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REPORT

on Estonia's application for membership of the European Union and the state of negotiations
(COM(2000) 704 – C5-0604/2000 – 1997/2177(COS))

Part 1: Motion for a resolution and explanatory statement

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

Rapporteur: Gunilla Carlsson

CONTENTS

| | Page |
|-------------------------------|-----------------------|
| PROCEDURAL PAGE | 4 |
| MOTION FOR A RESOLUTION | 6 |
| EXPLANATORY STATEMENT | 12 |
| Published separately: | |
| Opinions on Estonia..... | Part 2 - A5-0251/2001 |
| Global opinions..... | Part 3 - A5-0251/2001 |
| | A5-0252/2001 |
| | A5-0253/2001 |
| | A5-0254/2001 |
| | A5-0255/2001 |
| | A5-0256/2001 |
| | A5-0257/2001 |
| | A5-0258/2001 |
| | A5-0259/2001 |
| | A5-0260/2001 |
| | A5-0261/2001 |
| | A5-0262/2001 |

PROCEDURAL PAGE

By letter of 13 November 2000, the Commission forwarded to Parliament its 2000 Regular Report on Estonia's progress towards accession (COM(2000) 704 – 1997/2177(COS)).

At the sitting of 15 March 2001 the President of Parliament announced that she had referred this Regular Report to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible and to all committees concerned for their opinions and she confirmed the referral at the sitting of 14 June 2001 (C5-0604/2000).

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed Gunilla Carlsson rapporteur at its meeting of 23 September 1999 and confirmed the appointment at its meeting of 7 November 2000.

The committee considered the Commission report and the draft report at its meetings of 25 April, 18 June and 9 July 2001.

At the last meeting it adopted the motion for a resolution by 50 votes to 1.

The following were present for the vote: Elmar Brok, chairman; Baroness Nicholson of Winterbourne, William Francis Newton Dunn and Catherine Lalumière, vice-chairmen; Gunilla Carlsson, rapporteur; Alexandros Baltas, Bastiaan Belder, The Lord Bethell, Andre Brie, Michael Cashman (for Sami Naïr), John Walls Cushnahan, Rosa M. Díez González, Andrew Nicholas Duff (for Francesco Rutelli), Pere Esteve, Monica Frassoni (for Daniel Marc Cohn-Bendit), Michael Gahler, Per Gahrton, Cristina García-Orcoyen Tormo (for Alain Lamassoure), Jas Gawronski, Alfred Gomolka, Vasco Graça Moura (for Franco Marini), Bertel Haarder, Klaus Hänsch, Mary Honeyball (for Linda McAvan pursuant to Rule 153(2)), Christoph Werner Konrad (for Hugues Martin), Joost Lagendijk, Armin Laschet (for Jacques Santer), Emilio Menéndez del Valle, Philippe Morillon, Pasqualina Napoletano, Arie M. Oostlander, Reino Paasilinna (for Jacques Santkin), Guido Podestà (for Amalia Sartori pursuant to Rule 153(2)), Jacques F. Poos, Luís Queiró, Reinhard Rack (for Gerardo Galeote Quecedo pursuant to Rule 153(2)), Tokia Saïfi (for Hans-Gert Poettering), Jannis Sakellariou, José Ignacio Salafranca Sánchez-Neyra, Jürgen Schröder, Elisabeth Schroedter, Ioannis Souladakis, Ursula Stenzel, Hannes Swoboda, Gary Titley, Geoffrey Van Orden, Paavo Väyrynen, Jan Marinus Wiersma, Matti Wuori, Christos Zacharakis, Sabine Zissener (for Ingo Friedrich pursuant to Rule 153(2)).

The opinions on Estonia of the Committee on Budgetary Control, the Committee on Legal Affairs and the Internal Market, the Committee on Employment and Social Affairs, the Committee on Regional Policy, Transport and Tourism and the Committee on Women's Rights and Equal Opportunities will be published separately (part 2 - A5-0251/2001).

The global opinions of the Committee on Budgets, the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, the Committee on Industry, External Trade, Research and Energy, the Committee on Agriculture and Rural Development, the Committee on Culture, Youth, Education, the Media and Sport and the Committee on Constitutional Affairs will be published separately (part 3 - A5-0251/2001 to A5-0262/2001).

The report was tabled on 13 July 2001.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

MOTION FOR A RESOLUTION

European Parliament resolution on Estonia's application for membership of the European Union and the state of negotiations (COM(2000) 704 – C5-0604/2000 – 1997/2177(COS))

The European Parliament,

- having regard to Estonia's application for membership of the European Union, submitted on 24 November 1995, pursuant to Article 49 of the Treaty on European Union,
 - having regard to the 2000 Regular Report from the Commission on Estonia's progress towards accession (COM(2000) 704 – C5-0604/2000)¹,
 - having regard to the 2000 Enlargement Strategy Paper on progress towards accession by each of the candidate countries presented by the Commission (COM(2000) 700)²,
 - having regard to the decisions taken by the European Council, notably at Copenhagen (21-22 June 1993), Helsinki (10-11 December 1999), Nice (7-9 December 2000) and Gothenburg (15-16 June 2001),
 - having regard to the 1999 Accession Partnership for Estonia,
 - having regard to its resolution of 4 October 2000 on Estonia's membership application to the European Union and the state of negotiations³
 - having regard to Rule 47(1) of its Rules of Procedure,
 - having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the opinions of the other committees concerned (A5-0251/2001),
- A. mindful of the absolute necessity to make a success of the EU enlargement process,
- B. convinced that this presupposes openness, frankness and respect for agreed rules and principles, on the part of the EU institutions and the Member States as well as on the part of the candidate countries,
- C. convinced, also, that when the most difficult final phase of the negotiations is entered into, all actors must refrain from making unreasonable demands; expecting that they let, instead, their actions show that their commitment to the project of mending the fractures that tragic events in the past inflicted on our continent, is beyond any doubt,

¹ Not yet published in OJ C.

² Not yet published in OJ C.

³ Texts Adopted of that Sitting, Item 2

- D. whereas Parliament has made important contributions to the shaping of the principles and policies that are now guiding the enlargement process; whereas these principles and policies have proven their worth,
- E. whereas Estonia continues to make good progress in its preparations for EU membership and has clearly emerged as one of the leaders among the candidate countries,
- F. whereas the quality of Estonia's preparations and the extent to which it has been ready to make commitments have allowed the negotiations to proceed at a steady pace,
- G. whereas the momentum should be kept up and this implies that particular problems and potential obstacles are clearly identified and properly dealt with,

Fulfilment of the Copenhagen criteria

Political criteria

1. Recognises that Estonia clearly satisfies the political criteria for EU membership;
2. Welcomes the fact that problems in the legal environment in which the relationship between the ethnic minorities and the Estonian society at large develops have been resolved; encourages Estonia to proceed with the implementation of its programme 'Integration in Estonian Society 2000-2007';
3. Supports the view that further development of Estonian language skills within the mainly Russian-speaking ethnic minority groups is important; is concerned, therefore, about the persistent difficulties in ensuring easy access to Estonian language training of sufficient quality, in particular in the North-Eastern part of the country, where it is most needed;
4. Encourages Estonia to accelerate ongoing efforts to reform the judiciary, improve prison conditions and prevent instances of misconduct by police and correction personnel;
5. Congratulates Estonia on regularly receiving more favourable rankings in corruption estimates than virtually all other EU candidate countries and also some EU Member States; is aware that there is nevertheless scope for further improvement and notes Estonia's efforts to that end;
6. Welcomes the recent decision of the Estonian Parliament (Riigikogu) to repeal several provisions of the old penal code (Kriminaalkoodeks) that discriminated against homosexual men and lesbian women by adopting the new penal code (Karistusseadustik);

Economic criteria

7. Supports the Commission's conclusion, in the last Regular Report, that Estonia is a

functioning market economy and should be able to cope with competitive pressure and market forces within the EU in the short term, provided that it stays with its present reform path;

8. Congratulates Estonia on its highly successful economic development, characterised by strong growth, limited inflation, a considerable inflow of foreign direct investment, balance in the public finances and a current account deficit that is gradually being brought down;
9. Notes that this success is made possible not least by a clear policy for macro-economic stability, extensive reliance on market forces, emphasis on education and a keen interest in exploiting the possibilities opened by technological progress;

Acquis criteria

10. Notes the detailed overview and assessment included in the Commission's 2000 Regular Report; notes, also, that Estonia considers this report to be objective; recognises that Estonia since its publication has made further progress in its alignment with the acquis;
11. Welcomes the successful provisional closure of accession negotiations on the environment chapter; trusts that the path of transposition and implementation of the acquis will be maintained, so that interim targets and investment plans can be met as agreed in accession negotiations, in particular with regard to EU nature conservation legislation, which has to be fully enforced by the date of accession; invites the approval of the proposed amendments of the Act of Protected Natural Objects currently under discussion in the Estonian Parliament;
12. Notes that the Environment Chapter has been provisionally closed with Estonia and that four transition periods have been negotiated, including one for drinking water lasting up to 2013. Calls for careful monitoring of progress with the involvement of all stakeholders, including environmental NGOs, on meeting the intermediate targets that have been agreed, and of the implementing measures and financing arrangements that are envisaged;
13. Points to the necessity of an increased level of public awareness and consultation on issues concerning the creation of Natura 2000 network of protected areas; welcomes the decision of the Estonian Government to allocate considerable resources from the state budget to restore and manage valuable semi-natural habitats; encourages the Government to continue this policy in order to prevent the degradation of these important habitats;
14. Stresses that it is absolutely necessary that each new Member State should be able to properly implement the *acquis communautaire* in its entirety; notes the Commission's analysis, in its latest report, of where and to what extent Estonia needs to improve its administrative capacity still further; also notes that Estonia approves the broad lines of this analysis;
15. Sympathises with Estonia's general efforts to eliminate all unnecessary bureaucracy and

its interest in innovative solutions to administrative problems, including through the intelligent use of new technology; welcomes the prospect of forthcoming proposals from Estonia on how the Community *acquis* can be simplified, clarified and made easier to implement; recalls, however, that the requirement for the proper implementation of the existing *acquis* still applies, irrespective of any conceivable, proposed or already adopted future amendments to it;

16. Regards it as unacceptable that foreign works can continue to be broadcast legally in Estonia without permission and without any fee being paid to the author;

The Pre-Accession Strategy

17. Points to the difficult situation in North-East Estonia, where high unemployment, deprivation and social degradation, serious degradation of the environment, dismal economic prospects, accelerating spread of HIV, insufficient capacity of the judiciary and other phenomena form a cluster of problems that calls for a comprehensive response;
18. Recalls that Estonia after accession will receive considerable EU funding for regional development; calls on it to resolutely address existing problems with regard to institutional structures and administrative capacity and to pay particular attention to the partnership with all levels of government, social partners and NGOs, so as to make sure that it will be prepared to make the best possible use of the future EU support;
19. Stresses the need to ensure a larger degree of flexibility as regards the dimension of projects to be financed under ISPA programme, so as to better correspond to the needs of local and regional communities;
20. Has noted opinion polls in Estonia which point to a drop in support for EU membership and is concerned that some of the candidate countries may turn their backs on the reunification of Europe, since this would diminish the force and capacity of European cooperation;

The negotiations and crucial issues in view of Parliament's assent to Estonia's accession

21. Notes the Union's own preparations for enlargement and takes into account the decision that it should be ready to receive new members from 1 January 2003; points out that the timing of the first accessions should therefore in practice depend exclusively on the candidate countries' preparations and the successful conclusion of their negotiations; notes, however, that the political commitment of EU leaders must be reinforced;
22. Welcomes and supports the road map for the conclusion of the negotiations prepared by the Commission and endorsed by the Nice European Council; notes that progress so far is in line with it; concludes that it should be realistic for the first accessions to take place before the European elections in 2004, but recalls that the road map gives little margin for delays and urges that the pace be kept up;
23. Considers that it is of crucial importance for the cohesion of the Union that the *acquis*

communautaire should accord the same rights and obligations to all Member States; stresses that this principle needs to be defended against ill-founded demands for transitional solutions or special arrangements, whether from candidate countries or existing Member States;

24. Declares its intention to vigorously oppose any attempt that might be made to introduce any new requirement that candidate countries would have to fulfil; considers that avoiding unnecessary delays in the negotiations and accessions is important for the Union's credibility;
25. Resolutely distances itself from any action whatsoever to block negotiations on a specific chapter, or to block the accession of any country, in order to insist on a demand which is of no relevance at all to the chapter in question, or which has nothing to do with the state of preparedness for accession of the country or countries affected by this action;

Other major issues and recommendations

26. Draws attention to the fact that unemployment is high and that big disparities in economic development also pose challenges to economic and social cohesion;
27. Welcomes the signing of the financing agreements by way of preparation for SAPARD and hopes that Estonia will be in a position as soon as possible to establish the SAPARD payment agencies; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
28. Welcomes Estonia's forthcoming accession to the European Environmental Agency, its first full membership of an EU body; notes that its membership of the agency will open up new opportunities for Estonia to receive exchanges and support in adapting the EU's environmental rules, in a situation where the country continues to suffer the after-effects of half a century of Soviet communist occupation;
29. Supports Estonia's efforts to become fully integrated into the Euro-Atlantic security structures and stresses Estonia's right to work out its security policy for itself;
30. Looks forward to Estonia's full participation in the common foreign and security policy; is convinced, not least in the light of Estonia's present and past active participation in the UN's peace-keeping activities, that Estonia can make an important contribution to the EU's efforts, in accordance with the Treaty, to strengthen the Union's security, preserve peace and enhance international security, promote international cooperation and develop and stabilise democracy, the rule of law and respect for human rights;
31. Instructs its President to forward this resolution to the Council, the Commission, the

parliaments of the Member States and the Government and Parliament of Estonia.

EXPLANATORY STATEMENT

Introduction

The Republic of Estonia has a well-functioning democracy which has no trouble in meeting the criteria required of every country wishing to be accepted as an EU Member State. The 1993 'Copenhagen' (accession) criteria are:

- *political*: stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities,
- *economic*: existence of a functioning market economy and respect for private property as well as the capacity to cope with competitive pressures and market forces within the Union, and
- *acquis communautaire*: the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union; adjustment to the EU *acquis*.

The political criteria

The Estonian model shows how quickly a country which has freed itself from a long occupation, regained its independence and restored democracy, can also succeed in completely reorganising its policies and building up a good, market-oriented economy, wide-ranging international free trade and functioning social institutions. In Estonia the political parties have been stabilised, the media are well diversified and relations within both the government and parliament work well. The legal system is firmly rooted in internationally recognised liberal principles. It may be that the restoration of democracy and construction of the nation are the best evidence of Estonia's determination, capabilities and potential.

Integration and participation

Thanks to its historical background, Estonia has been forced to deal with difficult and potentially dangerous problems. There could have been serious conflicts between ethnic Estonians and the large groups of other peoples and nationalities who came to Estonia under the Soviet occupation. However, the Estonian people have succeeded in creating a well-functioning society without serious tensions.

Developments in Estonia since its new-found independence have been among the most positive in Europe. It is, of course, of great importance that all inhabitants of Estonia should speak Estonian. At the same time the widespread Russian-speaking skills in Estonia are a major resource which should be exploited, not least by extending trade links between Russia and the EU. It is gratifying to note that the Estonian government about a year ago adopted a new language law and a very ambitious integration plan, "Integration in Estonian Society 2000-2007". The integration plan contains a number of good initiatives and states that the most important aspect of integration is Estonia's concept of a multi-cultural society which is currently still developing. Successful integration calls for efforts on both sides. Good political leadership can carry the integration process forward on the promising course on which it has begun. The OSCE will soon be closing its office in Tallinn, which is a good sign of the

progress which has been made in terms of the integration of the country's Russian-speaking minority.

There are still problems to be resolved in the field of language teaching. There are still too few teachers of Estonian who are prepared to move to the North-East parts of the country where most of the Russian speakers live. Teachers' salaries are still very low. The EU has supported the attempt to improve access to and quality of language teachers through the Phare Estonian Language Programme. Another important step in this process is marked by the fact that, ever since the current naturalisation process was adopted, the proportion of members of minority groups holding Estonian citizenship has increased, bringing with it the opportunity to participate in general elections. In addition, non-Estonian nationals have the right to vote in local elections. Parties claiming primarily to represent the Russian voters' interests have seats in parliament and on the local authorities of the capital and of many smaller municipalities.

A society characterised by diversity and openness is something the EU too is aiming for. To a varying extent a lack of integration, exclusion and marginalisation are a problem for most of the current Member States. This applies to integration not only between the generations but also between different social groups in society and of individuals who do not feel they have a share in society. Your rapporteur considers that the problems Estonia has to contend with are unusually large, but by no means unique in present-day Europe.

