

## **Corruption**

By joining NATO and the EU the expectation is that Romania will move from an unpredictable environment to one of predictability. This change will offer a more attractive environment for foreign investment in Romania. However, the greatest obstacles to foreign investment remain endemic corruption in the political class and the failure to implement legislation. In the view of one investor 'every new law seems to provide new possibilities of corruption.'

According to the Corruption Performance Index for 2002 of Transparency International Romania is ranked 77<sup>th</sup> (69<sup>th</sup> in 2001). Greece is 44<sup>th</sup> and the Czech Republic 52<sup>nd</sup>. Corruption is one of the biggest deterrents to investors: of \$30 billion invested in central EU last year, Romania received 1/30<sup>th</sup>.

There is a view amongst observers of Romanian affairs that the EU has been lacking in robustness in publicly castigating Romanian government for dragging its feet over addressing corruption. The US ambassador has been making the rounds until the middle of October 2003 when British and French ambassadors made trenchant comments about the problems. The President of Italy, Carlo Ciampi, at opening of Italian-Romanian economic relations in mid-October, said that Italian investors were looking for greater transparency in administration, clear application of the law, and a simplification of tax obligations.

The US ambassador Michael Guest made a statement on 5 September 2003 after Romanian PM Năstase declared that foreigners were using the problem of corruption against the Romanians. Guest said: 'The simple truth is that corruption represents one of the most important problems which prevents the country from evolving as it should. There has been some progress in the fight against corruption, but we have to say that there is still much to be done.'

Romanians polled in May 2003 by the Open Society Foundation shared US ambassador's concern: 41% said corruption had increased under the present government, 36% said it remained the same, and only 10% replied that it had fallen. Only 7.5% believed that effective measures against it would be taken in the future.

A World Bank study last year showed that Romanians were paying 50% more for some of the same imported goods as Hungarians and Czechs, and ascribed it to illegal customs duties.

According to a study by Price Waterhouse Romania lost \$2.5 billion last year through corruption.

Between January and October 2002, over \$1.5 billion transferred illegally abroad, according to the Romanian Ministry of Finance

## **Corruption in government**

The secretary-general of government and a member of the PSD was forced to resign on 20 October 2003 following allegations by a Swiss businessman of Romanian background that he asked for a large fee to secure a contract. Here it should be stressed that the concept of 'resigning' is not part of the political vocabulary in Romania.

**Corruption and traffic in young persons** goes hand in hand – young women from Ukraine and Moldova pass through Romania to Serbia via two routes – from Turkey, Bulgaria into Romania and onto Hungary and Serbia, and from China, southern Caucasus, Moldova and Ukraine into Romania to Hungary.

### **Corruption in customs**

At several customs posts it has been alleged by former employees of the customs services that the head of shift takes 50% of the daily ‘take’ of unauthorized customs duties and that 40% of this goes to the PSD coffers.

### **Corruption in justice**

Intrusion of the executive in justice: in June 2003, the general prosecutor – a political appointment – referred the head of the Supreme Court to the Higher Council of Magistrates over his release of a judge who had been arrested for allegedly accepting bribes but whom it is widely believed was arrested because she sent a 630- page memorandum on corruption in the county of Mures to the Minister of Justice, Rodica Stanoiu.

There is an unofficial scale of fees to be paid to judges to influence judgement in civil cases. Not all judges accept these fees, but several do, especially in property cases.

### **Bancorex scandal**

Preferential loans were given by President of the Bancorex bank Răzvan Temeșan between 1993-96 for 400 persons of whom 60 who occupy key posts today in the police, in justice, in the tax evasion inspectorate (garda financiară), in security and intelligence services – that is, in the very bodies charged with combating corruption. After elections of 2000 in which the PSD was victorious, all charges were dropped against Temeșan.

### **Moral corruption - plagiarism**

Plagiarism is a blight on the educational system in Romania. The Minister of Health was forced to resign after persistent allegations in the Romanian press – supported by evidence- that he published under his own name a book on medicine written by a French doctor.

Chapters in a volume in the recently-published Romanian Academy ‘History of the Romanians’ were plagiarized from studies written by other Romanian historians. No action has been taken against the editors of the volume. One of the contributions to a textbook of Romanian literature, coordinated by the President of the Romanian Academy, has been shown to have been written by an unacknowledged author. Since the press highlighted this case, the textbook has been re-printed. What examples do these set to the young who now ask their teachers why they cannot plagiarize in writing their essays ?

This failure to accept responsibility for one’s actions is a festering sore in Romanian society. Unless there is seen to be a sanction against corruption both giver and taker will continue to regard it as an essential part of a transaction.

## **Measures taken to combat corruption**

Transparency law (law 52/2003) passed and published on 3 February – not to be confused with law 544 of 2001 regarding access to public information. The transparency law gives citizens the chance to participate in the process of drafting regulations through suggestions made to public administrative authorities. The authorities of central and local public administration are required to publicize the drafts of future regulations before their adoption. Individuals or organizations may send their views on the proposed regulations to the authorities.

Anti-corruption law 161, adopted in April 2003. This requires the declaration of interests and wealth of public officials and elected local and national representatives and provides for penalties for corruption. In 2001, Romanian parliamentarians collectively owned more private companies than there were members of the legislature. The press has revealed several cases where members of parliament have treated the requirement to register wealth with disdain. One deputy declared that her only property was a poodle dog.

From an analysis of declarations made by local officials in August 2003 it emerged that 38% of the 260 local advisors in the areas studied had paid positions in state institutions or companies, and 28% in private companies. Many local councillors were teachers.

Dennis Deletant  
December 2003



# **Building administrative capacities for European Regional Policy and Structural Funds**

**Richard Harding**

**National level Pre-Accession Advisor - Regional Development**

# Operational context

- **Regional development institutions**
- **Chapter 21 negotiations – Structural and Cohesion Funds**

# Development Regions



# **Regional Development Law 151/98**

- **National Board / Regional Boards**
- **National Agency / Regional Agencies**
- **National Fund / Regional Funds**

