related directives and water directives including the draft water framework directive,
- develop a financial investment plan for the implementation of investment in strong directives in the field of air, water and waste as well as industrial pollution control (directive-specific implementation programmes) and based on estimations of costs of alignment and sources of public/private finance year-by-year,
- complete transposition and enforce the Environmental Impact Assessment directive,
- strengthen the environmental administration and its enforcement capacity both at national and regional level.

Justice and home affairs:

- adopt and implement national integrated inter-agency border management strategy with particular attention to the budgetary requirements of the eastern border,
- strengthen national coordination body for all law enforcement services at central, regional and local level,
- upgrade institutional capacity regarding the fight against organised crime and drug trafficking,
- implement an anti-corruption and anti-fraud programme (particularly customs service, police and judiciary); strengthen capacities to deal with money laundering; ratify the Council of Europe 1990 Convention on laundering search, seizure and confiscation of the proceeds of crime, the European Criminal Convention on corruption and the OECD Convention on bribery.

Reinforcement of administrative and judicial capacity, including the management and control of European Union funds:

- Phare ⁽¹⁾, ISPA ⁽²⁾ and Sapard ⁽³⁾: further elaborate the National Development Plan and the Rural Development Plan; adopt the legal, administrative and budgetary framework (audit manual and audit trail) to programme and manage ISPA and Sapard, including the introduction of environmental impact assessments and European Union compatible public procurement rules for projects co-financed by Community Funds; establish a functioning paying agency for Sapard,
- complete legislative framework for internal and external financial control: set up a central organisation within government for harmonising internal audit/control functions; set up internal audit/control units in spending centres; introduce 'functional independence' for national internal controllers/auditors at both central and decentralised levels and *ex-ante* financial control; strengthen external financial control.

3.2. Medium-term*Economic criteria:*

- establish an annual fiscal surveillance procedure aimed at bringing the reporting, monitoring and control of public finances, specifically fiscal positions, in line with European Union procedures,

⁽¹⁾ Phare = Action plan for coordinated aid to Poland and Hungary.

⁽²⁾ ISPA = Instrument for Structural Policies for Pre-Accession.

⁽³⁾ Sapard = Special Accession Programme for Agriculture and Rural Development.

- review national policy aimed at improving the competitiveness of the Polish economy including market access readiness, SMEs, the existence of a conducive legal and commercial environment and upgrading of skills in particular in rural and eastern border regions,
- complete steel and coal restructuring,
- continue reform of social insurance financing,
- consolidate land market and complete property register.

Internal market:

- public procurement: abolish by the end of 2002, National Preference Clause for public procurement by introducing access to award procedures in Poland for all Community companies,
- free movement of goods: complete alignment including conformity assessment and market surveillance systems; complete adoption of EN standards; complete transposition and implementation of new approach directives and sectoral legislation; ensure implementing structures for all sectors,
- free movement of capital: abolish remaining restrictions at the latest by the end of 2002 and strengthen surveillance and regulatory bodies; liberalise progressively short-term capital movements,
- free movement of services: develop monitoring and regulatory bodies,
- free movement of persons: complete alignment of mutual recognition of diplomas,
- competition: reinforce the anti-trust and State aid authorities and procedures; improve transparency and flow of data, coordination and training at all levels,
- telecommunications: consolidate national regulatory authority; adopt spectrum monitoring system,
- taxation: complete alignment of tax legislation including the transitional VAT regime; review existing laws and ensure compatibility with the code of conduct for business taxation; implement national strategy for the improvement of tax and revenue collection and reinforce tax administration and control procedures,
- consumer Protection: strengthen market surveillance and enforcement,
- customs: reinforce administrative and operational capacity, strengthen integrated border control; develop an integrated tariff.

Agriculture:

- implement rural development plan,
- reinforce common agricultural policy management mechanisms and administrative structures (monitor agricultural markets and implement structural and rural development measures, set up bodies and control mechanisms),
- continue restructuring the agrifood sector; reinforce food control administration,
- implement phytosanitary and veterinary administration border inspection posts development programme; complete system of animal identification; implement quality control system (hazard analysis critical control point), animal waste treatment, modernise meat and dairy plants residue and zoonosis control programmes; complete inspection systems on future external borders; implement national laboratory plan for testing and diagnostic facilities.

Fisheries:

- further implement Fisheries Policy and related alignment (in particular Common Fisheries Market legislation) and budgetary commitments,
- develop the capacity to implement and enforce the common fisheries policy, including adequate institutional resources and equipment for inspection and controls at central and regional level.