Freedom of movement

Freedom of movement for persons is one of the four basic freedoms of the internal market. To enable EU membership to be equally beneficial and profitable to all the Union's citizens, your rapporteur considers it essential that Estonian nationals should be able, from day one, to enjoy all the advantages of freedom of movement as EU citizens. Restrictions on freedom of movement reduce Europe's capacity to step up its global competitiveness, intellectually, morally and economically. The current EU in conjunction with the new Member States is more competitive than it would be without the candidate countries, thanks to the latter's potential and qualifications, language skills, cultural characteristics, traditions and experience.

Economic criteria

The Estonian kroon is a stable currency and has been tied to the German mark – and thus to the euro – for some time. The country's economy is showing good growth, well over 6% of GDP in 2000, and the forecasts for 2001 are for a roughly similar level. Estonia has almost completed a comprehensive programme of privatisation, has a functioning banking system, a very liberal trade policy, and a large and important inflow of foreign capital for investments. Estonia wants to keep its tax rates at a reasonable level, not least in order to avoid the growth of the 'black' sector, the flight of capital and similar problems which have troubled some of the reforming economies but which are remarkably small in the case of Estonia. Estonia's economic policy, which seeks to support businesses and competitiveness, is well in line with the expectations which the EU countries attached to the 'Lisbon process'.

The growth in Internet use and e-commerce, both by the authorities and by private individuals, is impressive. Statistics show 32 Internet connections per 100 inhabitants, one in five Estonians uses the Internet for payments/bank transfers, Estonian commercial banks had

260 000 Internet banking customers at the beginning of this year (out of a total population of only 1.4 m). In addition, some 10% of all tax declarations are made via the Internet, and this shows that the authorities too have adapted themselves to the Internet, thus permitting decisive efficiency gains to be achieved. There is a great deal of potential in this field for common European efforts, not least in the context of 'e-Europe' – Estonians like to speak of their country as 'e-Estonia'.

Data from the Statistical Office of Estonia shows that more than 60% of the country's workforce is employed in firms with less than 100 employees. Government investments account for 4.1% of GNP, but the public sector's share of total investments is only one sixth of the total investment volume. Reforms are planned both in the health service and in pension funds, and there will be efforts in the field of education, research and job-creation measures.

It is noteworthy that Estonia has only 6% of its population working in agriculture, and there is no state support in this area. Consequently Estonia does not pose any kind of problem for the EU from the point of view of the agriculture budget.

Estonia has opted for a very open market economy, with low customs tariffs and increased free trade. This may to some extent mean that Estonia, when it joins the EU, will be forced to introduce customs duties and levies on trade with developing countries and others. To that extent Estonia has anticipated the EU's own aspirations to increase free trade in the world, which are reflected in its cooperation in the WTO.

Capacity to fulfil the commitments of EU membership

Estonia underwent the experience of Soviet occupation and has, since regaining independence in 1991, made enormous changes to society; it has turned its economy into a liberal and open market economy with free trade. Estonia is striving to eliminate all unnecessary bureaucracy and to reform and improve the efficiency of its administrative authorities, partly – as we have seen – by means of very modern, well adapted and well exploited Internet services. In that field the EU Member States have much to learn and may very well regard Estonia as a model in terms of providing the services of the public sector and public authorities by Internet. The government website also makes accessible to the public the government's positions in the negotiations with the EU. This not only increases exchange of views between citizens and the authorities but also contributes to openness and accessibility.

Important efficiency gains can be made in this field, and in large parts of the EU the problem is still that the authorities have grown too big and inefficient rather than the opposite. This should also be noted in judging Estonia's administrative capacity to implement EU laws and regulations. As a reaction to the old Soviet empire, in which they suffered the mammoth bureaucracy of the communist system, the Estonians have chosen to keep their administration as small and efficient as possible. The country's progress in the economy and in its preparations for EU membership also point to good administrative capabilities.

On Estonia's security policy we may note that the country is already not only a 'consumer' but also a 'producer' of security. The country's activities and commitments in the field of collective security are impressive. Relations with its neighbouring countries Latvia and Lithuania are deep and close, not only because of their geographical proximity but also thanks

to their common interests in many areas. Russian-Estonian relations are also gradually improving, not least thanks to an intergovernmental commission between the two countries. Close and friendly relations exist with other neighbouring countries such as Finland and Sweden, in all areas: political relations, investments and trade, civil society and NGOs, and tourism. The Baltic states already have concrete opportunities within the framework of Nordic cooperation to work together in the political field. And exchanges are now on the increase with all the states in the Baltic Sea area in a number of fields, which help to strengthen freedom, stability and prosperity in the region. This trend will be facilitated by the Baltic States' move towards EU membership.

The EU must respect the principles of the OSCE, i.e. that every country has the right to make its security policy choices for itself. Estonia has expressed the ambition to become a member of NATO. This process should be encouraged, because it not only contributes to increased security in the Baltic Sea region but also facilitates Estonia's integration into the EU's burgeoning European security structures.

Environment

The environmental damage caused by a planned economy and dictatorship, and the remains of the former nuclear weapons industry, are a legacy from the Soviet period. This is an enormous environmental problem for Estonia, whether the country joins the EU or not. Multi-annual programmes will be needed to improve the current situation in terms of water, soil and air quality. The most important thing is that there should be an action programme to deal with the environmental situation, in which local and national interested parties can work together with the cross-border environmental activities made possible by EU membership. Constant, sustained growth is also important in order to finance improvements to the present-day situation.

EU support, both financial and in terms of know-how, will play a major role, and agreements must be complied with, since this is in the interests of both parties. Regarding the country's unique – and environmentally alarming – shale oil industry, the EU needs to create effective regulations and solutions which tackles not only the environmental aspects but also permit more dynamic development in the North-Eastern parts of the country. The high level of unemployment in these regions, and Estonia's dependence on a secure supply of energy, must be treated as a regional policy challenge to the EU.

The EU's preparations for enlargement

Like the candidate countries, the EU also needs to adapt itself in the run-up to the forthcoming increase in the number of its members. Since the Nice European Council the EU has had an institutional structure to take account of enlargement scheduled for 2004. A budget plan has been adopted for the Union, up till 2006, which assumes that the first new Member States will have joined as early as 1 January 2002. The EU also needs to address the question of its official languages, its agricultural policy and freedom of movement within the EU's borders, to name a few important issues. Freedom of movement is a matter of crucial symbolic importance. It should be taken for granted that the new Member States will from day one, have the same freedom of movement and the same access to the European labour market as any other Member State.

The freedom of movement of the individual is one of the foundation stones of the internal market and it is appropriate that the new Member States – who are making major and rapid changes in their countries in order to adapt themselves to the EU's requirements and expectations – should also be able to see the advantages their citizens will enjoy as a result of EU membership. The EU needs to be made attractive and welcoming, not least in a situation where public support for EU membership is on the wane in a number of candidate countries. The reasons for a lack of popular support are no doubt many and complex. There are fears that this is principally a politicians' project and will not produce any clear benefits for the new EU citizens in general. It is in the EU's own interest for people in the candidate countries not to be frightened off, since an incomplete enlargement process would not only harm the EU's standing, but would also create difficulties in the future for the EU's current citizens.

EUROPEAN PARLIAMENT

1999



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A5-0251/2001
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REPORT

on Estonia's application for membership of the European Union and the state of negotiations
(COM(2000) 704 – C5-0604/2000 – 1997/2177(COS))

Part 2: Committee opinions - opinions on Estonia
(See also Part 3: Global opinions)

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

Rapporteur: Gunilla Carlsson

CONTENTS

| | Page |
|---|---|
| OPINION OF THE COMMITTEE ON BUDGETARY CONTROL..... | 20 |
| OPINION OF THE COMMITTEE ON LEGAL AFFAIRS AND THE INTERNAL MARKET | 24 |
| OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS | 27 |
| OPINION OF THE COMMITTEE ON REGIONAL POLICY, TRANSPORT AND TOURISM | 29 |
| OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND EQUAL OPPORTUNITIES | 34 |
| Published separately: | |
| Motion for a resolution and explanatory statement..... | Part 1 - A5-0251/2001 |
| Global opinions..... | Part 3 - A5-0251/2001 A5-0252/2001 A5-0253/2001 A5-0254/2001 A5-0255/2001 A5-0256/2001 A5-0257/2001 A5-0258/2001 A5-0259/2001 A5-0260/2001 A5-0261/2001 A5-0262/2001 |

25 June 2001

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Estonia's application for membership of the European Union and the state of negotiations
(COM(2000) 704 – C5-0604/2000 – 1997/2177 (COS))

Draftsman: Herbert Bösch

PROCEDURE

The Committee on Budgetary Control appointed Anne Ferreira draftsman at its meeting of 26 April 2001.

The Committee on Budgetary control appointed Herbert Bösch draftsman at its meeting of 29 May 2001, as Anne Ferreira is no longer member of this Committee.

It considered the draft opinion at its meetings of 29 May and 18 June 2001.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Freddy Blak, acting chairman; Herbert Bösch, vice-chairman and draftsman; Jean-Louis Bourlanges (for Raffaele Costa), Mogens N.J. Camre (for Isabelle Caullery), Bert Doorn (for Christopher Heaton-Harris), Christos Folias (for Thierry B. Jean-Pierre), Emmanouil Mastorakis (for Helmut Kuhne), Jan Mulder (for Lousewies van der Laan), Michel-Ange Scarbonchi, Esko Olavi Seppänen (for Marianne Eriksson), Rijk van Dam, Michiel van Hulten and Kyösti Tapio Virrankoski (for Antonio Di Pietro).

SHORT JUSTIFICATION

On 8 November 2000 the Commission produced its regular report on the progress towards accession made by each of the candidate countries. Chapter 28 of the Community *acquis* (financial control) has therefore been carefully 'screened' for each of the candidate countries. Since then adjustments have been made in the countries concerned.

As from 2002, each of the candidate countries will be responsible for the decentralised management of Community Funds (PHARE, ISPA, SAPARD) and for multiannual programming to prepare the ground for implementation of the Structural Funds after accession. To enable this to be done, it will be necessary to satisfy requirements relating to the smooth functioning of financial control and management systems.

This opinion for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy draws attention to those aspects of internal and external financial control, management of Community funds, protection of the European Union's financial interests and control measures relating to own resources where a particular effort needs to be made to satisfy Community standards.

The following recommendations are based on a compilation of data reproduced below, which has been provided by the European Parliament's Directorate-General for Research, the Commission - Directorate-General for Enlargement - and by the relevant applicant countries through their permanent representations to the European Union.

I. INTERNAL FINANCIAL CONTROL SYSTEM

Responsible Central Bodies

Ministry Of Finance: Financial Control Department

The Finance Ministry was given overall responsibility for coordinating financial control in 2000

- a deputy secretary-general for government control has been appointed
- a best-practice manual for the Internal Auditors of the public sector has been adopted, in line with international auditing standards
- in 1998 an "Administrative Cooperation Agreement" was signed with the Commission (Cooperation measures on Internal Control)
- there are only 9 officials in the coordination and control department.

Operational Bodies

- internal auditors (in the Ministry of Finance and all spending ministries)
- local government internal audit units
- in June 2000 amendments to the "Government of the Republic Act" defined Internal Control and Internal Audit in the government sector
- in October 2000 general rules of Internal Audit for government and state agencies were introduced, as well as the requirements set for Internal Auditors.

Commission Recommendations

- accelerate efforts to develop the newly established control mechanisms and strengthen internal financial control;- clarify roles more explicitly
- to further strengthen the functional independence of internal auditors;
- ensure implementation of financial management and control as well as internal audit manuals;
- continue training activities.

II. EXTERNAL FINANCIAL CONTROL SYSTEM

State Audit Office

- reports directly to Parliament;
- "Auditor General of Estonia" is appointed by Parliament for 5 years
- 1999: "Auditing Act": more professionalism for auditors; "Institute of Authorised Auditors"
- 2000: Adoption of a "Strategic Development Plan for 2000-2003": further development of the Capacity and Effectiveness of SAO.

Commission Recommendations

- Parliament to introduce formal mechanisms for reacting to SAO Reports and reinforce parliamentary control
- reinforce SAO's power to audit use of public funds.
- complete restructuring process according to international standards.

III. STRUCTURAL ACTION EXPENDITURE AND PROTECTION FINANCIAL INTERESTS

- protection of EU financial interests is ensured via bilateral agreements regulating EU pre-accession funds; necessary legal framework for structural funds also in place
- common procedures for the detection of irregularities and recovery of assistance have now been established with adoption of international standards, approved in 2000
- the Economic Crime Department (Central Criminal Police) designated as "Contact Body", as required by Article 7 Second Protocol of 19 June 1997 to Convention of the European Communities Financial Interests.

Commission Recommendations

- reinforce administrative and judicial capacity
- fraud against the Community Budget should be specifically criminalised
- strengthen the system of internal financial control to ensure coordination between Ministries with a view to participation in EU structural policies
- audit trails for pre-accession funds need to be developed.

IV. CONTROL MEASURES RELATING TO OWN RESOURCES

- The State Budget Department in the Ministry of Finance has been restructured to reinforce the State Budget, Tax Policy and Economic Analysis Departments
- Budgetary Statistics are compiled in accordance with ESA 95 norms.

Commission Recommendations

- improve customs administration and capacity to collect and enforce duties (limited experience of Estonia in this area)
- develop a timetable for introduction of tariffs and strengthening the customs administration
- introduce legal provisions for collection of sugar levies.

CONCLUSIONS

The Committee on Budgetary Control calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

- A. Whereas Community pre-accession aid, which comes out of the EU taxpayer's pocket, must be enabled to benefit Estonia under the best possible conditions as regards management, control, transparency and efficiency, and in order for this to happen appropriate and well-run management and financial control systems are essential, as is the development of an anti-fraud culture and system,
1. Notes that Estonia has adopted the necessary legislation for the development of financial management and control systems;;
 2. Nevertheless questions Estonia's ability at the level of financial management and control to decentralise the administration of pre-accession aid;
 3. Calls on Estonia, as far as measures for the control of own resources are concerned, to improve the capacity of its customs administration to collect and enforce customs duties;
 4. Calls on Estonia to fight corruption and to make fraud affecting the Community's interests a specific criminal offence in its legislation and requests it to build up its capacity to cooperate with the relevant EU bodies;.
 5. Wonders what the usefulness of reports of the SAO are if Parliament does not have a clear mechanism to react to these reports and therefore urges the Estonian Parliament to set up these mechanisms for budgetary oversight;

9 July 2001

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS AND THE INTERNAL MARKET

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Estonia's application for membership of the European Union and the state of negotiations (COM(2000) 704 – C5-0604/2000 – 1997/2177 (COS))

Draftsman: Gary Titley

PROCEDURE

The Committee on Legal Affairs and the Internal Market appointed Gary Titley draftsman at its meeting of 11 April 2001.

It considered the draft opinion at its meetings of 25 June and 9 July 2001.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Willi Rothley, acting chairman; Ward Beysen, vice-chairman; Bill Miller, acting draftsman (for Gary Titley); Luis Berenguer Fuster (for Enrico Boselli), Maria Berger, Bert Doorn, Janelly Fourtou, Gerhard Hager, Malcolm Harbour, The Lord Inglewood, Ioannis Koukiadis (for Carlos Candal), Kurt Lechner, Klaus-Heiner Lehne, Neil MacCormick, Toine Manders, Luís Marinho, Hans-Peter Mayer, Arlene McCarthy, Manuel Medina Ortega, Hartmut Nassauer (for Paolo Bartolozzi), Joachim Wuermeling, Stefano Zappalà and Jürgen Zimmerling (for Antonio Tajani).

CONCLUSIONS

The Committee on Legal Affairs and the Internal Market calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

Paragraph 1

Stresses that an efficient and fully functioning legal system is essential to enable Estonia to rise to the challenges of membership of the European Union; wishes, in this respect, to highlight the importance of the training judges receive, their remuneration, which must be appropriate to the duties they perform, and their position in society, which should be highly regarded.

Paragraph 2

Points out that, although the Estonian civil service appears to be relatively professional and politically neutral, no effort should be spared to improve it; thus the reforms under way in the civil service should be completed as soon as possible, and the resources devoted to this process should be sufficient so as to enable it to fulfil its tasks in an independent and professional manner. Draws attention, in this respect, to the shortcomings and corrupt practices detected in the customs administration, where significant improvements are necessary to bring it up to the professional level that exists within the Union.

Paragraph 3

Considers that although progress has been made in Estonian legislation on intellectual and industrial property, it is necessary to dispel the doubts that remain over the ability of its administration to tackle counterfeiting and piracy; considers also that further progress must be made in view of the most recent reforms in the Union on intellectual property.

Paragraph 4

Considers it unacceptable that in Estonia works by foreign performers can continue legally to be broadcast without authorisation or compensation to the copyright holder;

Justification

The Estonian government is refusing, despite a commitment in the Association Agreement, to implement Article 8(2) of the rentals directive. Foreign music titles in particular consequently are being broadcast day in day out without authorisation and without compensation to the copyright holder.

Paragraph 5

Insists, also, that more work needs to be done as regards the introduction of penalties to deter large-scale counterfeiting, effective police action to combat these crimes and effective control of the most problematic borders.