# Programme for Regional Development Training 2001-5

## TARGET GROUPS

Group 1

**Decision making bodies (NBRD & RDBs)**

**Implementing bodies (NARD / Ministry & RDAs)**

Group 2

**Key public bodies (National level)**

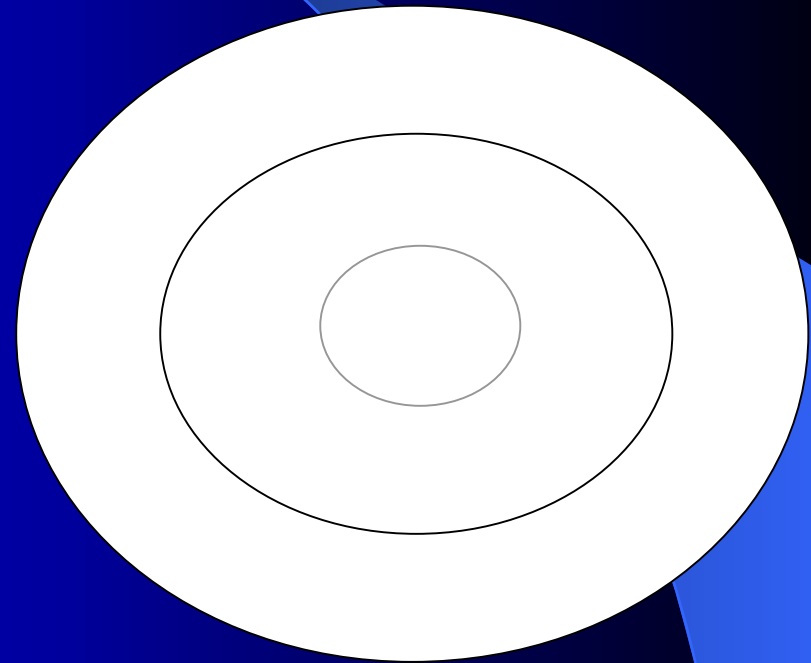
**Key Public bodies (Regional level)**

Group 3

**Beneficiaries & potential partners  
(National & Regional levels)**

Group 4

**Romanian trainers  
(National & Regional levels)**





# **Programme for Regional Development Training 2001-5**

## **STRATEGIC PRIORITIES**

- PRIORITY 1 FORMING REGIONAL DEVELOPMENT PROFESSIONALS**
- PRIORITY 2 BUILDING MANAGEMENT AND ADMINISTRATIVE CAPACITIES IN  
NARD / MINISTRY AND THE RDAs**
- PRIORITY 3 PROMOTING REGIONAL DEVELOPMENT AND PARTNERSHIP**
- PRIORITY 4 CREATING ROMANIAN TRAINERS AND BUILDING NETWORKS FOR  
REGIONAL DEVELOPMENT TRAINING**

# Chapter 21 – Programming aspects

OP  
Competitiveness

**NDP**  
**CSF**

OP  
Regional  
Development

OP  
Infrastructure

OP  
Human  
Resources

OP  
Rural  
Development

## **Chapter 21 – Institutional aspects**

- **CSF Coordinating Body / Managing Authority**
- **Managing Authority for each OP**
- **Paying Authority**
- **Intermediate Bodies**

# Key issues

- **Legal basis**
- **Inter-ministerial coordination**
- **Human resource management**
- **EDIS accreditation**

## **NEGOTIATING ACCESSION: THE CHALLENGE OF INTERDEPARTMENTAL COORDINATION**

**LEONARD ORBAN**

**Deputy Chief Negotiator  
with the European Union**

In my quality of Deputy Chief Negotiator with the European Union, I am deeply honoured to be here with you today. The theme of this event I have been invited to participate in gives the measure of the importance granted to the European Union Enlargement process and to Romania's path towards European integration. I was pleasantly surprised to find out about your interest in the impact of EU membership preparations on Romania's public administration and I am delighted to use this opportunity to present you the challenge of interdepartmental coordination in negotiating the EU accession.

First, I would like to thank you for this invitation, because it offers me the occasion to acquaint you with Romania's achievements towards a synchronized coordination of EU accession negotiations, through important changes meant to make the integration process easier and professional.

We are aware of the fact that being part of the enlarged European family implies undertaking responsibilities accordingly, at national, regional and European level all together. Without proper economic development and alignment to European standards, there could be no fulfilment of the above-mentioned goal, and it would still be left in a project phase. The Romanian Government is aware of it. We know that, in order to implement it, we need to get all society structures involved: state institutions, local and regional authorities, civil society.

As you know, Romania's EU accession negotiations were started on 15 February 2000. At that time, the process was coordinated by the Department for European Affairs within the Ministry of Foreign Affairs, that proved to be insufficient compared to the resources that had to be engaged in this process. Given the long-term significance of European integration, the Governmental structure had to be adapted in order to provide the process of preparations and negotiations for EU accession with credibility, efficiency, coherence and transparency.

Therefore, in January 2001, the Ministry of European Integration was established, as a body comprising the main part of the framework for the development of the process. Within the Ministry of European Integration, in conducting the accession negotiation process, the Chief Negotiator is working together with two negotiations directions that I coordinate, as Deputy Chief Negotiator with the EU, and with its cabinet

of personal advisers. As well, starting with 2003, a number of 500 European advisers positions were created, under the direct coordination of the Ministry of European Integration, in order to facilitate the programmes and reforms necessary in Romania's preparations for EU accession. These advisers develop their activities within the line ministries, divided according to the needs of each ministry.

Romania's goal to conclude the EU accession negotiations in 2004 and sign the Accession Treaty as soon as possible in 2005 requires institutional restructuring in various fields, as well as an efficient dialogue with the EU institutions. The reform could not be complete without an administrative restructuring meant to ensure a better administration of political, economic, social and cultural issues at national level. To this end, in June this year the Government was reshuffled, reducing the number of ministries from 24 down to 14. Given the importance of EU accession, the Ministry of European Integration remained one of the top ministries within the new structure. As well, the positions of Secretary of State for European integration also remained in the organization of the restructured line ministries. Moreover, the activity of the Ministry of European Integration was supplemented with the Regional Development component, taken on from the former Ministry of Development and Prognosis.

The **National Delegation for Negotiating Romania's Accession to the EU** is a good example of interdepartmental cooperation, as it is composed by the Head of the National Delegation, who is Romania's Chief Negotiator with the EU, co-presidents of sectoral delegations for negotiating Romania's accession to the European Union and members of the sectoral delegations, hence involving a wide range of institutions with responsibilities in this field.

As well, **Sectoral delegations** were established for each negotiation chapter, adapted to each field and composed by specialists from ministries, other specialized institutions belonging to central public administration, public institutions or institutions of public interest.

In order to ensure the development of programming, monitoring and reporting activities required by Romania's preparations for EU accession, the institutions from the Sectoral delegations establish **Working groups**.

The activity of the National Delegation, with its Sectoral delegations and Working groups, is an exercise of teamwork and cooperation, a permanent attempt to obtain positive results, being an accurate example of successful interdepartmental coordination.

The Ministry of European Integration also coordinates the activity of **the Inter-ministerial Committee for European Integration**. This Committee is the structure that coordinates, analyses and discusses the documents drawn up by the institutions with responsibilities in the EU accession process and is formed by the Secretaries of State for European integration from the other ministries and by the representatives of the other institutions involved in this field.

Since the beginning of this year, the meetings took place both in the plenum of Inter-ministerial Committee and within working groups, to discuss and solve the specific problems.

The Copenhagen and Thesaloniki European Council conclusions have opened a new stage for Romania, of a better quality preparation process for the European Union accession. This demands new dynamics and an enhanced co-ordination of the activity

for European integration, especially in what concerns its political dimension and the positions adopted in the negotiation process. Therefore, the new conditions in which Romania is going to evolve in the European integration process impose the development of the present institutional system.