Energy:

- prepare for the internal energy market, notably the electricity and gas directives (including adaptation of energy prices to cost levels and the establishment of a regulator),
- align oil stock requirements and improve energy efficiency.

Transport:

- complete alignment and reinforce administrative/enforcement capacity in road transport (market access, road safety, rules for dangerous goods and taxation), railways, maritime transport (including ship reporting and classification requirements), inland waterways (technical requirements for vessels) and air transport (in particular air safety and air traffic management).

Employment and social affairs:

- transpose and implement European Union legislation in the field of occupational health and safety including the framework directive), labour law, equal treatment of women and men, and public health; reinforce the related administrative structures and those required for the coordination of social security.

Economic and social cohesion:

- develop national policy for economic and social cohesion and prepare for the implementation of regional development programmes as well as Community initiatives; clarify the organisation of the administrative structures dealing with structural policies; organise efficient interministerial coordination and clarify responsibilities for regional policy issues; improve the budgetary system according to structural funds standards, including appraisal and evaluation.

Environment:

- continue transposition and start implementation, in particular in the field of chemicals, genetically modified organisms, noise and remaining directives in the air and waste sector,
- strengthen the monitoring capacity by streamlining the water monitoring network and further developing the air monitoring infrastructure,
- integrate sustainable development principles into the definition and implementation of all other sectoral policies.

Justice and home affairs:

- further upgrade law enforcement bodies and the judiciary (staff numbers, training and equipment), in particular border control and illegal immigration to enable full participation in the Schengen information system to continue the fight against organised crime, trafficking in women and children, drug trafficking and corruption; ensure better coordination between law enforcement bodies,
- continue progressive alignment of visa legislation and practice with that of the European Union,
- strengthen police cooperation mechanisms with Europol in fight against organised crime (in particular money laundering, drugs and trafficking in human beings),
- align legislation and administrative capacity for implementation of the asylum and migration acquis, for full reciprocal cooperation with the European Union,
- implement integrated border strategy.

Reinforcement of administrative and judicial capacity, including the management of European Union funds:

- consider adopting fast-track procedure for European Union legislation,
- strengthen statistical capacities,
- complete legislative framework and administrative capacity for internal financial control at regional level by the end of 2001. Consolidate anti-fraud unit. Strengthening of public financial control functions through the provisions of adequate staff, training and equipment,
- improve operation of the judicial system; training for the judiciary in Community law and its application; reinforcement of institutions (in particular police, border guards, ministries and courts).

4. PROGRAMMING

The Phare allocation for the period 1995 to 1999 has totalled EUR 1 022 million. Following the agreement of the European Council in Berlin on 24 and 25 March 1999, financial assistance to the applicant States during the period 2000 to 2006 will also comprise support for pre-accession measures for agriculture and rural development through the pre-accession instrument Sapard (Council Regulation (EC) No 1268/1999, OJ L 161, 26.6.1999, p. 87) and a structural instrument ISPA (Council Regulation (EC) No 1267/1999, OJ L 161, 26.6.1999, p. 73) which will give priority to measures similar to the cohesion fund in the pre-accession period. Under these national allocations, Poland can also fund part of its participation in Community programmes including in the Fifth Research and Technological Development Framework Programme (OJ L 26, 1.2.1999, p. 1). In addition Poland will have access to funding from multi-State programmes directly related to the *acquis*. Joint financing by the applicant States is systematically required for all investment projects. Since 1998 the Commission has worked with the European Investment Bank and 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.

5. CONDITIONALITY

Community assistance for financing projects through the three pre-accession instruments Phare, ISPA and Sapard is conditional on respect by Poland 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 Accession Partnership in 2000. 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.

6. MONITORING

The implementation of the Accession Partnership 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 of the *acquis* can be examined, in accordance with the same procedures, irrespective of whether or not negotiations have been opened. The relevant sections of the Accession Partnership are discussed in the appropriate subcommittee. The Association Committee discusses overall developments, progress and problems in meeting its priorities and intermediate objectives as well as more specific issues referred to it from the subcommittees.

The Phare Management Committee ensures that financing decisions under all three pre-accessions instruments, Phare, ISPA and Sapard, are compatible with each other as well as with the Accession Partnerships as laid down in the Coordinating Regulation (Council Regulation (EC) No 1266/1999, (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.