Paragraph 6

Considers that Estonia must withdraw in the near future the reservation it made to Article 12 upon signature of the Rome Convention; considers that such a reservation does little to benefit Estonian artists and cannot easily be reconciled with the principles of association.

Paragraph 7

Considers that further efforts are needed in transposing and enforcing legislation in sectors such as personal data protection, market surveillance and product safety, public procurement and the recognition of professional qualifications, since in some cases the objectives set out in the Association Agreement have not been attained.

Paragraph 8

Notes that the Charter of Fundamental Rights is de facto one of the ship criteria the applicant countries have to meet and requests the Commission to attach greater importance to this aspect in the progress reports;

Paragraph 9

Urges that the Estonian government should lay down a high-quality administrative foundation that includes guarantees of adequate implementation of European rules;

Paragraph 10

Calls on the Commission to make greater use of the OECD's special skills (SIGMA) to strengthen public administration in the applicant countries;

Paragraph 11

Urges that the Estonian government should without delay adopt the necessary measures to ensure that public opinion is comprehensively informed about the objectives of accession to the EU;

Justification

It is essential that there not be a split between the government and the public.

30 May 2001

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Estonia's application for membership of the European Union and the state of negotiations
(COM(2000) 704 – C5-0604/2000 – 1997/2177 (COS))

Draftsperson: Miet Smet

PROCEDURE

The Committee on Employment and Social Affairs appointed Miet Smet draftsperson at its meeting of 12 April 2000.

It considered the draft opinion at its meetings of 3 and 29 May 2001.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Winfried Menrad, acting chairman; José Ribeiro e Castro, vice-chairman; Miet Smet, draftsperson; Sylviane H. Ainaridi, Jan Andersson, Elspeth Attwooll (for Daniel Ducarme), María Antonia Avilés Perea, Regina Bastos, Philip Bushill-Matthews, Luciano Caveri, Alejandro Cercas, Luigi Cocilovo, Elisa Maria Damião, Proinsias De Rossa, Den Dover (for Rodi Kratsa-Tsagaropoulou), Harald Ettl, Jillian Evans, Carlo Fatuzzo, Hélène Flautre, Fiorella Ghilardotti, Anne-Karin Glase, Jorge Salvador Hernández Mollar (for Raffaele Lombardo), Stephen Hughes, Anne Elisabet Jensen (for Luciana Sbarbati), Pierre Jonckheer (for Ian Stewart Hudghton), Karin Jöns, Ioannis Koukiadis, Arlette Laguiller, Jean Lambert, Elizabeth Lynne, Thomas Mann, Manuel Pérez Álvarez, Bartho Pronk, Tokia Saïfi, Herman Schmid, Ilkka Suominen, Ieke van den Burg, Anne E.M. Van Lancker, Barbara Weiler and Sabine Zissener (for Mario Mantovani).

CONCLUSIONS

The Committee on Employment and Social Affairs calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Welcomes the progress Estonia has recorded on coordinating the various arrangements applicable to social security and mutual recognition of qualifications; urges the Estonian legislature also to rule on the mutual recognition of particular occupations; encourages the Estonian legislature to do away with language requirements that conflict with Community law;
2. Is delighted at the policy adopted on safeguarding workplace health and safety, but urges the Estonian legislature not to neglect transposition of the directives on collective redundancies, European works councils, the posting of workers and discrimination;
3. Welcomes the strengthening of employee and trade-union rights, but urges strengthening of both the bipartite and tripartite sectoral social dialogues and negotiation activity;
4. Welcomes the establishment both of the national action plan for employment and of the law on employment arbitration services, but reminds the Estonian government of the need also to prepare for participation in the ESF;
5. Welcomes the steady progress being made with expanding Estonia's social welfare protection;
6. Urges the Estonian government to guarantee the connection between the social and employment measures and to guarantee compliance in practice with employment law, employment protection and other social security regulations by ensuring the effectiveness of the departments responsible for monitoring for compliance with employment law;
7. Urges that special cross-border flanking measures such as possible transitional periods be considered in regions where workers are likely to commute across borders, with a view to anticipate the labour market consequences of the free movement of workers and services, on the basis of yet to be agreed assessment criteria to secure an urgently needed socially sustainable integration process; Invites the Commission to further develop together with the Employment and Social Affairs Committee of the European Parliament a reference document containing those criteria and measures.

31 May 2001

OPINION OF THE COMMITTEE ON REGIONAL POLICY, TRANSPORT AND TOURISM

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Estonia's application for membership of the European Union and the state of negotiations (COM(200)704 – C5-0604/2000 – 1997/2177 (COS))

Draftsman: Samuli Pohjamo

PROCEDURE

The Committee on Regional Policy, Transport and Tourism appointed Samuli Pohjamo draftsman at its meeting of 6 February 2001.

It considered the draft opinion at its meetings of 26 April 2001 and 29 May 2001.

At the latter meeting it adopted the following conclusions by 36 votes to 0, with 2 abstentions.

The following were present for the vote: Konstantinos Hatzidakis, chairman; Helmuth Markov and Rijk van Dam, vice-chairmen; Samuli Pohjamo, draftsman; and Emmanouil Bakopoulos, Rolf Berend, Theodorus J.J. Bouwman, Philip Charles Bradbourn, Michael Cashman (for Mark Francis Watts pursuant to Rule 153(2)), Carmen Cerdeira Morterero, Gerard Collins, Giovanni Claudio Fava, Jacqueline Foster, Robert Goodwill (for Mathieu J.H. Grosch), Ewa Hedkvist Petersen, Juan de Dios Izquierdo Collado, Georg Jarzembowski, Elisabeth Jeggle (for Karla M.H. Peijs), Dieter-Lebrecht Koch, Efstratios Korakas, Brigitte Langenhagen (for Margie Sudre), Giorgio Lisi, Sérgio Marques, Erik Meijer, Emilio Menéndez del Valle (for Wilhelm Ernst Piecyk), Reinhold Messner, Francesco Musotto, Camilo Nogueira Román, Juan Ojeda Sanz, Josu Ortuondo Larrea, Giovanni Saverio Pittella (for Gilles Savary), Carlos Ripoll i Martínez Bedoya, Dana Rosemary Scallon, Agnes Schierhuber (for Reinhard Rack), Ingo Schmitt, Brian Simpson, Renate Sommer, Dirk Sterckx, Ulrich Stockmann and Ari Vatanen.

SHORT JUSTIFICATION

Background

Estonia is an open and dynamic market economy. The country's economy has been growing since 1995, with the exception of 1999 when GDP dropped a little, mainly as a result of Russia's economic crisis. Estonia's GDP in 1999 was 35% of the EU average. The EU is Estonia's most important trading partner.

Estonia is a small country, with a population of 1.4 million. The capital, Tallinn, is the country's economic motor and richest area. Tallinn is three times wealthier than central Estonia (kest Eesti). There are economic difficulties in the rural areas of Eastern and Southern Estonia, the small islands, the border areas and the areas dependent on a single industry. Unemployment has increased to a worrying extent. There are serious difficulties particularly in North-East Estonia: the area is economically dependent on the production of oil-bearing shale, the 'burning rock', and has high unemployment and serious environmental problems because of shale-oil production and other industry.

| | Per capita GDP1998 (purchasing power standard) EU15=100 | Per capita GDP 1998 (purchasing power standard) EU15+CEEC10=100 | Per capita GDP 1995- 1998 (purchasing power standard) EU15=100 |
|---------|--|--|--|
| ESTONIA | 37 % | 43 % | 35 % |

Source: Eurostat, Statistics in focus, Theme 1, 4/2001. The statistics are compiled at NUTS II (Nomenclature of Territorial Statistical Units) level, which for Estonia is the whole country.

Estonia is divided into 15 regional administrative units (maakond). The NUTS III area division (proposed by Eurostat) has not found favour with the Estonians, and the Estonian government therefore decided on 3 April 2001 to propose to Eurostat that NUTS III be amended. Regional development projects are chiefly the responsibility of the Ministry of the Interior. The national regional development council, which includes representatives of the relevant ministries, is responsible for coordination between ministries.

Preparations for EU membership

At the Luxembourg European Council in December 1997 a preliminary timetable for membership negotiations was drawn up. Estonia was part of the first wave of applicants, with which negotiations began at the end of March 1998. Estonia meets the Copenhagen criteria, according to which a Member State must have reliable institutions which guarantee democracy, the rule of law, human rights and the protection of minorities.

Estonia has undertaken to implement the *acquis communautaire* in the field of regional policy in its entirety and without transitional periods on accession to the EU. Efforts will be made to arrive at a conclusion to negotiations on regional policy (conciliation no 21) during the Spanish Presidency in the first half of 2002. Estonia estimates that its preparations in the field of regional policy will be complete by the end of 2002 and the country is aiming to become an

EU Member State on 1 January 2003.

Most of the applicant countries have not really had a regional policy in the past and their regional administration structures are new. In Estonia, regional policy began to be developed in the early 1990s and since 1996 special regional development programmes have been in operation. Estonia's regional policy is an inseparable part of its national development strategy. During preparations for membership the Phare programme will help the administration in its preparations, will seek to simplify structural changes to industry and will support participation in EU programmes, while ISPA (the Instrument for Structural Policies for Pre-Accession) will fund transport and environmental projects. SAPARD (the Special Accession Programme for Agriculture and Rural Development) will help agriculture to prepare for EU membership. In 2000-2002, Estonia will receive EUR 24 m annually in aid from Phare, EUR 12 m from SAPARD and EUR 21-37 m from ISPA.

Regional policy administration

In terms of preparedness, Estonia, like the other candidate states, still has room for improvement. The simple adoption of the *acquis communautaire* will not be enough, and the administration must be able to ensure the effective implementation of funding in accordance with EU legislation. Particular priorities are multi-annual programming, co-financing, partnership, project development, follow-up, financial management, financial control and estimates.

Estonia is seeking in the long term to reduce state expenditure as a share of GDP by increasing public sector efficiency. Cutting administrative expenditure is one way of reducing the level of public outgoings, but preparing for EU membership requires greater efforts from the administration. Estonia believes it can reduce its administrative expenditure by prioritising and increasing efficiency. It should ensure, however, that its administration can attract a high-quality workforce and that human resources and administrative capacity are stepped up in order to meet the challenges of EU membership.

Estonia has already clearly managed to improve the performance of its administration, but there is still a need to improve efficiency in the implementation of structural policy. The country should in particular develop its administrative performance, clarify responsibilities, develop inter-ministerial coordination, increase the quality of its budgetary procedure and improve financial management and financial supervision. The estimates and supervision systems should be developed further.

There is also a need to improve still further the level of human resources. Estonia has an extremely small but active and efficient central administration, which needs to be strengthened if it is to be able to cope with the new tasks which EU membership will bring. Active participation in pre-accession programmes will improve Estonia's preparedness for membership. The country should try to take as much advantage as possible of this experience.

Statistics in the applicant countries are unreliable and inadequate, and Estonia too should continue to develop its statistics in cooperation with Eurostat. As yet no proper GDP statistics available at regional level, though there is some information from 1996 onwards. A start could be made at developing and gathering NUTS III level statistics, once the final decision

on the regions has been made.

Challenges of membership

The central objective of the EU's regional policy is to reduce regional disparities and guarantee uniform growth in all regions. Estonia estimates that its whole territory falls below 75% of the average GDP of the EU, and is thus eligible for Objective 1 aid. The country will also meet the aid criteria for the Cohesion Fund. Estonia should plan to take advantage of the opportunity offered by the Cohesion Fund for the funding of small projects to the value of less than EUR 10 m. Estonia also plans to participate in all the Community initiatives.

The Estonian government's capacity will be put to a hard test after accession. The country must also be able to find partial funding for projects, and it must show that the additionality principle has been complied with. After accession, Estonia will be entitled to aid under the same conditions as the present Member States. It is estimated that Estonia would be entitled to almost EUR 1 bn per year in aid. The Estonian economy's absorption capacity will therefore be put to the test. The Estonians themselves estimate that the sum will in fact be smaller, partly because matching national aid is not available. EU aid is not permitted to exceed 4% of GNP, but this should not be a problem for Estonia. The country should take care that its economy develops in a balanced way and should seek to avoid state indebtedness.

CONCLUSIONS

The Committee on Regional Policy, Transport and Tourism calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Considers that Estonia has the capacity to construct, before accession, a sufficiently robust administration with a view to the adoption of Community law and the speedy and effective implementation of the structural fund programmes; advises Estonia to take advantage of the current Member States' experience and good practices; urges Estonia to invest in the adaptation of legislation on estimates, financial management and financial control;
2. Urges Estonia to improve its level of skills required for programme work under the EU's regional policy; urges Estonia to strengthen its administrative performance capacities in the implementation of regional policy; stresses the importance of training civil servants and developing cooperation with the central, regional and local administrations of other countries; calls, therefore, on the Commission to extend twinning to regional and local authority level;
3. Recalls the new challenges which come with devolved government; stresses the importance of cooperation between central and regional government in administering the structural funds, and urges Estonia to develop cooperation between different administrative areas and levels (central, regional and local government); considers that

responsibilities must be allocated clearly;

4. Draws attention to the need to strengthen the role of regional and local government, and the preparedness of the economy and administration, to ensure that regions and local authorities can be involved in a more independent way in planning, preparing and funding joint projects;
5. Urges Estonia to draw up a multi-annual budget framework in which the national part-funding needed to realise the EU's regional policy is guaranteed; stresses the importance of developing statistics; considers that the NUTS regional division is an important decision as regards the administration of the structural funds;
6. Urges Estonia to continue its close and successful cooperation with the current Member States; urges Estonia to participate actively in the projects of the Northern Dimension; also recalls the importance of continuing and developing cooperation in the whole Baltic region even after Estonia has become an EU Member State; hopes that Estonia will develop in good time its regional policy strategy to include cooperation with Russia, for which more resources will be available after Estonia has joined the EU.

25 June 2001

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND EQUAL OPPORTUNITIES

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Estonia's application for membership of the European Union and the state of negotiations (COM(2000) 704 – C5-0604/2000 – 1997/2177 (COS))

Draftsperson: Heidi Anneli Hautala

PROCEDURE

The Committee on Women's Rights and Equal Opportunities appointed Heidi Anneli Hautala draftsperson at its meeting of 20 March 2001.

It considered the draft opinion at its meetings of 29 May, 20 June and 21 June 2001.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Maj Britt Theorin, chairperson; Heidi Anneli Hautala, draftsperson; María Antonia Avilés Perea, Maria Berger, Lone Dybkjær, Lissy Gröner, Mary Honeyball, Anna Karamanou, Thomas Mann, Maria Martens, Ria G.H.C. Oomen-Ruijten (for Astrid Lulling), Patsy Sörensen and Joke Swiebel.

CONCLUSIONS

The Committee on Women's Rights and Equal Opportunities calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Recalls the provisions of the Treaty, namely Articles 2, 3 (2) and 141, as well as the stipulations of other Community legislation as regards equality of women and men;
2. Welcomes the entry into force of the European Social Charter in Estonia and encourages the Estonian Government to actively ensure implementation of its obligations, as well as those of the United Nations Convention on the Elimination of All Forms of Discrimination against Women in force in Estonia since 1991;
3. Acknowledges the principle of equality of all persons before the law enshrined in the Estonian Constitution; encourages the Estonian Government to pursue vigorously the development of legal guarantees and protection mechanisms in the Estonian legislation; and calls for the integration of the principle and modalities of equal pay for work of equal value, equal treatment of women and men in employment, occupation and vocational training, and reconciliation of work and family life into the Estonian legal framework before accession to the European Union;
4. Welcomes the concept paper on a Gender Equality Act elaborated by the Government of Estonia in 2000 and encourages the integration of the European Union *acquis* in the legislative proposal to be presented to Riigikogu during 2001;
5. Notes with satisfaction that the competencies of the Ministry of Social Affairs have been extended to gender equality issues and urges the Estonian Government to allocate sufficient resources to the relevant institutions to ensure effective coordination, implementation and administrative capacity;
6. Welcomes the Ministry of Social Affairs Strategic Action Plan 2000-2010 containing the objective of integrating the principle of gender equality into all national policies, and urges the administration to engage in activities promoting dialogue and public awareness of gender issues as well as training civil servants in different levels and sectors of government;
7. Calls on the Estonian Government to continue active international and regional cooperation to exchange information and best-practices in the gender equality field; welcomes the intention of the Estonian Government to participate in the Gender Equality Community Programme 2001-2005 and in the Daphne Programme against violence towards children, young persons and women, and recommends that sufficient support be provided for civil society players to ensure wise use of these funding opportunities;
8. Calls on Estonia to develop further and disseminate gender-sensitive statistics and invites Estonia to seek support from Community financing instruments to align data collection procedures with European Union practice; further calls on the Commission

to receive such requests favourably;

9. Notes with regret that the relative position of women in Estonia has deteriorated during the years of transition, with a number of indicators suggesting persistence of gender inequalities in the labour market, and gender segregation in the fields of vocational and university education remaining at a high level; therefore invites the Estonian Government to pursue efforts to reverse the situation with adequate social, educational and labour market policies;
10. Notes the under-representation of women in Estonia's Government institutions and calls on the Estonian Government to take appropriate affirmative steps to remedy this situation, and to apply the Council Recommendation of 2 December 1996¹ on the balanced participation of women and men in the decision-making process when elections are next held;
11. Calls on the Commission to analyse in more detail the undertakings of the Estonian Government in the field of gender equality, particularly as regards labour market policies in future progress reports.