Special attention within the working groups was given to the financial matters of the accession. As well, particular attention was also given to issues related to the required administrative capacity and human resources for the process of European integration

Intensifying the pace of negotiations included not only simultaneous approaching of more *acquis* chapters – widening, but also the deepening of negotiations on each chapter. Therefore, the involvement of Governmental level actors exclusively was considered insufficient, being absolutely necessary that social partners as trade unions, employers, political parties or non-governmental organizations, become part of the process.

At the beginning of this year, considering the experience of the other EU member and candidate states, the **Executive Committee for European Integration** was established under the direct coordination of the Prime Minister.

The Committee is formed by the Minister of Foreign Affairs, Minister of European Integration, Minister of Public Finance, Minister Coordinating the General Secretariat of the Government and Romania's Chief Negotiator with the European Union, who work together in coordinating Romania's preparations for EU membership. According to the nature of the issues discussed at each reunion, ministers with sectoral attributions can also participate.

The main objective of the Executive Committee for European Integration is the coordination of the accession preparation process, concerning the specific activities of European integration, political and diplomatic endeavours, as well as the strategy for internal and external communication.

Allow me to end my presentation by stating that, as far as the interdepartmental coordination in the EU accession negotiations process is concerned, as well as all actions in order to prepare our country for EU membership, Romania makes every effort to meet the Copenhagen criteria so that the accession negotiations would be concluded in 2004, with a view to full accession into the European Union on 1 January 2007.

# Romania and the European Union: From Marginalisation to Inclusion?

Dr. David Phinnemore

School of Politics and International Studies, Queen's University Belfast,  
Belfast, BT7 1NN; Tel: + 44 (0) 28 9097 3744; Email: [d.phinnemore@qub.ac.uk](mailto:d.phinnemore@qub.ac.uk).

Paper presented to the conference *Romania and the European Union: The Challenge of Domestic Reform*, Hellenic Observatory, European Institute, London School of Economics, 31 October 2003

The focus of today's conference is very much the domestic dimension of Romania's efforts to join the European Union (EU). Before we begin hearing about and discussing various of the processes and challenges associated with domestic preparations for membership, I should like to offer some more general observations about Romania's evolving relationship with the EU and in doing so comment on the broader context for Romania's efforts to accede to this expanding Union.

Evidently over the last decade and more, Romania has moved increasingly from the margins of the European integration process towards full inclusion in its central embodiment, the EU. But as the question mark in the title to this contribution indicates, it is not 100 per cent certain that full inclusion will result. The envisaged date of accession – 2007 – is fast approaching. We are half way from the date when the then Foreign Minister, Petre Roman, declared the date. Yet, as we shall hear later, there is still much to be done before the EU will admit Romania. Equally, as I shall suggest here, the broader context of the enlargement process may change, potentially affecting the realisation of accession in 2007.

Back briefly to the domestic dimension. As we are all aware, Romania is formally obliged to meet certain criteria and assume certain obligations before it will be admitted to the EU. To date it has



been slow in doing so. The Copenhagen criteria are well known and as the European Commission's annual reports on Romania's preparedness for membership have shown, a variety of these are being met. It is fair to say, however, that questions continue to be raised concerning whether Romania indeed fully meets both the political and the economic criteria. As far as the former is concerned, much has certainly been achieved since the early 1990s when considerable doubts were expressed concerning the commitment to democracy and the rule of law. Yet problems, for example of corruption, persist. On the economic front, Romania has still to be granted 'functioning market economy' status by the European Commission (although it may not have much longer to wait). And even when assuming it will gain such a status, further economic reform is required before Romania will meet the economic criteria for membership. Added to this, the Commission's annual reports continually question Romania's capacity to assume the obligations of EU membership. Of particular note is the capacity of Romania's public administration to implement in full the *acquis communautaire*.

Clearly, Romania's progress towards membership of the EU very much depends on the extent to which it addresses the issues above. For many therefore, membership depends on promoting domestic reform so as to meet the accession criteria laid down by the EU. That this is recognized is to be welcomed. Yet as I want to argue here, to understand Romania's position within the EU's enlargement process as well as its prospects for gaining membership, we need to be aware of the broader context of enlargement. Focusing on domestic developments is important for explaining progress towards membership. But it must not be forgotten that the dynamics of the enlargement process are not driven solely by the state of preparedness of candidate countries for membership.

In the case of Romania, three general arguments should be noted.

- First, it should be recalled that its relations with the EU since 1989 have developed within the context of the EU's relations with the countries of Central and Eastern Europe generally. And I would argue that Romania owes its current position in the enlargement process very much to the dynamics of that broader evolving relationship.
- Second, Romania's position has been influenced by external events over which it has had no control or influence. These generally have helped ensure inclusion in as opposed to marginalisation from the European integration and EU enlargement processes.
- Third, its position owes much to its southern neighbour – Bulgaria – and the fact that the EU has tended to treat the two as a block. Romania has arguably benefited on various occasions and continues to benefit from this coupling.

Where is the evidence to support the contention that this broader process is so important? Four points are worth noting.

- First, in the early 1990s, there was considerable concern over Romania's commitment to political and economic reform and consequently there was a notable reluctance within the EU to move quickly towards the negotiation and conclusion of a Europe Agreement, for example. Yet the Moscow coup of August 1991 soon prompted the EU to be more accommodating. Consequently, Romania signed a Europe Agreement in 1993 and became involved in the various mechanisms of the so-called 'structured relationship' involving the CEE countries in political dialogue with the EU, despite the protests from the Visegrad-4.
- Second, in the 1997, the response of the European Council to *Agenda 2000* was to launch an 'inclusive and evolutive' accession process involving all the applicant countries from

Central and Eastern Europe. This was despite the critical nature of the Commission's *avis* on Romania and the clear concerns that existed about the progress that had been made with reform. That Romania was included in the accession process had much to do with the majority of EU member states wishing to avoid notions of 'ins' and 'outs' and renewed differentiation in the EU's relations with the applicant countries from Central and Eastern Europe. Fears certainly existed that to exclude countries from the process would undermine economic and political reform. Moreover, there was the need to offer countries Central and Eastern Europe some compensation for NATO's decision at the Madrid Summit to extend invitations to join to only the Czech Republic, Hungary and Poland. Romania was arguably a beneficiary of these developments.