¹ OJ L 319, 10.12.1996, p. 11.

EUROPEAN PARLIAMENT

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A5-0253/2001

A5-0254/2001

A5-0255/2001

A5-0256/2001

A5-0257/2001

A5-0258/2001

A5-0259/2001

A5-0260/2001

A5-0261/2001

A5-0262/2001

Par3

13 July 2001

REPORT

on Bulgaria's, Cyprus's, Czech Republic's, Estonia's, Hungary's, Latvia's, Lithuania's, Malta's, Poland's, Romania's, Slovakia's and Slovenia's applications for membership of the European Union and the state of negotiations

(COM(2000) 701-712 – C5-0601-612/2000 – 1997/2171-2181(COS) and 1999/2029(COS))

Part 3: Committee opinions - global opinions
(see also Part 2: Opinions by country)

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

CONTENTS

| | Page |
|--|-------------|
| OPINION OF THE COMMITTEE ON BUDGETS | 40 |
| OPINION OF THE COMMITTEE ON CITIZENS' FREEDOMS AND RIGHTS, JUSTICE AND HOME AFFAIRS | 46 |
| OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY | 51 |
| OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT | 57 |
| OPINION OF THE COMMITTEE ON CULTURE, YOUTH, EDUCATION, THE MEDIA AND SPORT | 77 |
| OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS | 88 |

21 June 2001

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy on Bulgaria's, Cyprus's, Czech Republic's, Estonia's, Hungary's, Latvia's, Lithuania's, Malta's, Poland's, Romania's, Slovakia's and Slovenia's applications for membership of the European Union and the state of negotiations (COM(2000) 701-712 – C5-0601-612/2000 – 1997/2171-2181(COS) and 1999/2029(COS))

Draftsman: Reimer Böge

PROCEDURE

The Committee on Budgets appointed Reimer Böge draftsman at its meeting of 24 April 2001.

It considered the draft opinion at its meeting of 28 May and 20 June 2001.

At the last meeting it adopted the following conclusions unanimously with 2 abstentions.

The following were present for the vote: Terence Wynn, chairman; Reimer Böge, vice-chairman/draftsman; Bárbara Dührkop Dührkop, vice-chairman; Ioannis Averoff, Kathalijne Maria Buitenweg, Joan Colom i Naval, Carlos Costa Neves, Den Dover, Göran Färm, Salvador Garriga Polledo, Neena Gill, Catherine Guy-Quint, Jutta D. Haug, Anne Elisabet Jensen, Wilfried Kuckelkorn, Florence Kuntz, Armin Laschet, John Joseph McCartin, Jan Mulder, Juan Andrés Naranjo Escobar, Giovanni Pittella, Bartho Pronk (for Jean-Louis Bourlanges), Paul Rübzig (for James E.M. Elles), Heide Rühle, Esko Olavi Seppänen (for Chantal Cauquil), Per Stenmarck, Jeffrey William Titford, Kyösti Tapio Virrankoski, Ralf Walter and Brigitte Wenzel-Perillo.

SHORT JUSTIFICATION

The European Union is negotiating now with 12 Candidate Countries on their accession to the Union. Predictions and scenarios regarding the costs of enlargement have to be based on several assumptions, which imply a number of political considerations. Important aspects will become clear only at the end of the negotiations. The most common scenario is still to assume the first accessions in 2004, which means that the negotiations will be concluded and the Accession Treaties signed before June 2002, and the Accession Treaties ratified in 2003, enabling the first accession on 1 January 2004. This perspective has been welcomed by Parliament, in particular in view of the 2004 European elections, and is the bases of the Working Document on the financial implications of EU enlargement presented by the rapporteur to the Committee on Budgets on 24 April 2001 (PE 300.045).

The implications of enlargement on the EU budget mainly depend on the developments in the Common Agriculture Policy (CAP) and the structural actions, as they form about 80% of the EU budget expenditure. With respect to the participation of the new Member States in the CAP, the costs for the EU budget will mainly depend on the inclusion of the Candidate Countries farmers in the direct aid transfers. In the Financial Framework attached to the Interinstitutional Agreement of 6 May 1999, indicative figures for the costs of enlargement were given assuming the accession of 6 countries in 2002 without taking into direct aid. Apparently, the provisions of the Interinstitutional Agreement are sufficient to cater for the costs of enlargement under the condition that no direct aid is transferred to farmers of the new Member States even if 10 instead of 6 countries join. If the outcome of the negotiations lead to the decision to grant direct aid, and depending on the outcome of the upcoming CAP reform, the provisions of the IIA have to be examined. Enlargement will have an impact on the CAP, especially in budgetary terms. On the other hand, the reforms of the agricultural policy should take into account the fact that most of the new Member States are heavily relying on agriculture and have a different economic structure compared to the current Member States. Extensive methods are already used in the Candidate Countries, which might be the future of European agriculture.

With respect to Structural Operations, the extra costs for the EU are going to be substantial, even though Council regulation n° 1260/1999 laying down the general provisions on the Structural Funds limits the annual Structural Policies transfer from the EU budget to a single country at 4 % of its GDP. The immediate full participation of the new Member States in the EU's agriculture and structural programmes would overtax the capacity of these countries to absorb the financial input in the relevant economic sector and to supply co-financing. It would cause, in particular, social problems between the economic sectors, if the full amount of agricultural support would be paid already in the first years after enlargement to the farmers, creating an income gap between the agricultural and other economic sectors. Also management problems may arise during the administration of the funds which are considerably higher than the financing through the pre-accession instruments. The phasing in method will not only lead to less problems in the new Member States, but also help the EU budget to be better in control, particularly in the first years after accession. It would allow keeping in the framework given by the IIA until 2006.

The question remains, if the figures of the Financial Framework EU-21 form a reliable basis for the adjustment of the financial perspective regarding the accession process with respect to

the effect on EU administrative costs, internal policies and external actions. The Union might need additional financial means to respond to the expansion of these tasks. Also the inclusion of the Candidate Countries in the Cohesion Fund never has been a real debate.

Costs for the EU budget will rise significantly after 2006 due to the completion of the phasing in agriculture and structural funds for the first new Member States and because of the accession of other candidate countries. Parliament wants to stress that enlargement does not incorporate incalculable risks. In particular, the appropriations for payments available for accession provided for in the financial perspective for the years 2004 to 2006 seem to be sufficient, if paragraph 25(3) of the Interinstitutional Agreement is taken into account („The additional requirements will be covered by the available amounts set aside for this purpose in the financial perspective and, if necessary, by using the additional own resources resulting from the increased Community GNP after enlargement of the Union“). After the first accession, appropriations could be made available through an adjustment of the Financial Perspective, as provided for in the Interinstitutional Agreement limited by the amounts indicated in the Financial Framework EU-21 in Heading 8 for appropriations for commitments and in the Financial Perspective EU-15 for appropriations for payments corresponding to the respective year.

Negotiations with 12 Candidate Countries have already progressed a lot in a number of areas, but crucial questions for the financial impact of enlargement are not yet discussed sufficiently on the political level. Detailed reflections should be made as soon as possible in order to prepare the new financial framework, which needs to be ready for the reception of the new Member States. In particular, Council seems not be in a position yet to present a common position for realistic financial and budgetary framework to the Candidate Countries as the informal meeting of ministers for foreign affairs in Nyköping on 5/6 May has unveiled.

CONCLUSIONS

The Committee on Budgets calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motions for resolutions:

1. Points out that the participation of *(name of the country)* in the Union's Common Agricultural Policy and the Structural operations will be phased in during the first years of membership in order to take into account the socio-economic situation, the absorption capacity, the co-finance capabilities and the administrative framework of *(name of the country)*, and in order to take into account the implications for the EU budget; notes that this has been the case in previous rounds of enlargement;

Justification

The immediate full participation of (name of the country) in the EU's agriculture and structural programmes would overtax the capacity of the country to absorb the financial input in the relevant economic sector and to co-finance the projects. It could cause social problems between the economic sectors, and management problems may arise in the first years. Phasing in of agricultural and structural programmes does not only lead to less problems in (name of the country), but also helps the EU budget to be better in control, particularly in the first years after accession.

2. Stresses that the likely costs for the European Union budget, which will arise from the accession of *(name of the country)* and other new Member States until 2006, can be catered for in the framework of the provisions of the existing Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure¹; suggests that after accession the amounts could be made available through an adjustment of the Financial Perspective for the specific year, within the limit of 1.27% for appropriations for payments and of 1.335% for appropriations for commitments; recalls that the margin for unforeseen expenditure in payments, which totals 0.15% of the Community's GNP in 2004, could be used also to cover additional financial needs related to enlargement; recalls in this context, in particular, Article 25 of the Interinstitutional Agreement and that the effects of future decisions on reforms as well as the needs to cover the costs of new policies are still unclear for the time being;

Justification

The calculations made in the working document on the financial implications of EU enlargement show that even under the optimistic prediction of the accession of 10 new Member States in 2004 the instruments of the Interinstitutional Agreement can be sufficient to

¹ OJ C 172, 18.6.1999, p. 1.

cater for the enlargement related cost until 2006, if the phasing in method is used and no – or only limited - direct aid will be transferred to the farmers of the Candidate Countries.

3. Stresses that the costs arising from the accession of *(name of the country)* together with other new Member States are likely to increase significantly after 2006 and require a serious consideration of the financing of the EU budget and the contribution capacity of the old and the new Member States; however, underlines that it supports the principle to maintain the ceiling of appropriations for payments at 1.27% of the Community's GNP up to 2006, which could be used through the EU budget in order to cover the needs of an enlarged Union; recalls Statement No 5, which was made by the Commission concerning the Decision on own resources¹, currently in the process of being ratified, and which provides for a general review of the own resources system and the presentation of a report including appropriate proposals for reform before 1 January 2006;

Justification

The calculations made in the working document on the financial implications of EU enlargement (PE 300.045) show that the costs for the EU budget will raise significantly after 2006 due to the completion of the phasing in agriculture and structural funds for the first new Member States and because of the accession of other candidate countries. Parliament wants to stress that enlargement does not incorporate incalculable risks, but that the budgetary consequences need to be examined carefully, in particular, for the period after 2006.

4. Points out that the upcoming reforms of the Common Agricultural Policy should take into account the financial implications of enlargement on agriculture and vice versa as well as the situation of the agriculture sector in *(name of the country)*; stresses that the reforms should preferably be decided upon before accession taking into account current and future obligations in the framework of the WTO; underlines, in particular, the need to start discussing the possibility to grant *(name of the country)* farmers direct aid;

Justification

*Enlargement will have a great impact on the Common Agricultural Policy, especially in budgetary terms. On the other hand, the reforms of the Agricultural policy should take into account the fact that *(name of the country)* and other new Member State are heavily relying on agriculture with a different economic structure compared to the current Member States. If the reforms are decided upon before the first enlargement, *(name of the country)* could start implementing the correct CAP immediately after accession. In particular, the question of direct aid needs to be clarified in time.*

¹ Council Decision of 29 September 2000 on the system of own resources of the European Communities (2000/597/CE, Euratom). OJ L 253, 7.10.2000, p. 42.

5. Notes that the main budgetary problems regarding enlargement has to do with categories 1 (CAP) and 2 (structural funds); underlines at the same time that both parts of the EU budgetary authority must also take the necessary precautions to detect and prevent problems in other budget categories, not least category 3 (internal policies) and category 5 (administration), where we already can see new financial needs necessary to prepare for enlargement and for the participation of *(name of the country)* and other Candidate Countries;
6. Considers that enlargement will generate economic and political benefits which will be greater than the budgetary costs; underlines that accession must not be made dependent from issues which are currently conflictual between Member States; underlines in this context that the policy of economic and social cohesion must be maintained for the whole Union also after the accession of *(name of the country)* and the other candidate countries;

Justification

Parliament can not accept that the accession process is jeopardised by the incapability of the current Member States governments to develop long-term and sustainable solutions for the future of the Common Agricultural Policy and the Structural Operations and developing a political framework, which could integrate (name of the country) that has a different structure of the agricultural and of other economic sectors.

7. Asks the Commission to develop different scenarios as well as in detail the procedure and the consequences of the accession of *(name of the country)*, to inform Parliament of these predictions and to provide regularly updated figures on the financial costs of enlargement in accordance with the proceeding of the accession negotiations;

Justification

The information of Parliament and the public on the effective costs of enlargement has been very weak until now. Parliament asks to inform it more regularly and concretely on the budgetary predictions to enable it to provide the necessary political input in the process.

4 July 2001

OPINION OF THE COMMITTEE ON CITIZENS' FREEDOMS AND RIGHTS, JUSTICE AND HOME AFFAIRS

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Bulgaria's, Cyprus's, Czech Republic's, Estonia's, Hungary's, Latvia's, Lithuania's, Malta's, Poland's, Romania's, Slovakia's, Slovenia's and Turkey's applications for membership of the European Union and the state of negotiations (COM(2000) 701-713 – C5-0601-613/2000 – 1997/2171-2181(COS), 1999/2029(COS) and 2000/2014(COS))

Draftsmen: Maria Berger and Arie M. Oostlander

PROCEDURE

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs appointed Maria Berger and Arie M. Oostlander draftsmen at its meeting of 29 May 2001.

It considered the draft opinion at its meetings of 19-20 June and 3 July 2001.

At the latter meeting it adopted the following conclusions unanimously.

The following took part in the vote: Graham R. Watson, chairman; Maria Berger and Arie M. Oostlander, draftsmen; Niall Andrews, Mary Elizabeth Banotti, Mario Borghezio (for Carlos Coelho pursuant to Rule 153(2)), Alima Boumediene-Thiery, Marco Cappato, Michael Cashman, Carmen Cerdeira Morterero (for Elena Ornella Paciotti), Ozan Ceyhun, Thierry Cornillet, Margot Kessler, Timothy Kirkhope, Juan Andrés Naranjo Escobar (for Jorge Salvador Hernández Mollar), Paolo Pastorelli (for Charlotte Cederschiöld pursuant to Rule 153(2)), Hubert Pirker, Giacomo Santini (for Marcello Dell'Utri), Ingo Schmitt (for Hartmut Nassauer), Patsy Sørensen, Joke Swiebel, Anna Terrón i Cusi and Olga Zrihen Zaari (for Gianni Vattimo pursuant to Rule 153(2)).

CONCLUSIONS

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points into its motion for a resolution:

The following points have to be considered as an interim opinion as a more detailed analysis will be issued by this committee once updated facts are available and negotiations will then enter their final phase.

1. Expresses its concern about the applicant countries' ability to implement the *acquis* in the field of Justice and Home Affairs within a short time period and considering that this area of Justice and Home Affairs reaches the heart of society, the rule of law and the confidence of the citizens; stresses therefore the importance of giving special priority to this area;
2. Underlines in particular that the structure of state and institutions in Turkey *as such* constitutes a barrier to implementation of the JHA *acquis*; therefore notes that the necessary reform of the Turkish state and society will be a painful and long-lasting process;
3. Underlines the importance of cooperation with the Council of Europe, for instance as in the joint Council of Europe – EU programme OCTOPUS II;
4. Urges the applicant countries to bring up freely the difficulties they face in implementing the *acquis* in order to enable the Commission to provide for complementary assistance and support where needed;

Respect for fundamental rights

- justice

5. Welcomes the abolition of the death penalty in the applicant countries in Central and Eastern Europe and urges Turkey to proceed in the same manner;
6. Notes that despite progress, significant improvements are still needed in terms of the independence of the judiciary, qualifications and number of judges so that the public may benefit from a fair and efficient justice system; and emphasises, in that connection, that further legislative reforms are required in order to guarantee the independence of the judiciary and a fair trial for those facing prosecution;
7. Acknowledges the valuable support which has been provided thus far under various pre-accession aid programmes for the process of raising standards in the areas of justice and home affairs;

8. Draws attention to the need for judges and lawyers, and also politicians and civil servants, to improve their knowledge of European law and its application and calls on the countries concerned and the European institutions to implement or step up in-service training measures;
9. Calls for the process of acceding to international human rights agreements to be moved forward in all the applicant countries and for the legal status quo in Bulgaria to be brought into line with international human rights standards with a view to preventing, by means of legal provisions, torture, inhumane and degrading treatment and punishments and all other forms of violence;

- police

10. Notes that many cases of undue violence are still committed and therefore calls on applicant countries to pursue measures to improve their police qualifications and behaviour by way of training programmes on issues of democracy, human rights, respect for minorities and the right of asylum; also invites these countries to favour diversified recruitment in the police;

- prisons

11. Notes that, despite some progress, prison conditions often remain very unsatisfactory in most of the applicant countries and therefore invites those countries to improve the situation, develop training programmes and (in the case of those which have not done so) to ensure that prison administrations are under the responsibility of the Ministry of Justice;

- minorities

12. Welcomes the action plans launched by several applicant countries in favour of Romany minorities and expects those plans to be effectively implemented, in particular concerning access to education, employment and housing, and to take into account the political, economic, social and cultural discrimination which the Romany minorities still suffer;
13. Notes the progress concerning the situation of Russian-speaking minorities in Estonia, Latvia and Lithuania owing to the enforcement of the language-training programmes and underlines again the critical situation of the Kurdish minority in Turkey;
14. Urges the governments concerned to step up their efforts to improve the situation of;
 - children (especially in Bulgaria and Romania), by ratifying and implementing the Hague Convention on the Protection of Children and, as a matter of the utmost necessity, improving living conditions and the provision of care and education in homes for children, particularly those who are mentally and physically disabled;
 - women, denouncing fundamentalist practices which downgrade the position of women in society,

- homosexuals (in particular by repealing discriminatory criminal law provisions - Bulgaria (Article 157 of the Penal Code), Cyprus (Article 171 of the Penal Code), Hungary (Article 199 of the Penal Code), Lithuania (Article 122 of the Penal Code) and Romania (Article 200 of the Penal Code) - provisions of the kind which the European Commission on Human Rights has deemed incompatible with the ECHR);
- conscientious objectors;

15. Calls on the governments concerned to adopt strategies for integrating minorities, to recognise their legitimate rights and, in particular, to introduce legislation against discrimination pursuant to Article 13 of the EU Treaty and the Charter of Fundamental Rights; also calls on the Monitoring Centre on Racism and Xenophobia to draw up reports indicating the measures to be taken in the fight against racism in the applicant countries;

- asylum

16. Points to the still inadequate nature of the asylum procedure in several applicant countries, notably with regard to statutory provisions and procedures, access to asylum procedures (refugees refused entry at the border or arbitrarily detained; unsatisfactory functioning of administrative tribunals); therefore calls on the applicant countries to honour their commitments under international agreements and to improve their policies in this field and to be guided by best practices in those areas where EU standards are lacking;
17. Stresses that the enforcement of border controls must not interfere with the right of refugees to access asylum procedures and the principle of non-refoulement; calls in this context for the establishment of mandatory rules so as to guarantee the compatibility of readmission practices and the right of asylum, as well as for the constitution of permanent bodies with NGO representatives, which should be in charge of monitoring the implementation of readmission agreements;

- Religious freedom

18. Emphasises that in Bulgaria the entire set of rules governing freedom of religion, freedom of conscience and the freedom to exercise religious belief must be revised;

Justice and police cooperation

19. Calls on the applicant countries to further improve societal orientation and the quality of the police and judiciary, in particular by training and improving the scientific know-how of their staff in order to be able to participate in European judicial and police cooperation (Eurojust and Europol);
20. Calls on Europol and EU Member States to assist in the training of police and legal experts from the applicant countries in the prevention of international crime and to increase the exchange of knowledge with applicant countries in order to enable the applicant states to reach European standards in the fight against international crime; points out that international crime may take advantage of the fact that the applicant

countries lack suitable legislation and stable structures;

21. Underlines the common EU responsibility (technical and financial assistance) for strict external border controls in order to combat illegal immigration and trafficking in human beings, particularly women and children, so that the Member States stop operating as markets for such services; therefore urges the applicant countries to strengthen the quality of border police forces; calls specifically on Lithuania, Poland and Russia to improve coordination with regard to Kaliningrad;
22. Expresses its concern that the emergence of private security services may constitute a threat, especially in countries in which there are as yet no firmly established legal system, no constitutional practices and no understanding of the law;

The fight against corruption

23. Emphasises that corruption endangers the satisfactory functioning of the police and judiciary and undermines public confidence and therefore urges applicant countries which have not yet ratified the Council of Europe and OECD Conventions relating to the fight against corruption to do so and to take all the necessary steps to implement those Conventions as soon as possible;
24. Stresses that that the transparency of society (including the freedom of the media), the independence of the judiciary and better pay for police officers and judges are essential elements of the fight against corruption;
25. Underlines the importance of initiatives such as the *Southeast European Legal Development Initiative* (SELDI), by the *Centre for the Study of Democracy* (CSD) in Bulgaria and the *International Development Law Institute* (IDLI) in Rome in its contribution to legal developments in the region in terms of fostering good governance and strengthening of the judiciary and fighting corruption; asks the Commission to support such initiatives;

Data protection

26. Stresses that full confidence in each other's data protection standards is a precondition for the establishment of truly effective bilateral cooperation with EUROPOL and the police and judicial authorities of the Member States, and therefore urges applicant countries that have not done so to sign and ratify the Council of Europe Convention for Data protection of individuals against unauthorised use of their personal data (1981) and to implement Directive 95/46/CE of 24 October 1995 on data protection;
27. Welcomes the progress being made in the Czech Republic, Hungary, Slovenia and Slovakia in the area of data protection; notes the difficulties which some of the applicant countries face in implementing the necessary measures in this field; therefore asks the Commission, the Council and the Member States to provide additional support to the applicant countries in implementing rules on data protection.

20 June 2001

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Bulgaria's, Cyprus's, Czech Republic's, Estonia's, Hungary's, Latvia's, Lithuania's, Malta's, Poland's, Romania's, Slovakia's, Slovenia's and Turkey's applications for membership of the European Union and the state of negotiations (COM(2000) 701-713 – C5-0601-613/2000 – 1997/2171-2181(COS), 1999/2029(COS) and 2000/2014(COS))

Draftsman: Norbert Glante

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Norbert Glante draftsman at its meeting of 21 March 2001.

It considered the draft opinion at its meetings of 28 May and 20 June 2001.

At the latter meeting it adopted the following conclusions by 42 votes to 5, with 1 abstention.

The following took part in the vote: Carlos Westendorp y Cabeza, chairman; Renato Brunetta and Peter Michael Mombaur, vice-chairmen; Norbert Glante, draftsman; Konstantinos Alyssandrakis, Ward Beysen (for Astrid Thors), Guido Bodrato, Massimo Carraro, Gérard Caudron, Giles Bryan Chichester, Nicholas Clegg, Dorette Corbey (for Harlem Désir), Willy C.E.H. De Clercq, Carlo Fatuzzo (for Umberto Scapagnini), Francesco Fiori (for Alejo Vidal-Quadras Roca), Christos Folias, Neena Gill (for Glyn Ford), Lisbeth Grönfeldt Bergman (for Marjo Matikainen-Kallström), Michel Hansenne, Hans Karlsson, Bashir Khanbhai (for Konrad K. Schwaiger), Helmut Kuhne (for Rolf Linkohr), Werner Langen, Caroline Lucas, Eryl Margaret McNally, Nelly Maes, Erika Mann, Elizabeth Montfort, Angelika Niebler, Giuseppe Nisticò (for Roger Helmer), Reino Paasilinna, Yves Piétrasanta, Elly Plooij-van Gorsel, John Purvis, Godelieve Quisthoudt-Rowohl, Bernhard Rapkay (for François Zimeray), Imelda Mary Read, Mechtild Rothe, Christian Foldberg Rovsing, Paul Rübig, Gilles Savary (for Elena Valenciano Martínez-Orozco), Ilka Schröder, Esko Olavi Seppänen, Helle Thorning-Schmidt (for Myrsini Zorba), Claude Turmes (for Nuala Ahern), W.G. van Velzen, Anders Wijkman, Olga Zrihen Zaari.

EXPLANATORY STATEMENT

This opinion does not wish to repeat the points made in the Commission's progress reports or last year's ITRE Committee report. We have therefore established a number of focal points which seem pertinent in view of the present state of the accession negotiations and the remit of our committee.

General:

The enlarged European single market will be the **largest single market in the world**. With 13 new Member States the population of the European Union will rise by 31 %. Enlargement offers Europe's entire economy the opportunity to consolidate its international competitive position and to develop it in the long-term.

In the industrial sector (conventional industries, telecommunications and SMEs) the applicant countries have made remarkable progress as far as legislation is concerned and developed very sound strategies. But no matter how good they are, legislation and strategies are not enough by themselves: they need to be implemented. For a variety of reasons (state budgets, inefficient administration and courts, poor coordination etc.) implementation remains a major problem for many applicant countries in many areas. Of course, transitional periods are possible prior to full membership, but only if they do not constitute an obstacle for the operation of the single market and if they are really necessary. The number and duration of these transitional periods should be limited. These rules about transitional periods apply not only to the demands of the applicant countries, but also to those of Member States. If the EU is to achieve economic union, cross-border cooperation between industries and enterprises must be a focal point of EU aid policy.

Industry

The two principal economic criteria for EU accession were established at the European Council meeting in Copenhagen in 1993: namely, a functioning market economy and the ability to withstand the pressure of **competition**. Many of the applicant countries already have a functioning market economy. However, the next step is to make this market economy competitive! Moreover, competition facilitates the transition to higher value and more technology-intensive production. Before the applicant countries can withstand the full pressure of competition, they need to face a number of major challenges: the adoption and implementation of the EU rules of competition, environmental standards and the social policy *acquis*. The adoption of the latter plays a very important role as far as economic competition is concerned: this could prevent at least some of the distortions of competition between Member States and applicant countries in the labour and services market caused by differences in social policies.

Foreign Direct Investment (FDI) is an important factor in the economic development of the applicant countries. In some specific cases it is still being hampered (the absence of full liberalisation or of a stable legislative framework), but in general this area is a priority for the applicant countries. Investments offer them the opportunity to rehabilitate their economies both financially and structurally - new technologies and know-how are also imported. In order

to attract more investors and boost the competitiveness of industry, the applicant countries must develop their infrastructures, notably motorways and roads, and modernise of railways and communications. Legislation to facilitate the acquisition of technologically-advanced industries is also necessary in order to attract foreign investors.

For the further development of the economy in the applicant countries there are two very important instruments: **BEST** and **PECA**.

- BEST stands for Business Environment Simplification Task Force. This concept was originally developed in 1997 for the Member States. It offers two principal advantages: a very practical assessment of the economic situation and an improvement of coordination between the economic players. The results were so good for the Member States that the Commission decided to assess the economic position of the applicant countries in the same way. The use of BEST could promote benchmarking between the applicant countries. They could learn from each other and thus meet the EU's requirements more rapidly.

- PECA stands for 'Protocols to the Europe Agreement on Conformity Assessment'. PECAs are a very important instrument for rewarding progress made by the applicant countries in the free transport of goods. They allow these applicant countries to enjoy the advantages of the single market before accession for certain products, without requiring any further assessment of certification procedures.

The **steel industry** is a critical sector of industry. The steel industry of the applicant countries must be radically and swiftly restructured. The deadlines set in the respective association agreements for the development of a practical restructuring strategy have long expired. Acceptable restructuring plans which are in line with Protocol 2 of the Europe Agreement and the rules on aid and transitional periods set out therein must be adopted as rapidly as possible:

1. Condition for state aid: it must ensure the survival of the industries and be no higher than necessary for survival. Only on this condition can fair competition within the future European Union be secured.

2. Condition for the long-term survival of the steel industry in the applicant countries: restructuring, rationalisation and a general reduction of capacity must accompany the aid. Only on this condition will the steel industry of Central and Eastern Europe become competitive.

Telecommunications:

This is a particularly important sector, since enlargement coincides with the advent of the Information Society. The Information Society opens up a new market in which SMEs from the applicant countries could become immediately competitive. Almost all applicant countries are on course for full liberalisation. It often happens that a regulatory authority has already been set up or decided on in principle, but its independence has yet to be secured. Substantial amounts of work still need to be done on infrastructure, services and adjustments to European standards.

Energy:

In the energy sector there are substantial differences in the state of development of the applicant countries. The problems facing the energy sector cannot be solved quickly. It is therefore very important that the applicant countries should develop a national strategy with a practical timetable as rapidly as possible and set aside appropriations for this purpose. We

believe that trading of emission certificates is an effective means of meeting the enormous investment requirements. Certain key areas of the accession negotiations are very topical issues in the EU at present. We are fully aware how many problems some Member States still have with the liberalisation of the gas and electricity markets. The promotion of renewable sources of energy has triggered a broad debate, since it must be compatible with European competition law. The discussion about security of supply following the dramatic increase in oil prices and the question of restricting CO₂ emissions are very topical in our countries as well. It is important that the applicant countries should not only adopt the *acquis*, but also prepare for further developments in this sphere. Their participation in the Community programmes SAVE, SYNERGY, ALTENER, etc., must therefore be further promoted. Nuclear energy presents safety problems in three countries: Bulgaria, the Czech Republic and Slovakia. A further problem concerning nuclear energy is the reprocessing and storage of nuclear waste. This problem also affects the Member States. It would therefore be opportune to initiate a joint discussion on the problem of nuclear waste with the applicant countries concerned.

Research

In their present economic situation, the applicant countries have limited budgetary resources available for research. The legislative framework presents no essential problems, but the funds are lacking. Links between industry and research on the one hand and science (universities, higher education institutes) and research on the other must be strengthened. Measures must also be taken to ensure that companies are set up to exploit research findings.

Participation in the sixth FRP should be further promoted. The applicant countries should be involved in preparations for the sixth FRP, so that they can raise points of interest to them. One focal point of the new FRP is the promotion of a research network in Europe. One priority should be to ensure that research centres and projects in the applicant countries do not remain sidelined in this process, but are fully integrated.

CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Reiterates its request to receive four reports/studies on areas concerning industry, external trade, research and energy as stated in its resolution of 4 October 2000 under paragraphs 47 to 56, inter alia, the first would concern a 'progress report' on the industrial sectors under negotiation; the second, an 'analysis' on the Free Trade Agreements already concluded with the applicant countries coupled with a 'study' on the potential impact of enlargement on trade creation and trade diversion; the third report should be on the potential of the new technology-related sectors to increase competitiveness, and the fourth study should be on energy-related problems and prospects for the applicant countries;
2. Encourages the Commission to use the results of the Business Environment Simplification Task Force (BEST process) in order to evaluate the industries and enterprises of the candidate countries; requests the Commission to make these evaluations available to the candidate countries and, following up on these evaluations, encourages the candidate countries to make use of benchmarking as a basis for improving their industrial performance as well as their adjustment to the *acquis communautaire*; promotes the conclusion of Protocols to the Europe Agreement on Conformity Assessment (PECA) with further candidate countries;
3. Is persuaded that Foreign Direct Investment will be promoted if only the "right conditions" in candidate countries are ensured by simplifying the legal framework, equal competitive conditions for all businesses and serious measures to combat corruption and create an effective public administration and effective, independent courts, public infrastructure investment in human resources, telecom networks and viable social protection systems;
4. Notes that obstacles to trade still exist in the candidate countries, particularly at their borders, and that in this connection the training and retraining of customs staff is a first necessary step towards the removal of these obstacles;
5. Noting the proven capacity of SMEs to create jobs, innovate, contribute substantially to the GDP and improve competition as well as the crucial role they play in strengthening social cohesion and regional development, the Commission is urged to maintain its support for measures in the applicant countries which will favour SMEs including micro-enterprises in the commerce and the craft sectors;
6. Points out that restructuring programmes for the steel industry in the candidate countries are urgently needed and that the steel industry needs careful treatment, consisting of a short-term policy of State subsidies necessary for its survival and containment of labour lay-offs and a long-term policy geared towards structural adjustment, rationalisation and

specialisation in high value added steel products;

7. Notes that the correct application of European competition law requires that officials of public institutions, as well as lawyers and judges, receive training in this area;
8. Is of the view that in the field of telecommunications, which is associated with the information society and creation of 'a common information area', this sector will act as a pole of growth and as an instrument in enhancing industrial adjustment, hence the independence of the telecommunications authority assumes importance; also requests the Commission to reassess the telecom industry in the context of the recently adopted telecom package, in its first reading, by the European Parliament;
9. Stresses that the Commission report on transitional rules in the field of freedom of movement for workers also leaves scope for the application of national legislation which is more flexible than the Commission report, and urges the Member States to apply such national legislation in the light of local needs and circumstances.
10. Repeats its position of 4 October 2000 (points 55 and 56), that the energy sector needs urgent attention as to the security of supply, structural changes in the coal industry, energy efficiency, safety of nuclear energy, believes that the trading of emission certificates might be in some countries an effective solution for the immense investment needs and supports an enhanced participation of candidate countries in EU programmes such as SAVE; SYNERGY, ALTENER, etc.
11. Given the low level of energy efficiency priority – above all over energy assistance – should be given to this area.
12. Welcomes the provision of the 6th Research Framework Programme to include the candidate countries as full participants in the new structure of the European Research Area, mainly participating in the network of excellence, integrated projects and increased mobility of researchers.
13. Calls on the Commission to submit to the committee and to Parliament an assessment of the extent to which the decentralisation of the Phare programme has been a success;

25 June 2001

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Bulgaria's, Cyprus's, Czech Republic's, Estonia's, Hungary's, Latvia's, Lithuania's, Malta's, Poland's, Romania's, Slovakia's, Slovenia's and Turkey's applications for membership of the European Union and the state of negotiations (COM(2000) 701-713 – C5-0601-613/2000 – 1997/2171-2181(COS), 1999/2029(COS) and 2000/2014(COS))

Draftsman: Willi Görlach

PROCEDURE

The Committee on Agriculture and Rural Development appointed Willi Görlach draftsman at its meeting of 27 March 2001.