- Third, and arguably most obviously, the Kosovo conflict in 1999 prompted the EU to open accession negotiations with Romania following the Helsinki European Council. Various explanations exist for the decision of the European Commission to recommend the opening of negotiations even though the 1999 regular report was particularly critical of Romanian efforts to pursue economic reform. It actually criticised Romania for a worsening of the economic situation. For some, the decisions of the European Commission and the European Council were a 'reward' for Romania's support for NATO; for others they were compensation for NATO's decision not to issue new invitations to join at its Washington Summit in spring 1999, despite the alleged promise to do so at Madrid two years earlier. Whatever, the fact is that had there been no Kosovo, then Romania may not have opened accession negotiations in 2000.
- Fourth, there is the matter of the 2007 target date. Despite persistent concerns over Romania's preparedness for membership, its eventual accession has become part of the EU's rhetoric about enlargement. Academic analysis of the current enlargement process points out that EU decisions concerning enlargement are not necessarily based on hard-nosed cost-benefit analyses but are being driven by what is referred to as 'rhetorical

entrapment'.<sup>1</sup> Arguably, enlargement makes no sense. The costs, whether calculated on an economic or a political basis, are high. Membership entails budgetary costs for all existing member states, primarily through lower receipts, and threatens to make the EU unworkable – the EU. It is worth recalling, will from 1 May 2004 have more than four times as many members as it had when the original Six began the enterprise in the 1950s. All the same, the EU is persisting with enlargement and will shortly undergo its biggest ever expansion. Indeed, if we accept the idea of rhetorical entrapment, it has to enlarge – it has issued statement upon statement proclaiming its intention to do so, notably at Copenhagen (1993), Luxembourg (1997) and Helsinki (1999). If it does not honour those statements, then it will lose credibility. Enlargement must take place. The significance of all this for Romania is clear: Romania is one of the candidate countries to which the EU's statements apply. Moreover, as the Joint Declaration 'One Europe' attached to the 2003 Treaty of Accession reiterates, the enlargement process is 'continuous, inclusive and irreversible' and the enlarged EU's aim is 'to welcome Bulgaria and Romania as members in 2007'. The point was also made at the Thessaloniki European Council in June 2003.

Taking the last point, does this mean that Romania is locked into a process of enlargement that will without doubt see it join the EU in 2007? The rhetoric suggests further enlargement will take place. Why issue the 'One Europe' declaration if there is no intention to see the process through? Allowing a date to enter into the rhetoric reflects commitment and intent. And, there is much evidence supporting the argument that enlargement will take place in 2007.

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<sup>1</sup> Schimmelfennig, F. 'The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union', *International Organization*, 55 (1) 2001, 47-80.

However, a number of questions might usefully be posed before we conclude that Romania in 2007 will take its place within the new enlarged EU...

1. Will the rhetorical commitment to a 'continuous, inclusive and irreversible' enlargement process survive the 2004 enlargement or will the EU be freed from its rhetorical entrapment and feel at liberty to revise its commitment to enlargement?
2. Will conditionality be allowed to drive the process of enlargement more obviously than has been the case to date? Will the EU start to use insufficient preparedness as a justification for delaying the accession of individual states?
3. Will the EU, after the 2004 enlargement, adopt a more hard-nosed, rational approach to enlargement, weighing up the financial costs and benefits of admitting Romania, the second largest of the CEE candidate countries and a state many expect to be a long-term drain on the EU budget. On this it is worth noting that agreement on the EU's next financial perspective (as well as potentially reform of the Common Agricultural Policy and the Structural Funds) needs to be reached before enlargement beyond EU(25) can take place.
4. Will the interests of individual member states come to the fore more and make Romanian accession contingent on a bargain being struck between existing member states? To Romania's disadvantage, it has few genuine champions within the EU.
5. Will the experience of the 2004 enlargement put the EU off from enlarging further, at least quickly? The scale of the 2004 enlargement is certainly unprecedented. And few can say with any confidence that it will proceed smoothly. Any serious hitches may lead to further enlargement being postponed.

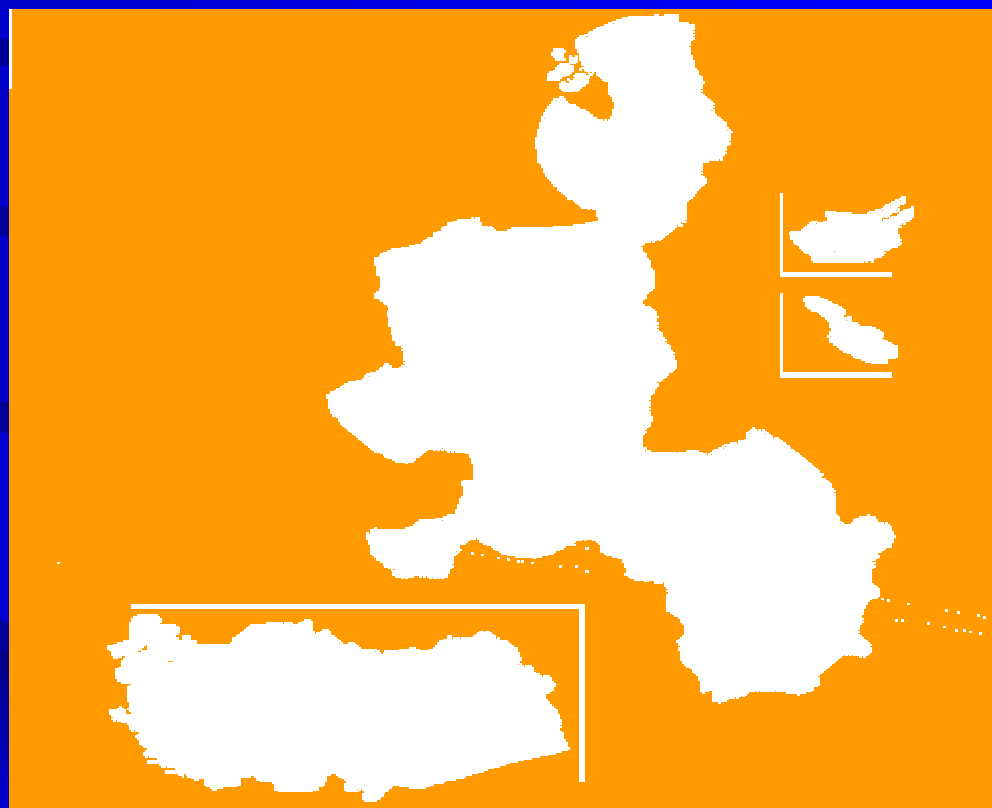
With enlargement in 2004, new questions have to be taken into consideration when considering the future of the enlargement process and the completion of Romania's journey from

marginalization to inclusion in the EU. To date, Romania has arguably reached the position it is in today in terms of integration with the EU owing as much to events and developments beyond its control as its own efforts. This broader context, however, will change with enlargement next year.

The most obvious change will be the fewer number of candidates. As a consequence, much attention will be focused on Romania as an individual candidate. Its preparations for membership will fall under the spotlight more. For Romania, therefore, completing the journey from marginalisation to inclusion will depend very much on the extent to which the country successfully grapples with many of the issues which are going to be discussed today.

# *Preparing Romania for EU Membership: A Commission perspective*

*Presentation by Martijn Quinn  
European Commission  
DG Enlargement*



# Preparing Romania for EU Membership

- EU-Romania: a developing relationship
- The (changing) Commission role
- Where are we now?
- Suggested scenarios for the future



# Key dates (1)

- ➡ 1974: First country of Central and Eastern Europe to have official relations with the European Community (GSP agreement).
- ➡ 1993: Trade provisions of Europe Agreement enter into force (full agreement enters into force in February 1995).
- ➡ June 1995: Romania submits its application for membership of the European Union.
- ➡ July 1997: Commission Opinion – essentially a holding response.
- ➡ December 1997: Luxembourg Council and a decision for a 5+5 approach.

## Key dates (2)

- May 1999: Tony Blair's speech to Parliament promises support for Romania beginning accession negotiations.
- October 1999: Commission's Regular Report recommends opening accession negotiations (with two conditions).
- December 1999: Helsinki European Council opens accession negotiations.

# Presidency conclusions

- **Brussels (October 2002):** “Support for Bulgaria and Romania in their efforts to achieve the objective of membership in 2007.”
- **Copenhagen (December 2002):** “Depending on further progress in complying with the membership criteria the [*Union’s*] objective is to welcome Bulgaria and Romania as members of the European Union in 2007.”
- **Thessaloniki (June 2003):** “The Union supports Bulgaria and Romania in their efforts to achieve the objective of concluding negotiations in 2004, and invites them to step up their preparations on the ground.”

# The Accession Criteria

## ☞ **Political criteria**

The applicant country must have achieved stability of its institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.

## ☞ **Economic criteria**

It must have a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the EU.

## ☞ **Adoption of the *acquis***

It must have the ability to take on the obligations related to of membership, including adherence to the aims of political, economic and monetary union.

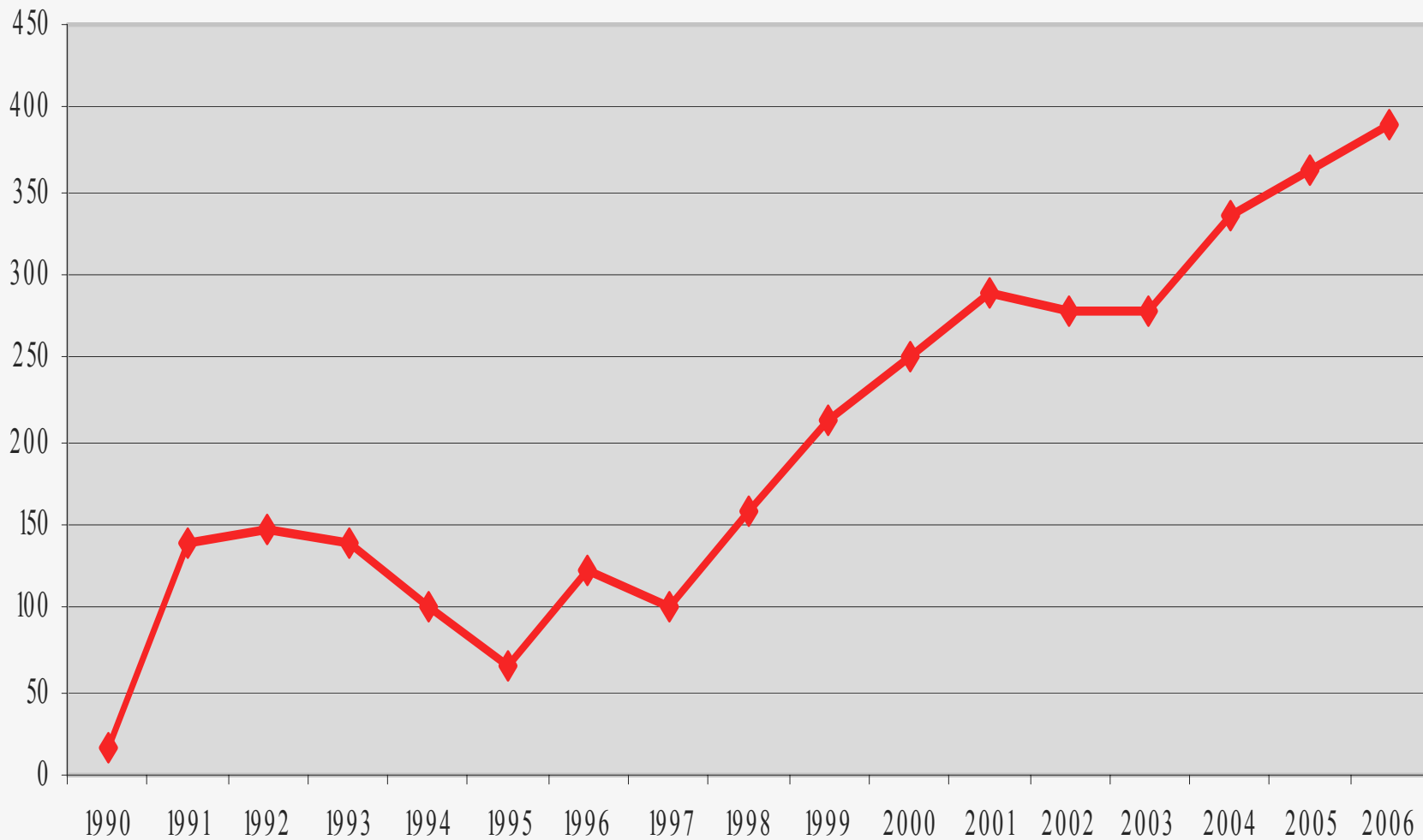
## ☞ **Administrative capacity (Madrid 1995)**

The pre-accession strategy ... will have to be intensified in order to create the conditions for the gradual, harmonious integration of [...new member...] states, particularly through ... the adjustment of their administrative structures.