It considered the draft opinion at its meetings of 24 April, 29 May and 19 June 2001.

At the last meeting it adopted the following conclusions by 23 votes to 1, with 1 abstention.

The following were present for the vote: Friedrich-Wilhelm Graefe zu Baringdorf, chairman; Joseph Daul, vice-chairman; Willi Görlach, draftsman; Gordon J. Adam, Danielle Auroi, António Campos, Arlindo Cunha, Christel Fiebiger, Francesco Fiori, Carmen Fraga Estévez (for Xaver Mayer), Georges Garot, Lutz Goepel, María Izquierdo Rojo, Salvador Jové Peres, Hedwig Keppelhoff-Wiechert, Heinz Kindermann, Christa Klaß (for Agnes Schierhuber), Wolfgang Kreissl-Dörfler (for Bernard Poignant), Albert Jan Maat, Jan Mulder (for Giovanni Procacci), James Nicholson (for Robert William Sturdy), Neil Parish, Ioannis Patakis (for Dimitrios Koulourianos), Mikko Pesälä and María Rodríguez Ramos.

SHORT JUSTIFICATION

Introduction

At the start of the 21st century the EU faces the task of putting into effect its planned eastwards and south-eastwards enlargement. This calls for considerable efforts by both the EU-15 and the CEEC, Malta, Turkey and Cyprus. All candidate countries are making serious efforts **to bring their agricultural sector into line with the Union acquis**. What is striking is that some countries have greater successes to show than others, for the simple reason that at the beginning of the accession process, in the agricultural sector, the starting points were different.

How the accession negotiations are currently proceeding

The time frame for negotiations with the Luxembourg and Helsinki Groups overall was examined in the last report on enlargement and agriculture¹. Negotiations on agriculture with the Helsinki States and with Turkey have yet to be entered into. The **Nice** European Council reaffirmed its intention to conclude accession negotiations by the end of 2002 with the states which have made the most progress, thus expressly confirming the Commission's timetable. Accordingly, most countries are to become members as soon as possible so that they can take part in the 2004 European elections.

In the agricultural sector, too, **'technical meetings'** are currently taking place between the six states in the Luxembourg Group and the Commission, as are the actual negotiations with the EU, in which, in addition to the quota and direct payments issues discussed below, the **transitional periods** sought by the respective applicants for various areas loom large. In your draftsman's view, however, they should apply only in individual cases and only briefly. Parliament will continue to keep a close eye on the negotiations under way and give solid support to future efforts by the candidate states, in the agricultural sector, to make themselves capable of acceding.

Because of continuing shortcomings, your draftsman believes that it is still not desirable to be specific about the date of accession of certain individual applicants. His view is, rather, that new Member States should not accede until they are **actually capable of doing so**.

Liberalisation of agricultural trade

Independently of the accession negotiations, the EU-15 have managed to ensure, following bilateral negotiations with the CEEC on **liberalisation of agricultural trade**, that existing barriers to trade with the applicant countries are being removed during the preparatory stage. The agreements came into force proper on 1 July 2000. Depending on the degree of sensitivity of products and the requirements of the common agricultural policy (CAP), three lists of bilateral concessions are addressed in different ways:

- **List 1:** For sectors such as citrus fruits, olive oil and horsemeat, there will be complete mutual liberalisation of trade with no quantitative restrictions.

¹ PE 232.571.

- **List 2:** Under the so-called **double-zero approach**, provision has been made for the mutual abolition of export refunds and reduction of customs duties as part of import tariff quotas in sectors such as pigmeat, poultry and cheese. Initial tariff quotas are to be in line as far as possible with the present volume of trade, based on the average figures for the last three years.
- **List 3:** The last group concerns individual sectors in respect of which concessions are made upon request on a case-by-case basis.

On the basis of the current trade statistics (reference period 1996-1998), the Commission expects this to bring about a considerable medium-term increase in the share of **duty-free agricultural exports** into the EU from the CEEC from 37% to 77%. It is estimated that the average proportion of duty-free agricultural exports from the EU to the CEEC will increase from 20% to 37%. This is welcome.

Administration in the agricultural sector

Implementation of aligned legal provisions, which the applicant countries are tackling with differing degrees of success, above all calls for functioning administrative structures, i.e. the **creation of the necessary administrative capacity and control bodies**. The way in which the states transpose the *acquis communautaire* into their national law, and put it into practice, will ultimately be of crucial importance for determining whether or not the candidates are capable of acceding. What needs to be created in this area, inter alia, are appropriate facilities for improving quality policy and product safety. Furthermore, the altered administrative structures in the agricultural sector must also be in a position to produce up-to-date and precise agricultural statistics.

The preparatory aid arrangement **SAPARD** (Special Accession Programme for Agriculture and Rural Development), adopted as part of Agenda 2000, is a further important point. In this area, since the last report on enlargement and agriculture, all CEEC have signed the multiannual and annual **financing agreements** and, as such, have made vital progress. These agreements govern the administration and control of agricultural measures and rural development programmes by the acceding countries. The main factor determining the speed with which SAPARD can actually be put into effect and funding can start to flow will be the speed with which the relevant candidate countries can establish the necessary SAPARD paying agencies in their countries. In this area, even greater efforts must be made.

Budgetary policy implications

In budgetary policy terms, in particular, the fact that new states will join the EU will have considerable implications. The EU already enters large sums in its budget in order to support candidate states at the pre-accession stage. For SAPARD, for instance, over EUR 1 bn has been made available in the 2000 and 2001 budgets; as yet there has been no outflow of funds.

However, it is decidedly difficult to hold a precise discussion about post-accession costs, since, as the process stands at present, it cannot be foreseen which **scenarios** are most likely to take place. A working document from Parliament's Committee on Budgets on the financial consequences of enlargement¹ makes it clear, for example, that, depending on which accession scenario is applied, the estimated transfers in the agricultural sector from the EU

¹ PE 300.045.

budget to the acceding countries would differ considerably, with possible payments for 2006, as indicated in that document, ranging from EUR 1.9 bn to EUR 7 bn (Luxembourg Group + Lithuania, Latvia, Slovakia and Malta).

Your draftsman therefore thinks it more important, at present, to focus discussion on what is actually intended with the planned enlargement. Our objective must be to clearly reassert Parliament's willingness to admit new members. In this connection, the encouraging experience gained with accessions to date is a good pointer.

Veterinary and phytosanitary sectors

In the veterinary and phytosanitary sectors there are still shortcomings, to a greater or less extent, in virtually all candidate countries. In Hungary, Bulgaria and Turkey, for example, ground still needs to be made up in the area of **veterinary inspections**, one example being the fitting-out of the laboratories given this task. Positive developments can be reported in this area from the Czech Republic, where **contagious animal diseases** such as tuberculosis (TBC) and enzootic bovine leukosis (EBL) have been successfully combated.

Consequences of restructuring – possible implications of enlargement

In the countries of central and eastern Europe, the transition to the market economy has had a major impact, and this is above all the result of extensive restructuring in agriculture (e.g. partial land privatisation and the breaking-up of large units). Land prices in the candidate countries remain considerably lower than in the EU-15. That is making the candidate countries afraid that foreign investors will have an adverse impact on their land market and buy up land on a grand scale. To prevent this, some candidate countries such as Bulgaria, Romania and Poland are calling for long transitional periods for **land acquisition**. This must be looked at on a case-by-case basis and solutions which can reasonably be accepted by both parties must be found.

Furthermore, many holdings in the candidate countries, after accession, will no longer be competitive and will have to abandon farming. That would lead to the dismissal of a large number of agricultural workers and an increase in unemployment. Even if accession takes place at a reasonable pace, then, the resulting social impact will inevitably have to be cushioned by means of appropriate **structural measures** such as, for instance, early-retirement schemes. The package on structural assistance for rural areas, adopted by the Council in 1999, would also be suitable for mitigating the potentially adverse social impact in the agricultural sector.

Direct payments and quotas

A heated debate is taking place on the issues of direct payments and quotas in connection with EU enlargement.

As part of the 1992 agricultural reform, **direct payments** were introduced by way of compensation for the reduction of institutional prices. As is well known, the candidate countries regard direct income transfers as a central component of the CAP. They are therefore claiming the full amount of such payments for their farmers, too, as is made clear by the candidate countries' position papers which have been submitted. The question is, however, whether immediate full-scale introduction of direct payments might not slow down necessary structural change and jeopardise the stability of future EU budgets.

A complete waiver of all direct payments is not practical, however, as that would bring about a risk that supply checks would be abandoned, resulting in new unsaleable investment stock. A gradual introduction at EU-15 level would therefore be an alternative that might accommodate the interests of all concerned. The benefits of what is termed the **phasing-in model** were examined in the last report on enlargement and agriculture¹.

During accession negotiations, the main issue with regard to quotas and quantity regulations was what the starting point should be. Use must be made of a reference period that largely reflects production reality in recent years.

Account must be taken of two factors in this connection: firstly, the Member States must be offered a fair production framework; secondly, the aim must be to prevent the basis for a quantitative assessment at the pre-accession stage from being distorted by artificial production increases. Lastly, production data from former planned economies were not comparable with market economy data. In the negotiations, the EU is pressing for a **reference period in the recent past** (between 1995 and 1999) in order to have an appropriate basis for the assessment of quotas and quantity regulations. This approach is welcomed by your draftsman.

Future of rural areas

It can be deduced from the figures in the Commission's last progress report (11/2000) that the regional policy role of the agricultural sector in the candidate countries is at least as important as in the EU-15 states, in particular as agriculture's share of gross domestic product and the percentage of the population employed in agriculture far exceed the EU average in most cases.

For rural areas in the candidate countries in particular, agriculture remains an economic factor of paramount importance. Post-accession, then, agriculture and people in rural areas in those countries must under no circumstances be deprived of economic opportunities. To prevent this, your draftsman's recommendation is, as it was in the last report on enlargement and agriculture², that there should be greater **concentration of integrated structural assistance measures** in the regions concerned and provisions of the EU's rural development assistance regulation should be fully applied in the candidate states.

The fact is that, in the long term, it will be necessary in an enlarged Union to reduce support prices to world market levels in order to minimise incentives for surplus production. Any revenue shortfall in agriculture as a result of this ought to be offset by product-independent payments to farmers. Agenda 2000 made a start on establishing a CAP geared less to price support and more to direct income aids unrelated to production and to a **multifunctional rural development and environment and quality policy**. Such an expanded policy would also benefit the process of structural adjustment in the acceding countries, since it would help to narrow the price gap. Your draftsman therefore recommends that, at EU-15 level, there should be an overall increase in projected second-pillar funding before new members are admitted.

¹ PE 232.571.

² PE 232.571.

Your draftsman also suggests that **regional production** be encouraged and that special support be given to **joint ventures** between firms from the EU and candidate countries in the rural regions concerned.

Organic farming

The importance of organic farming varies from one candidate country to another. While some 2.6% of agricultural land in the Czech Republic is farmed in accordance with organic standards, the figure is less than 0.5% in the other states. The reason for the high percentage of organic farming in the Czech Republic is that for about 10 years, with a number of interruptions, there has been government assistance for organic holdings. Organic farming is also supported in Hungary, Romania and Slovakia, for example. **Progress in the area of organic farming** in the CEEC needs not only to be expressly acknowledged by the EU-15 but also to be given sustained support.

Even if organic farming in the above-mentioned countries tends to be the result of low productivity and a lack of technical infrastructure facilities downstream from agriculture, in overall terms it should play a greater role both in the current EU-15 and in the prospective EU-28. In terms of sustainable rural development, an agricultural sector in particular that maximises environmental-friendliness as the basis for future generations' existence takes on greater importance.

The ability to accede and institutional reforms

In conclusion, your draftsman would point out that the question as to whether or not countries are capable of accession cannot under any circumstances be viewed in isolation from the issue of necessary institutional reforms within the EU-15. We still find it incomprehensible that, to date, only the consultation procedure applies to decision-taking in the agricultural sector and that, in a policy area which, after all, accounts for about half the EU budget, Parliament is only asked for its opinion. In what is a central policy area, Parliament must be given the **right to full codecision** pursuant to Article 251 of the EC Treaty before new states join the EU.

CONCLUSIONS

The Committee on Agriculture and Rural Development calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible to incorporate the following points in its respective motions for resolutions on the Commission reports on progress by Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey towards accession:

Estonia:

COM (2000) 704 – C5-0604/2000 – 1997/2177

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Views with concern the fact that **land reform** in Estonia is only making slow progress and points out in this connection that, between 1992 and September 2000, only 57%¹ of Estonian land was entered in the land registry;
5. Welcomes the progress made to date in the **veterinary** area, but stresses that Estonia must make even more progress in adopting and implementing legislation in this area; calls on the Commission, in this connection, to encourage Estonia, and to support it in the process, to bring its **animal welfare** legislation into line;
6. Points out that progress still has to be made in establishing the **common market organisations for crops, milk and meat** and that implementing provisions for the law on **rural development** and agricultural market regulation must be adopted;
7. Welcomes the signing of the financing agreements by way of preparation for **SAPARD** and hopes that Estonia will be in a position as soon as possible to establish the SAPARD payment agencies; stresses the importance of integrated rural

¹ The main source for the statistics given is the Commission's last progress report (11/2000).

development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;

8. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Estonia has made perceptible progress on preparing for a common internal market.

Poland:

COM (2000) 709 – C5-0609/2000 – 1997/2174(COS)

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Realises that, since the Commission's last progress report, Poland has made progress in the agricultural sector, but that this is nowhere near enough; points out in this connection that virtually no progress has been made on **veterinary** legislation, with the exception of a number of regulations on inspections to determine animal infections and residues of prohibited biological and chemical substances in meat or tissue from slaughtered animals;
5. Welcomes the progress made to date in the **phytosanitary** sector through the laws, put in hand in 2000, on seeds and fertilisers; points out, however, that it is precisely the implementation of Community plant variety law and phytosanitary policy that should be embarked upon as swiftly as possible; welcomes Poland's efforts to support domestic **organic farming**;
6. Welcomes the signing of the financing agreements by way of preparation for **SAPARD** and hopes that Poland will be in a position as soon as possible to establish

- the SAPARD payment agencies; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
7. Points out that Poland has not yet made sufficient progress to enable it to adopt the Community's **quality policy** to promote products of specific origin and geographical indication; points out in this connection that, in addition to the legal basis, transposition of such a policy also requires registration of the necessary registration and control bodies;
 8. Notes Poland's fears concerning **land acquisition**, or land purchases; points out that the 18-year transitional period sought by Poland is very long, since excessively long transitional periods in this area may result in distortions on the common market in land; points in this connection to the need to provide more support for cooperative structures there, so as to enable Poland to participate in the internal market successfully;
 9. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Poland has made perceptible progress on preparing for a common internal market;
 10. Calls, wherever possible, for Community legislation to be introduced before accession takes place, so that transitional periods can be shortened, trading contacts promoted further, implementation problems prevented and possible obstacles to rapid accession identified and remedied at an early stage.

Hungary:

COM (2000) 705 – C5-0605/2000 – 1997/2175

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession

takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;

4. Notes with satisfaction that the progress made by Hungary to date is an appropriate basis for transposition of the *acquis communautaire* within agriculture; points out in this connection, however, that, with regard to **land reform**, the Hungarian Parliament has still not yet deliberated on the laws on land consolidation and the national land fund;
5. Is keeping a close watching brief as to whether, following adoption of the State Programme on Agriculture and the Environment, the Hungarian Government will establish a suitable administrative structure in the area of **rural development** and **forests**; welcomes the national agri-environmental protection programme planned by Hungary for 2001, under which **organic farming** is to be given preferential assistance;
6. Draws attention to the fact that yet more changes are needed in the **veterinary** sector; calls in this connection for further changes concerning veterinary inspections; draws attention to the fact that, in this area, Hungary has yet to develop provisions on compensatory measures for farmers affected by outbreaks of diseases;
7. Welcomes the signing of the financing agreements by way of preparation for **SAPARD** and hopes that Hungary will be in a position as soon as possible to establish the SAPARD payment agencies; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
8. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Poland has made perceptible progress on preparing for a common internal market.

Czech Republic

COM (2000) 703 – C5-0603/2000 – 1997/2180(COS)

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;

2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Welcomes the fact that, in the agricultural sector, the process of bringing legislation into line with the *acquis communautaire* in the Czech Republic is making good progress; notes in this connection that, for instance, the *acquis* in the veterinary and phytosanitary areas and in the milk, starch and sugar beet sectors has already been incorporated into Czech legislation;
5. Points out that, in the area of animal welfare, changes concerning provisions on the **keeping of laying hens** are still needed;
6. Regards the signing of the financing agreement as a vital step towards preparing for **SAPARD** and hopes that the Czech Republic will be in a position as soon as possible to establish the SAPARD payment agencies; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
7. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, the Czech Republic has made perceptible progress on preparing for a common internal market.