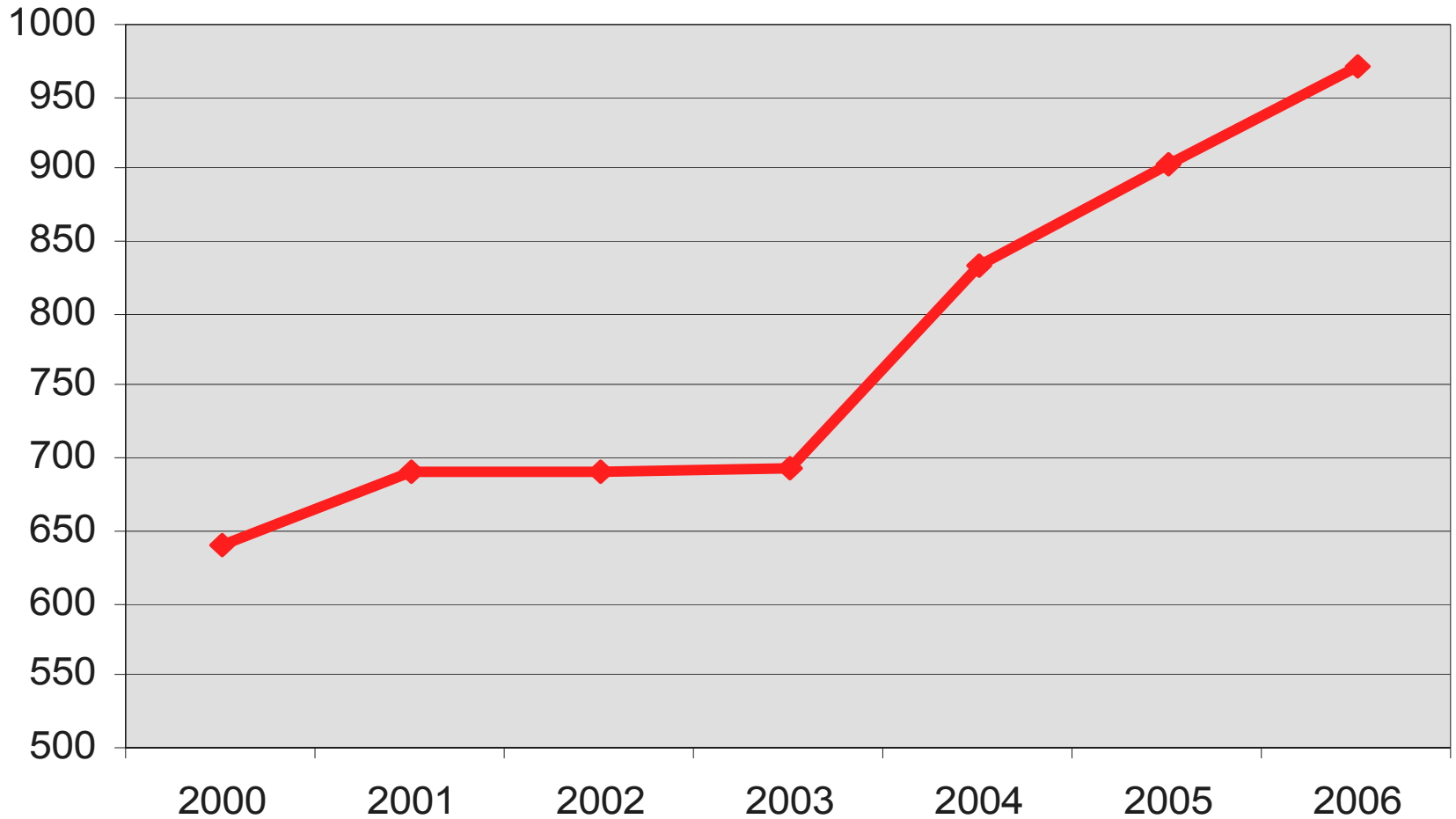
# Accession negotiations: chapters

1. Free movement of goods
2. Free movement of persons
3. Free movement of services
4. Free movement of capital
5. Company law
6. Competition policy
7. Agriculture
8. Fisheries
9. Transport policy
10. Taxation
11. Economic and monetary union
12. Statistics
13. Social policy and employment
14. Energy
15. Industrial policy
16. Small and medium-sized enterprises
17. Science and research
18. Education and training
19. Telecommunications and IT
20. Culture and audiovisual policy
21. Regional policy and structural instruments
22. Environment
23. Consumers and health protection
24. Justice and home affairs
25. Customs union
26. External relations
27. Common foreign and security policy
28. Financial control
29. Financial and budgetary provisions
30. Institutions
31. Other

# Phare funding 1999-2006 (M€)



# Total EU Grant Funding 2000-2006 (M€)



# Looking Beyond Negotiations

The major concern is not the negotiation process, but Romania's ability to implement its negotiation commitments:

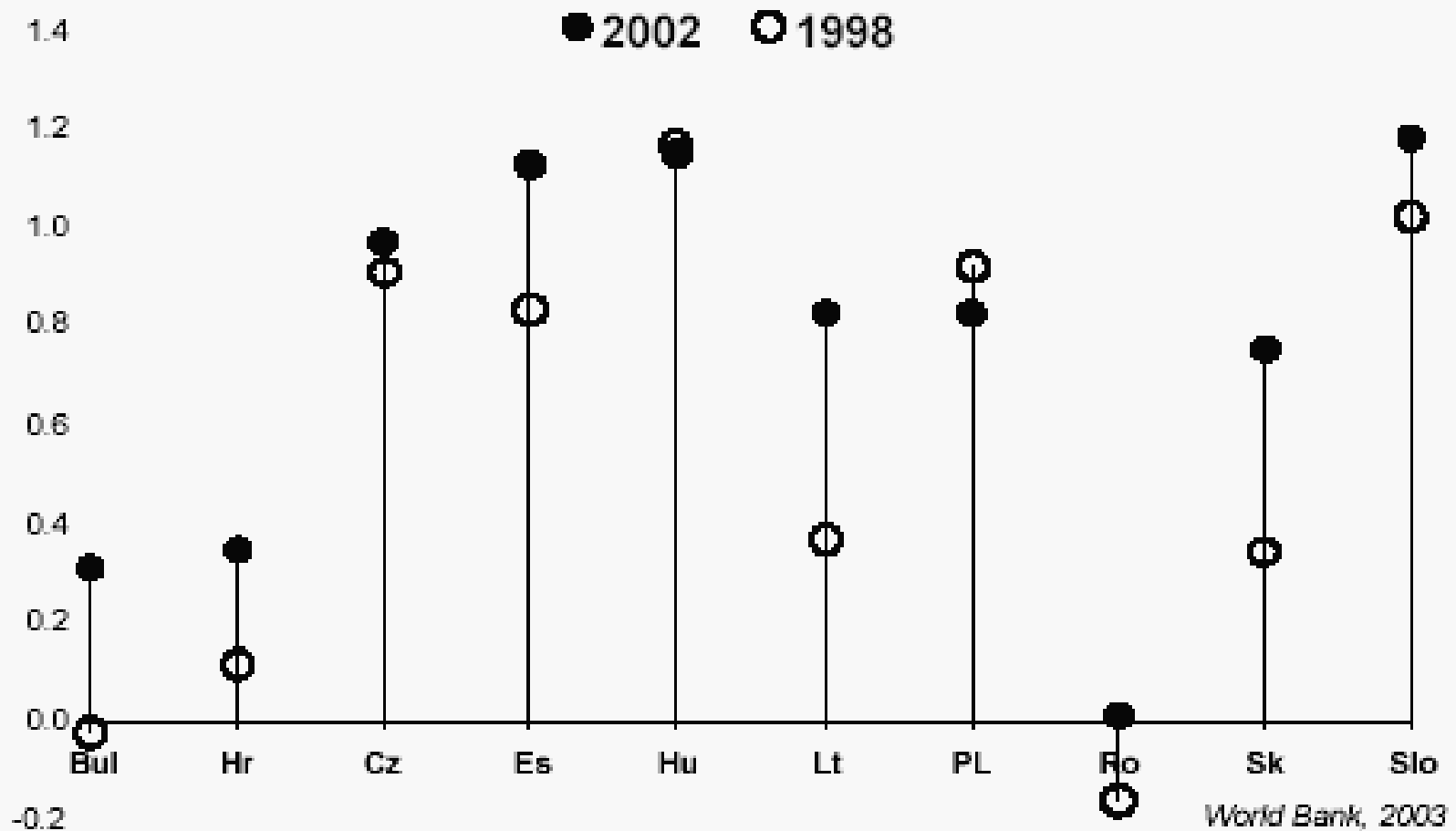
“in the EU accession process there is a leading edge, which is the process of transposition of legislation; and there is a trailing edge, which is the development and execution of government programs mandated by the legislative changes. In the absence of a management capacity, the leading edge moves on, while the trailing edge hardly moves at all.”

A major reason for Commission emphasis on administrative and judicial reform.



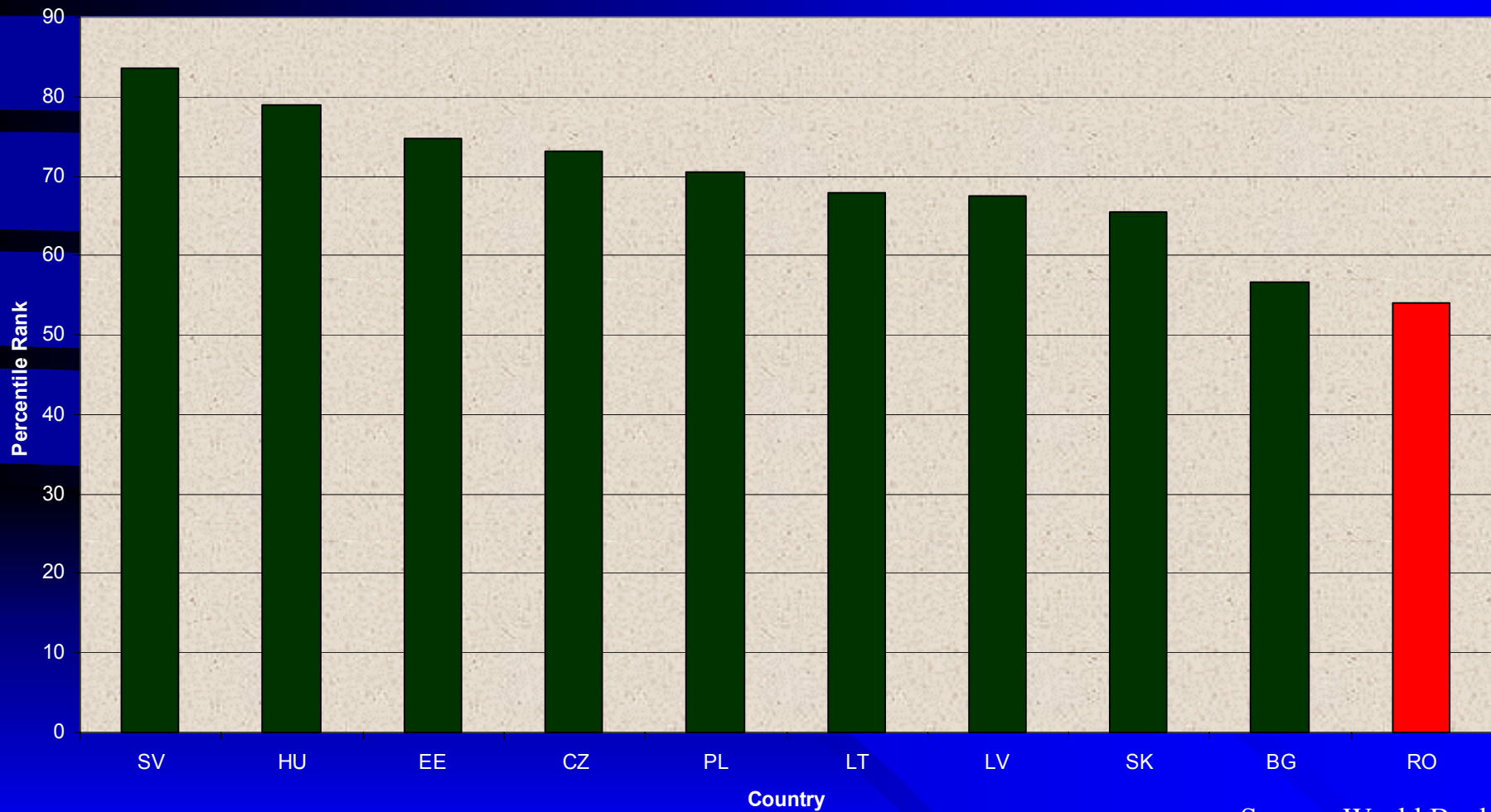
# Trends in the quality of governance

Fig. 7. Trends in the quality of governance



# Rule of law

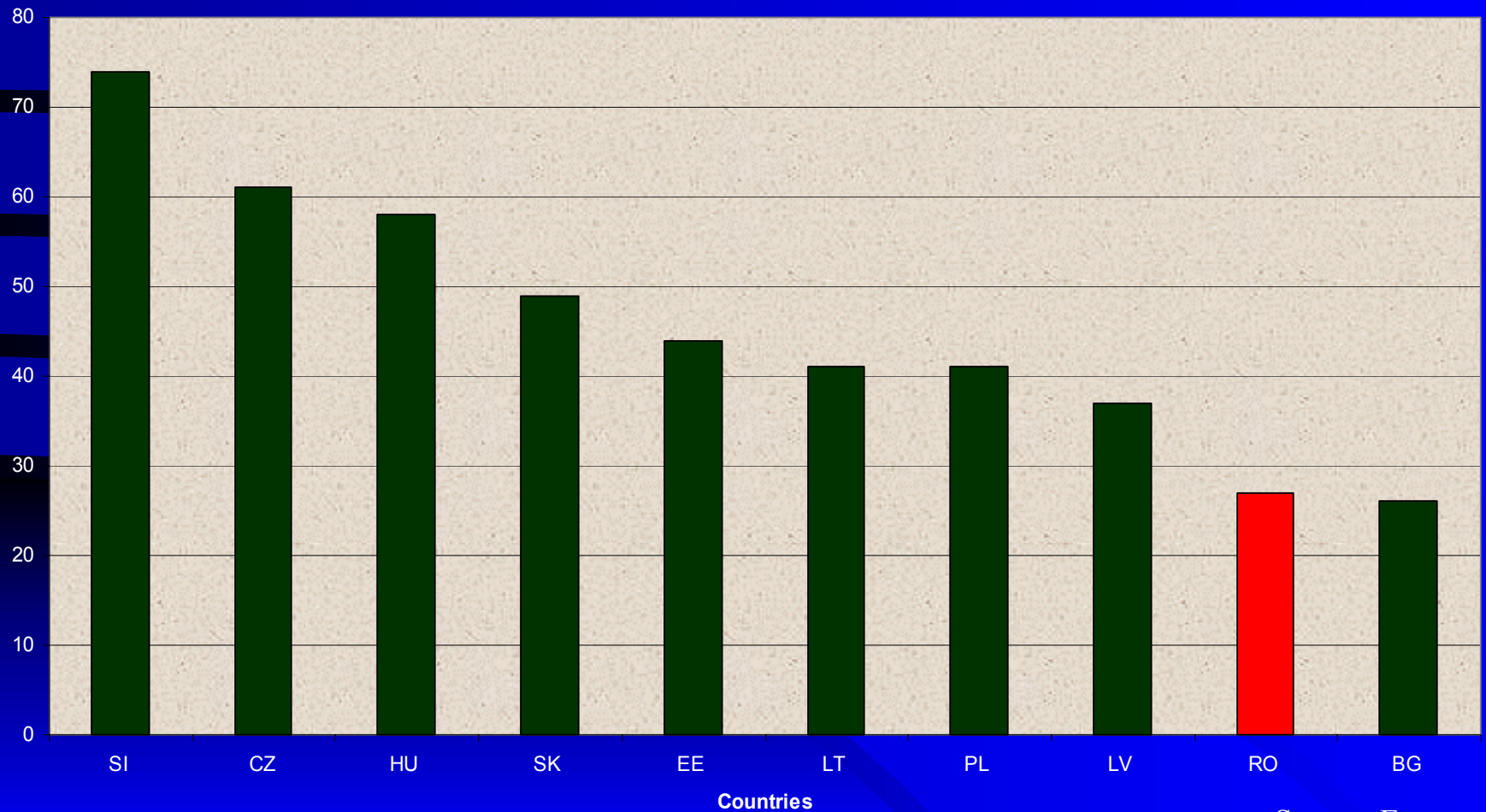
Rule of Law 2002



Source: World Bank

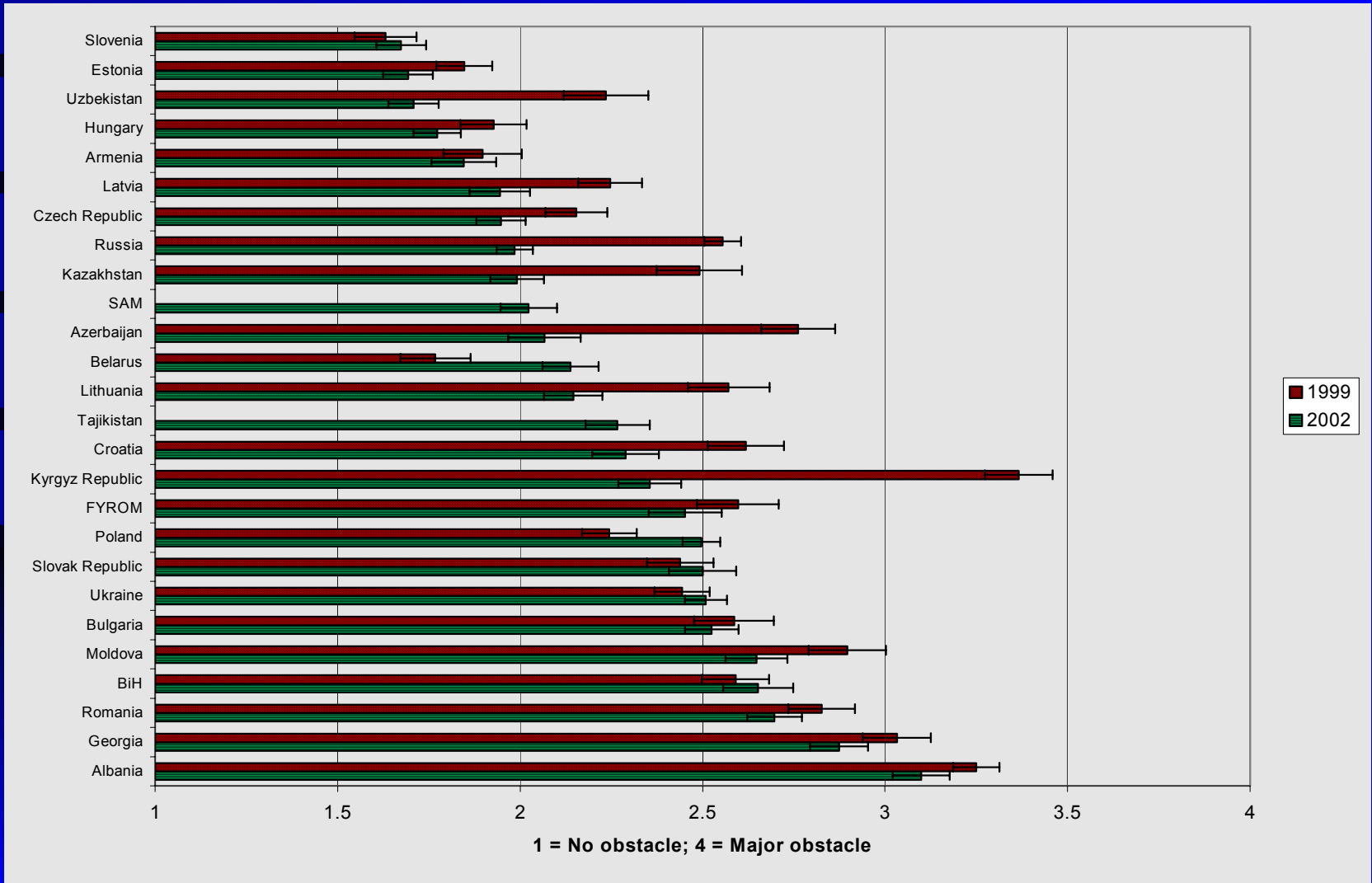
# GDP per capita in PPS

GDP per capita in PPS(% of EU-15 average) in 2003 (forecast)



Source: Eurostat

# Corruption by Country, 1999 and 2002



# Regular Report 2003 Strong points

- Civil service & judicial reform: process is starting.
- Human rights: anti-discrimination sanctions, reform of child protection, treatment of national minorities.
- Macro-economic stability. inflation down, growth positive, debt sustainable, budget policy prudent.
- Privatisation: sale of key firms and reduced state involvement in the banking sector.
- Adoption of the acquis: efficient management of negotiation process. Good progress in sectors such as telecoms & consumer protection.

# Regular Report 2003 Weak points

- Civil service and judiciary: capacity of both institutions is limited.
- Legislative process: quality of legislation (including transposition of the *acquis*) is very uneven.
- Corruption: continues to be widespread and high profile anti-corruption initiatives have had little impact.
- Economic reform: liquidation of loss-making enterprises, privatisation in key sectors (energy, mining and transport), enterprise arrears, business environment.
- Administrative capacity: very limited enforcement and implementation capacity – effects *acquis* as well as management of EU funds.

# RACING FOR THE EU CUP

2002

1999

EU CUP