Cyprus

COM (2000) 702 – C5-0602/2000 – 1997/2171(COS)

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;

2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Notes that progress has been made in preparing Cypriot agriculture for the common agricultural policy, but draws attention to the fact that major components of the agriculture acquis have still not been taken over, in particular as regards the abolition of government monopolies; also recommends that Cyprus establish the requisite administrative and procedural structures;
5. Points out that, in the area of **quality policy**, legislation on quality labels still has to be adopted; points out that the international agreements on geographical indications and designations of origin have still not been signed by the Cypriot Government; also draws attention to the fact that the acquis for **organic farming** has not yet been incorporated;
6. Notes that Cyprus already has a measure of experience in the area of **rural development** and **forestry**, including environmental protection measures within agriculture, though the necessary control organisations for the environmental protection programme have still to be set up;
7. Points out that the **veterinary and phytosanitary** acquis has to date only been transposed in part; urgently recommends that, in this connection, Cyprus bring its veterinary and phytosanitary provisions further into line with the acquis; recommends that **emergency plans** for **foot-and-mouth disease** and **classical swine fever** be implemented in the veterinary sector; calls, with regard to animal and plant health, on the Cypriot Government to equip border control stations better.

Slovenia:

COM (2000) 712 – C5-0612/2000 – 1997/2181

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;

2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Notes with satisfaction that Slovenia has made perceptible progress towards complete transposition of the *acquis communautaire*, in particular by adopting the **law on agriculture** in June 2000; points out, however, that efforts to modernise border control stations are still necessary;
5. Draws attention to the fact that the **structures of holdings in the agricultural sector** are still unfavourable, since 90% of agricultural land continues to be farmed by small private holdings, which accounts for the average farm size of only 4.8 ha; points in this connection to the need to provide more support for cooperative structures there, so as to enable Slovenia to participate in the internal market successfully;
6. Views with concern the fact that, in the **veterinary and phytosanitary** sector, progress has still not been made in setting up and modernising **control stations** on the border with Croatia and draws attention to the fact that it is the EU's external borders which are of crucial importance for the internal market's control system;
7. Welcomes the signing of the financing agreements by way of preparation for **SAPARD** and hopes that Slovenia will be in a position as soon as possible to set up the relevant payment agencies; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
8. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein, which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Slovenia has made perceptible progress on preparing for a common internal market.

Romania:

COM (2000) 0710 – C5-0610/2000 – 1997/2172(COS)

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying

premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;

2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Draws attention to the fact that Romania continues to have fundamental problems in laying down and implementing measures needed for the modernisation and sound development of the agricultural sector; notes in this connection, with concern, that, since the European Commission's penultimate progress report, Romania has made little progress in assisting **rural areas**;
5. Very much welcomes, however, the signing of the **financing agreements** in connection with **SAPARD** and hopes that Romania can establish the payment agencies on a decentralised basis as soon as possible; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
6. Welcomes the fact that some progress has been made in the **veterinary sector**, e.g. provisions have been adopted for the notification of certain communicable animal diseases and veterinary standards for the licensing of holdings;
7. Welcomes the **organic farming** legislation adopted since 2000, which extends to production, imports and exports, environmental protection, and the certification, control and labelling of organic farming products; notes that, to a large extent, Romanian law in this area is now in line with Community law;
8. Draws attention to the fact that, with regard to **guarding and controlling** the EU's external borders, Romania still needs to make major efforts concerning border control posts in particular;
9. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein, which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Romania has made perceptible progress on preparing for a common internal market.

Bulgaria:

COM (2000) 701 – C5-0601/2000 – 1997/2179(COS)

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Notes that progress has been made overall in Bulgaria with regard to bringing legislation into line with the *acquis communautaire*, in particular as regards the process of **returning land**, which is virtually complete, and adoption of the land registry law; draws attention to the fact that there is still no functioning land market and banks still do not accept land as collateral;
5. Welcomes the progress concerning **animal and plant health**, but recommends in this connection that Bulgaria better equip veterinary and phytosanitary laboratories and better train the staff employed there;
6. Draws attention to the fact that the ten-year transitional period envisaged by Bulgaria in the area of **land acquisition**, or land purchase, is very long and that excessively long transitional periods in this area may lead to imbalances on the Community land market;
7. Notes with satisfaction the signing of the financing agreements by way of preparation for **SAPARD** and is pleased that the payment agency has been accredited, thus enabling the funding to be actually used; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
8. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein, which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with

import tariff quotas; points out that, as a result, Bulgaria has made perceptible progress on preparing for a common internal market.

Slovakia

COM (2000) 711 – C5-0611/2000 – 1997/2173

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Stresses that, since Parliament's last strategy paper on enlargement, no particular progress can be reported on **quality policy** and Slovakia's preparations for setting up an integrated information network for farm accounts have not progressed;
5. Welcomes the incorporation of **veterinary and phytosanitary** legislation, which has reached a very advanced stage, though also notes that there are still shortcomings with regard to transposition of that legislation; highlights as a positive feature, however, the fact that Slovakian legislation on **organic farming** is modelled on EU rules;
6. Recommends that Slovakia continue to endeavour to implement environmental protection measures in the area of **rural development** and **forestry**;
7. Acknowledges Slovakian efforts in the agricultural sector to implement **SAPARD** and sign the **financing agreements**, and hopes that the payment agencies can be established as soon as possible; recommends, in addition, that Slovakia improve overall **administrative efficiency**; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
8. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein, which provides for the mutual

abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Slovakia has made perceptible progress on preparing for a common internal market.

Malta:

COM (2000) 708 – C5-0608/2000 – 1999/2029(COS)

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
4. Notes with concern that Malta has made little progress in establishing **administrative structures** that would be necessary for implementation of the common agricultural policy;
5. Draws attention to the fact that, in the **phytosanitary** area, the relevant provisions of the *acquis* still have to be incorporated and points out that the ability to deal with new phytosanitary aspects still has to be developed; welcomes the fact, however, that a **plant health** monitoring programme has been submitted and a number of testing standards brought into line with EU requirements; points out that arrangements for the disposal of waste material from slaughtered animals are not yet in line with the *acquis communautaire*;
6. Points out that, within **quality policy**, quality designations for the various agricultural products still have to be developed which are compatible with the Community's.

Turkey:

COM (2000) 713 – C5-0613/2000 – 2000/2014(COS)

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order

- to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
 3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;
 4. Notes that Turkey's **agricultural policy** is substantially **different** from the CAP and that the comparatively low productivity of holdings, which are on average very small (approx. 6 ha), as a result of inadequate marketing opportunities and inefficient price formation on the Turkish market, raises problems; notes therefore that a production increase is currently the main concern of Turkish agricultural policy;
 5. Draws attention to the fact that basic mechanisms are needed to create appropriate **administrative structures** and that, for instance, the merging, a process now started, of a host of institutions dealing with agricultural policy could point in the right direction;
 6. Recommends that Turkey formulate a clear strategy for incorporating the **veterinary** acquis, in respect of which, for instance, laboratories need to be equipped to be able to detect diseases more effectively.

Latvia:

COM (2000) 706 – C5-0606/2000 – 1997/2176

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;

4. Welcomes the fact that there has been an **animal welfare** law since December 1999; stresses, however, that much still needs to be done in the **phytosanitary sector** since, for instance, the Latvian lists of pollutants and quarantine requirements depart from the EU's;
5. Points out that, as regards the introduction of the **integrated administration and control system (IACS)**, there are still a number of shortcomings with regard to the condition of existing databases and data networks;
6. Notes that a start has already been made on preparations for appropriate monitoring of **organic farming**, though the legislation still has to be amended and the requisite certification and control bodies still have to be brought into line with Community requirements;
7. Welcomes the signing of the financing agreements by way of preparation for **SAPARD** and hopes that the SAPARD payment agencies will soon be established; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
8. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Latvia has made perceptible progress on preparing for a common internal market.

Lithuania:

COM (2000) 701 – C5-0607/2000 – 1997/2178

1. Notes that direct payments to agricultural producers are playing an important and controversial role in the accession negotiations; stresses the need to bring direct payments within the sphere of the 'second pillar' of the CAP by compulsorily tying premiums to social and ecological criteria (cross-compliance and modulation) in order to make them less controversial and guarantee that direct payments in an enlarged Union will be uniformly determined;
2. Encourages the negotiating partners to conclude technical agreements for each area, with transitional periods to be avoided as far as possible;
3. Notes that agricultural production in line with European food safety, veterinary, phytosanitary and quality standards is not possible, in every instance, when accession takes place; notes that pre-accession aid must also be targeted on improving that situation; realises that, for a period following accession, internal trade may be restricted by these European demands;

4. Welcomes the fact that, in the **phytosanitary area**, the most important legislation has already been incorporated, but points out that Lithuania must make even greater efforts to bring its import control legislation into line in particular;
5. Stresses that in the **veterinary sector**, too, the most important legislative provisions of the *acquis communautaire* have been incorporated into Lithuanian law; points out, however, that restructuring in this area (establishment of food supervisory agencies) must be completed; recommends, in addition, that the further training programmes already started for staff working in this area be continued;
6. Notes, with regard to **land reform**, that the process of returning land has virtually been completed;
7. Welcomes the signing of the financing agreements by way of preparation for **SAPARD** and hopes that the SAPARD payment agencies will soon be established; stresses the importance of integrated rural development for the enlargement process; notes with concern, however, with regard to possible assistance measures, the rural population's lack of information and growing dissatisfaction; calls on the Commission to ensure under the SAPARD programme, and other pre-accession aid arrangements, that there is a profound improvement in the information provided to the rural population on rural development plans and in its involvement in them;
8. Welcomes the conclusion of the agreements on the further liberalisation of agricultural trade and the **double-zero approach** contained therein which provides for the mutual abolition of export refunds and the reduction of customs duties in connection with import tariff quotas; points out that, as a result, Lithuania has made perceptible progress on preparing for a common internal market.

27 June 2001

OPINION OF THE COMMITTEE ON CULTURE, YOUTH, EDUCATION, THE MEDIA AND SPORT

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Bulgaria's, Cyprus's, Czech Republic's, Estonia's, Hungary's, Latvia's, Lithuania's, Malta's, Poland's, Romania's, Slovakia's, Slovenia's and Turkey's applications for membership of the European Union and the state of negotiations (COM(2000) 701-713 – C5-0601-613/2000 – 1997/2171-2181(COS), 1999/2029(COS) and 2000/2014(COS))

Draftsman: Ole Andreasen

PROCEDURE

The Committee on Culture, Youth, Education, the Media and Sport appointed Ole Andreasen draftsman at its meeting of 10 April 2001.

It considered the draft opinion at its meetings of 29 May 2001 and 26 June 2001.

At the latter meeting it adopted the following conclusions unanimously.

The following were present for the vote: Giuseppe Gargani, chairman; Vasco Graça Moura, vice-chairman; Ulpu Iivari, vice-chairman; Giorgio Ruffolo, vice-chairman; Ole Andreasen, draftsman; Pedro Aparicio Sánchez, Christine de Veyrac, Raina A. Mercedes Echerer (for Eurig Wyn), Robert J.E. Evans (for Phillip Whitehead), Ruth Hieronymi, Pietro-Paolo Mennea, Barbara O'Toole, Doris Pack, Christa Prets, Martine Roure, Guido Sacconi (for Valter Veltroni, pursuant to Rule 53(2)), Marieke Sanders-ten Holte, The Earl of Stockton (for Roy Perry), Kathleen Van Brempt, Luckas Vander Taelen, Sabine Zissener and Myrsini Zorba (for Lissy Gröner).

SHORT JUSTIFICATION

A. Information and communication

All the candidate countries are making an effort to inform their people of the European Union's activities and of the consequences which future membership of the European Union will have.

The efforts being made in the information and communication field in the various candidate countries vary considerably and there is clearly no cooperation between the candidate countries on what is after all their common task to inform their citizens about the European Union.

Owing to the candidate countries' differing levels of economic and political development there are great differences in the countries' information and communication policies and thus also in the level of information about the European Union among the population at large. Accordingly there is also a wide variety in the level of public support in the candidate countries for membership of the European Union.

Opinion polls show a general trend, with support for European Union membership greatest in the southern applicant states, led by Cyprus at the top with 95% support, and lowest in the northern countries, with Estonia at the bottom with only 28% in favour of membership.

In a number of candidate countries there is to be a referendum on accession to the European Union, and this is an extra incentive to improve information and communication policy both on the part of the candidate countries and by the European Union itself.

The level of information in the present Member States about the applicant countries and their accession to the European Union is relatively low. Similarly there is in many Member States relatively little support for the European Union's enlargement to include the countries of Eastern and Central Europe.

B. Training and youth

All the candidate countries currently involved in accession negotiations with the EU have signed up to Chapter 18 on education, training and youth.

Estonia, Slovakia, Cyprus, Poland, Malta and Slovenia are participating in the Socrates, Leonardo and Youth programmes.

Hungary, Bulgaria, Latvia and Romania participate in the Socrates and Leonardo programmes and are preparing to participate in the Youth programme.

Lithuania is participating in the Socrates and Leonardo programmes.

C. Culture and the audiovisual media

All candidate countries currently involved in accession negotiations with the EU, except for Romania and Hungary, have signed up to Chapter 20 on Culture and audiovisual policy.

The Commission has prepared proposals for decisions on participation by Central and Eastern European candidate countries in the Culture 2000 programme. The European Parliament has approved these, but the Council has not.

The Commission has not yet prepared proposals for decisions on the participation by Central and Eastern European countries in the Media Plus programme, so that the European Parliament and the Council have not yet had a chance to give their approval.

D. Minorities

In most candidate countries there are still unresolved issues with a view to providing guarantees for cultural and linguistic ethnic minorities, but work is going on in these countries to improve the situation. The problems are very varied and so are the initiatives being taken to deal with these problems. Consequently the results of the various efforts are also very varied. The minority issues are likely to be greatest in Romania and least significant in Poland and the Czech Republic.

The treatment of the Roma question remains an unsolved issue in most of the candidate countries.

CONCLUSIONS

The Committee on Culture, Youth, Education, the Media and Sport calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Stresses at the outset that the necessary comparable and reliable information is not yet available to permit a really serious assessment of the situation in the candidate countries in the areas of responsibility of the Committee on Culture, Youth, Education, the Media and Sport, and that the information which is available can be contradictory;

Poland

2. Welcomes the fact that Poland has carried out a wide-ranging and fruitful campaign to inform its people about the European Union; notes that the effort made by the European Union to provide information to Poland has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

3. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

4. Notes that in March 2000 an amendment Act on Radio and Television broadcasting was adopted, which is a significant step forward towards aligning Poland's legislation in the audiovisual sector with the Community acquis, but still does not completely comply with the acquis so that further efforts will have to be made;

5. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Poland's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

6. Notes that popular support for membership of the European Union has been declining in recent years, which is partly the result of dilatoriness in the European Union's own ranks; calls for accession negotiations to be speeded up in order to avoid damage to the continued development of the European project;

Czech Republic

7. Welcomes the fact that the Czech Republic adopted a new TV and radio law in 2001 which means that the country now meets the conditions of the "TV without frontiers" directive;

8. Notes that the European Union's information campaign for the Czech Republic has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

9. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

10. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to the Czech Republic's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

11. Notes that in the area of general and vocational training good progress has been made, but that further alignment of legal provisions is necessary;

12. Notes that significant efforts have been made regarding the situation of the Roma Community, notably with regard to the education system, but that further progress is required;

13. Notes that popular support for membership of the European Union has been declining in recent years, which is partly the result of dilatoriness in the European Union's own ranks; calls for accession negotiations to be speeded up in order to avoid damage to the continued development of the European project;

Hungary

14. Welcomes Hungary's exceptionally sensible and successful policy of information and communication on the European Union; notes that the European Union's information campaign for Hungary has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

15. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

16. Notes that there has been a failure to meet the short-term priority of the Accession Partnership to take over the Community acquis in the audiovisual sector; therefore Hungary should urgently increase its efforts in this area, a first step being the adoption of the law on media by the Hungarian Parliament;

17. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Hungary's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

18. Notes that in the field of education and training there has been good progress; a law on adult education has been adopted which creates a framework for life-long learning, vocational training has been aligned to European Union aims and practice, and the Community acquis (Directive on Education and Training of children of migrant workers) has been adopted to a large extent;

Slovakia

19. Notes that the European Union's information campaign for Slovakia has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

20. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

21. Notes that, with the adoption of the law on Radio and Television broadcasting, Slovakia has made significant progress in the audiovisual sector, and that legislation is largely in line with the directive on Television without frontiers;

22. Earnestly hopes that the Council will soon approve the proposals for decisions on the participation of Slovakia in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

23. Notes that although Slovakia has made progress concerning the situation of minorities, the short-term priority of the 1999 Accession Partnership to achieve an improvement of the situation of the Roma minority has not been met; therefore increased efforts concerning the implementation of legislation, policies and budgetary appropriations are required;

Estonia

24. Welcomes the establishment of the European Training Area, which will result in greater cooperation between the Baltic training institutions. Not least this will mean greater mobility for students between the Baltic states;

25. Notes that the European Union's information campaign for Estonia has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

26. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

27. Notes that there has been substantial progress concerning the audiovisual sector so that its legislation is largely in line with the Community acquis; only the administrative capacities still need to be strengthened in order to guarantee the effective implementation of this legislation;

28. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Estonia's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

29. Notes that, concerning ethnic minorities, Estonia has met most of the short-term priorities of the Accession Partnership, including amendments on the language law and the adoption of the State Integration Programme for non-Estonians; nevertheless further efforts have to be made, especially concerning the administrative capacities for an effective implementation of existing legislation;

30. Notes that popular support for membership of the European Union has been declining in recent years, which is partly the result of dilatoriness in the European Union's own ranks; calls for accession negotiations to be speeded up in order to avoid damage to the continued development of the European project;

Latvia

31. Notes that 43% of the population do not speak Latvian as their mother tongue; therefore welcomes the fact that Latvia has adopted a new training law, leading to a considerable increase in the number of intensive Latvian language courses for non-native speakers;

32. Notes that the European Union's information campaign for Latvia has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

33. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

34. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Latvia's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

35. Notes that popular support for membership of the European Union has been declining in recent years, which is partly the result of dilatoriness in the European Union's own ranks; calls for accession negotiations to be speeded up in order to avoid damage to the continued development of the European project;

Lithuania

36. Welcomes the high level of activity by Lithuania in the European training programmes Socrates and Leonardo. Notes that this level is not as high as it could be since information on the programmes is inadequate, and that the application form for participation in these programmes is very generally worded and hard to understand;

37. Welcomes the fact that special legislation was adopted in 2000 with regard to the integration of the Roma people in Lithuania;
38. Notes that the European Union's information campaign for Lithuania has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;
39. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;
40. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Lithuania's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;
41. Notes that popular support for membership of the European Union has been declining in recent years, which is partly the result of dilatoriness in the European Union's own ranks; calls for accession negotiations to be speeded up in order to avoid damage to the continued development of the European project;

Cyprus

42. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Cyprus's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

Slovenia

43. Acknowledges the considerable progress that has been made in Slovenia towards meeting the training requirements for membership;
44. Welcomes the adoption of a law giving European Union citizens wishing to study in Slovenia the same rights as the country's own citizens;
45. Notes that the European Union's information campaign for Slovenia has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to undertake information campaigns on the implications of enlargement;
46. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

47. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Slovenia's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

Romania

48. Regrets that the level of information from the government to the people, and from the public administration to citizens, about social issues in general is inadequate; notes that the European Union's information campaign for Romania has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

49. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

50. Regrets that Romania still has not solved the 'visa problem' which prevents Romanian students from coming to study in other European countries. The European Parliament recalls the inestimable value of student exchanges for European integration and understanding between peoples;

51. Notes that, while Romania has taken several positive initiatives in order to guarantee the linguistic and cultural identity of several national minorities, there has not been any relevant progress concerning the situation of the Roma, who are still widely discriminated against in all areas of Romanian society;

52. Notes that there has not been much progress concerning the alignment of legislation with the Community *acquis* in the audiovisual sector, which was a short-term priority of the Accession partnership;

53. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Romania's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

Bulgaria

54. Welcomes the fact that Bulgaria's visa problems have been solved, which means that Bulgarian students now have better opportunities to participate in the EU's training programmes;

55. Is pleased to note that legislative improvements have taken place with regard to the situation of minorities, particularly the Roma, even though significant problems still remain; recalls the Charter of Fundamental Rights, Articles 21 and 22, under which any discrimination based on (inter alia) membership of a national minority is prohibited, and that the European Union must respect cultural, religious and linguistic diversity;

56. Notes that the European Union's information campaign for Bulgaria has been inadequate, and calls for significant improvements in this respect; calls on the institutions of the European Union to launch information campaigns on the implications of enlargement;

57. Wants more cooperation, exchange of information and best practices between the applicant countries in the field of information and communication policy towards the citizens;

58. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Bulgaria's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

Malta

59. Welcomes the fact that Malta has made great progress in the field of training policy. In particular it is positive that Malta has entered into agreements with the European Union with the result that Malta is now participating in the European Union's education, training and youth programmes;

60. Regrets, however, that there has yet been no progress on the matter of the children of migrant workers from the European Union, since discrimination still takes place;

61. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Malta's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

Turkey

62. Notes that there has been no improvement regarding the cultural rights of all Turks, regardless of their ethnic background; in particular the Kurdish population is still refused the right to learn their mother tongue, to be taught their mother tongue at school and to broadcast programmes in their mother tongue;

63. Notes that it is urgent that Turkey should improve this situation and, specifically should allow school teaching to be carried out in other languages than Turkish, and should change law N° 3984, that requires radio and television programmes to be broadcast in Turkish, so that the broadcasting of programmes in Kurdish will become possible;

64. Welcomes the great changes which have taken place in the audiovisual sector. Turkey has adopted legislation which means that there is now a multilateral and competitive market for private TV stations. Regrets, however, that the national Radio and TV Committee still has the power to refuse licenses for digital air transmissions;

65. Earnestly hopes that the Council will soon approve the proposals for decisions with a view to Turkey's participation in the Culture 2000 and Media + programmes; recalls that the establishment of a 'European Cultural Area' centred on respect for and encouragement of cultural and linguistic diversity and a common shared heritage will contribute to the process of integration;

21 June 2001

OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on Bulgaria's, Cyprus's, Czech Republic's, Estonia's, Hungary's, Latvia's, Lithuania's, Malta's, Poland's, Romania's, Slovakia's and Slovenia's applications for membership of the European Union and the state of negotiations (COM(2000) 701-712 – C5-0601-612/2000 – 1997/2171-2181(COS) and 1999/2029(COS))

Draftsman: Reinhard Rack

PROCEDURE

The Committee on Constitutional Affairs appointed Reinhard Rack draftsman at its meeting of 24 January 2001.

It considered the draft opinion at its meetings of 28 May and 21 June 2001.

At the last meeting it adopted the following conclusions by 19 votes with 4 abstentions.

The following were present for the vote: Giorgio Napolitano, chairman, Ursula Schleicher, vice-chairman, Christopher J.P. Beazley, vice-chairman, Reinhard Rack, draftsman, Teresa Almeida Garrett, Enrique Barón Crespo, François Bayrou, Guido Bodrato (for Luigi Ciriaco De Mita), Richard Corbett, Andrew Nicholas Duff, Monica Frassoni, José María Gil-Robles Gil-Delgado, Sylvia-Yvonne Kaufmann, Jo Leinen, Neil MacCormick (for Johannes Voggenhuber), Hanja Maij-Weggen, Cecilia Malmström, Iñigo Méndez de Vigo, Jacques F. Poos (for Olivier Duhamel), Lennart Sacrédeus, Konrad K. Schwaiger, Dimitris Tsatsos and Margrietus J. van den Berg (for Carlos Carnero González).

SHORT JUSTIFICATION

Within the Union, there is general agreement that the fifth enlargement which has an unprecedented political, historical and moral dimension, is of vital importance to the future of Europe and has the highest priority. The Committee on Constitutional Affairs calls upon the Foreign Affairs Committee to confirm this commitment in the strongest possible terms. It should also urge the EU institutions, and in particular the Commission, to confirm this commitment as well as the Treaty of Nice agreed time frame for the accession process with the applicant countries, thereby respecting the differentiation approach ensuring that each country shall be judged by its own progress and merits.

It is the very task of the Committee on Constitutional Affairs to remain critical and mindful of reforms to redress situations whereby structural difficulties and problems put a halt to the positive results of the EU method. It shall, therefore, closely monitor, now and during the later stages of the negotiating process, conflicts of an institutional nature and propose consequent changes to the institutional framework in order to overcome these structural failures, while at the same time avoiding slowing down the momentum of consistent progress towards the objectives laid down in the Treaties.

In general, the Committee refrains from speaking out on matters where a possible conflict of competences may arise with either the competent committee or advisory committees, unless there are clear institutional consequences falling within the area of competence of the Committee on Constitutional Affairs, as laid down in Annex VI of the Rules of Procedure of the European Parliament.

In the Committee's opinion, measures should be taken on three different levels :

A. Internal EU measures

The Committee on Constitutional Affairs suggests that the Commission, once the European Council has given the necessary guidance, comes forward with a proposal for a common position taking into account the consequences of the provisions of the Nice Treaty and its Protocols and Declarations related to enlargement, in particular with regard to possible contradictions between these fundamental texts. The Commission proposal could be advancing various models accompanying different hypotheses of accession involving a variable number or groups of new member states.

The Committee on Constitutional should the European Parliament accept that the accession process be delayed for reasons related to the institutional complexity created or enhanced by the Treaty of Nice, the primary goal of which was to facilitate enlargement, not to complicate it.

After due consultation of the candidate countries concerned, the EU institutions should also define a set of specific rules and procedures for the participation of applicant countries in the 2004 electoral process. All EU institutions and organs should be invited to adapt their internal structures and upon the practical consequences in terms of infrastructure, cost and effectiveness of the increase of official and working languages. They should also take appropriate budgetary provisions.

B. Measures to be taken by the candidate countries

In its Strategy Paper, the Commission correctly demonstrated that the benefits of enlargement are already visible, since stable democracies have emerged in Central and Eastern Europe, and that there need be no risk of a relapse into authoritarianism.

The assessment of the progress which has yet to be done is based on the criteria defined by the European Councils in Copenhagen (1993) and Madrid (1995). The Copenhagen European Council stated that "membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights, and the respect for and protection of minorities".

Article 6 of the TEU, to be read in conjunction with Article 49 TEU, indicates that "the Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law".

The ability to take on the obligations of membership requires the adoption, implementation and enforcement of the *acquis*. While recognising that progress had already been made, the Feira European Council stressed that progress in the negotiations depends on the incorporation by the candidate states of the *acquis* in their national legislation and especially on their capacity to effectively implement and enforce it.

The Committee on Constitutional Affairs is of the opinion that the Charter of Fundamental Rights, as proclaimed at Nice, forms part of the *acquis* and should, therefore, be respected by the candidate countries in the same way as by the European institutions and present member states.

In the community ruled by law as the Union is, full respect of the *acquis* by all players is the cornerstone of continuity and the solidarity mechanisms of the Union and the institutions should cast no doubt over this fundamental principle leading to clear commitments for all members of the club.

C. Joint measures

Transitional measures to the acceptance of the *acquis* are a necessary evil. It is the Committee on Constitutional Affairs' opinion that technical adjustments or transitional measures should be few, short, flexible, objectively motivated and verifiable. They should remain exceptional and should be accompanied by genuine efforts to facilitate a swift and full compliance with the related *acquis*. In return, flexibility should also be shown with regard to demands stemming from the candidate countries, inspired by problems they are facing through the accession perspective.

The Committee would like to draw attention to the principle of equal treatment that should inspire the negotiating partners. In a round table negotiating process, objectivity and fairness, at the end of the day, should lead to a 'fair' result capable of preventing possible conflictual

situations afterwards.

There is an obvious problem with regard to the number of seats in the EP allocated to the candidate countries at the Nice summit. It is quite clear that the Czech Republic and Hungary have been allocated a number of seats which does not represent their relative strength in terms of population as this criterion has formed the basis for the allocation of seats for member states. At Nice, it was agreed that applicant countries shall have the right to participate in the next IGC once they have completed the accession negotiations, even before the ratification of the accession treaties has taken place. On several occasions the EP has stressed its express wish to associate parliamentarians of today's and tomorrow's Member states in the next round of discussions on the political and institutional renewal of the Union, and it should act accordingly.

Last but not least, the negative outcome of the Irish referendum on the Nice Treaty has made clear to all that a communication strategy, involving both the Member states and the applicants, should be established and implemented according to a strict timetable to keep today's and tomorrow's citizens of the Union informed, ensure their participation in the process and win their support for it. This communication strategy need to properly anchor the forthcoming accessions of new members in the civil society.

CONCLUSIONS

The Committee on Constitutional Affairs calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following paragraphs in its motion for a resolution:

Political criteria

1. Firmly believes – despite the outcome of the Irish referendum held on 7 June 2001 – that the enlargement process which serves to unify Europe in order to promote peace and progress must continue as planned; realises that the Treaty can lead to improvements in some areas but considers that a Union of 27 or more Member States requires more thoroughgoing reforms in order to guarantee democracy, effectiveness and transparency;
2. Notes that the candidate countries meet the political criteria laid down in Copenhagen and have made important efforts to improve incorporation and implementation of these shared values into their own legal and political framework; stressing, however, that some still have progress to make in the area of protection of human rights and minorities;

Acquis criteria

3. Encourages the candidate countries to respect the Charter of Fundamental Rights, as proclaimed in Nice, in the same way as the EU institutions and Member States;
4. Appeals to the candidate countries, the Member States and all Union institutions affected by enlargement to pay particular attention to preparing for the implementation of the *acquis communautaire* in the future Member States, and in particular to attach greater importance to training for those administering the law, organising more traineeships and twinning programmes;
5. Stresses that transitional measures should have an exceptional character, both in time and in space;

Negotiations and crucial issues

6. Points out that any accession countries which sign their accession treaties before 1 January 2004 will obtain seats in the Parliament within the ceiling of 732 Members, but that any accession countries signing after that date will have seats additional to the ceiling until June 2009; underlines that, in the event of a large number of States signing after 1 January 2004 and acceding before 2009, Parliament will be confronted with significant organisational and budgetary problems;
7. Deplores the fact that the proposed make-up of the European Parliament does not follow any clear logic; expresses its surprise at the decision to exceed the limit of 700 Members laid down at Amsterdam; warns of the risks that might ensue if its membership were to

rise too high during the transitional period; and calls on the Council to pay careful heed to those risks when it lays down the accession timetable;

8. Calls when the respective accession treaties are negotiated, for the number of representatives in the European Parliament specified for Hungary and the Czech Republic to be corrected to match the 22 seats allocated to Belgium and Portugal (countries with a similar population) and for this already to be taken as an opportunity to make the decision-making procedures more transparent, more effective and more democratic;
9. Deplores the fact that the Intergovernmental Conference did not extend the co-decision procedure to cover those legal bases already providing (before and since Nice) for legislation to be adopted by qualified-majority vote; believes that the new Treaty has given insufficient recognition to the co-decision procedure, as set out in Article 251 of the EC Treaty, as the general rule governing Union decision-making;
10. Notes the transitional system provided for in Declaration 20 on the enlargement of the European Union (annexed to the Final Act of the Treaty) to enable the Institutions gradually to be adapted while the accessions are taking place; declares its intention of keeping those adjustments under careful review and taking them into account when it delivers its assent to the accession treaties;
11. Expects that the candidate countries will play an active part in all further steps as part of preparations for the next intergovernmental conference (post-Nice process) and that the Union's enlargement process can lead to the desired success only if civil society is also involved in that process by means of adequate information and, where necessary, genuine opportunities for participation;
12. Considers that it will be impossible for the European Union to secure the support of its future citizens unless its institutional system and basic texts are reorganised in a transparent and intelligible manner;
13. Calls on the Commission to:
 - (a) draw up models which will make it possible to calculate the future composition of all the institutions affected by enlargement – European Parliament, Commission, Council, Court of Justice, Economic and Social Committee, Committee of the Regions, European Central Bank etc - in the scenarios that currently appear likely in principle,
 - (b) develop ideas in the appropriate context on the subject of whether and, if so, what measures will be needed to adapt the current language arrangements to the forthcoming enlargements, and
 - (c) carry out the necessary studies and draw up the necessary proposals to enable the EU budget to cover the extension of the Community acquis to countries which join the Union, without scaling down or renationalising the policies which currently constitute that acquis;
14. Calls on the European political parties of the present and the future to intensify their links

and open their doors to their natural allies in the candidate countries;

15. Reiterates its proposal that the EU institutions, the Member States and the candidate countries with which negotiations have been started should do everything in their power to ensure that Parliament can give its assent to the first accession treaties before the European elections in 2004, in order that these countries may have the prospect of participating in those elections, and to the subsequent treaties during the course of the next parliamentary term;
16. Invites all EU institutions and organs to adapt their internal structures and, where appropriate, their rules of procedure to bring them in line with the accession time frame and consequences, and to reflect upon the practical consequences of enlargement in terms of infrastructure, cost and effectiveness;
17. Believes that the debate should be based on an agenda unencumbered by restrictions of any kind and closely linked to the daily lives of Europeans; considers that institutional matters should be included on the agenda, without, however, monopolising it, and that topics such as employment, the eradication of exclusion, consumer health protection, and security are also particularly important.