

Lecture 2: Enlarging the European Union



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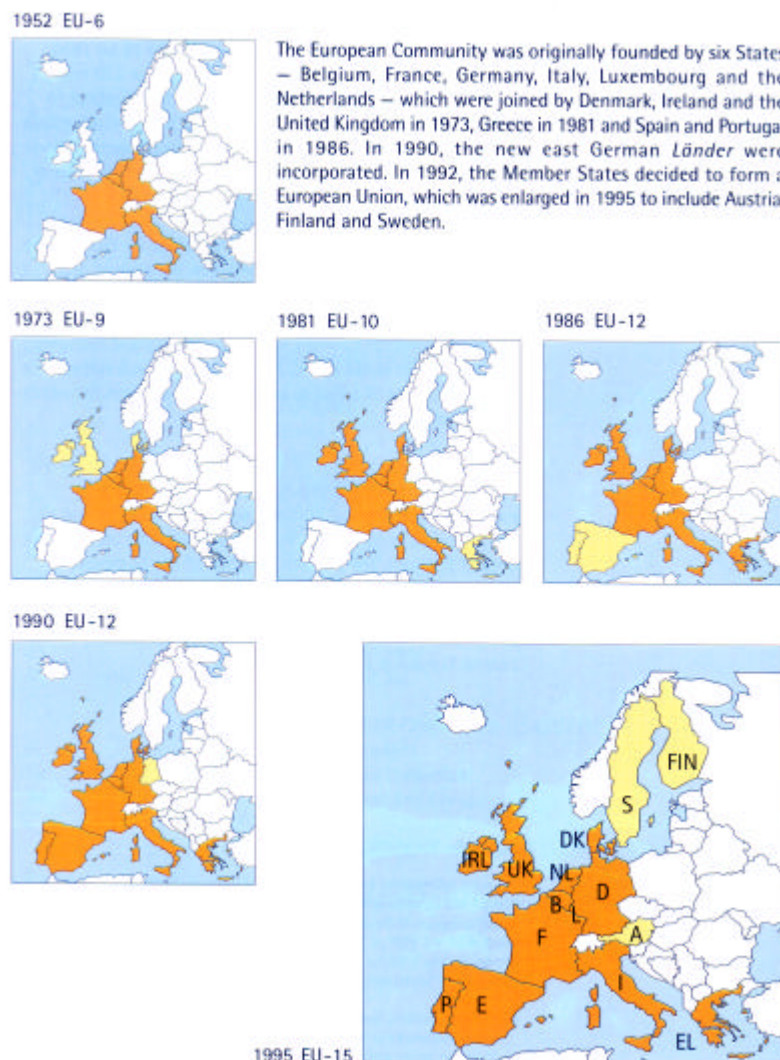
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Enlarging the EU: Introduction

Any European State, which respects the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, may apply to become a member of the Union.

Treaty on European Union (article 49)

The European Union has been enlarging ever since it was created at the beginning of the 1950s. Since then the Union has grown from the initial six members to the current 15 through a series of enlargements. Picture 1 illustrates this process.



Picture 1

In the beginning of the 21st century the process of enlargement is considered to be the main goal and a historic task for the Union so that the integration of the continent could be continued further by peaceful means, extending a zone of stability and prosperity. So the process of integration and adoption of new members is still continuing. The success of the EU and the values it is based on attracts other new countries to become a member of the Union. At present there are thirteen

candidate-countries that are applying to join the EU. The European Union is now negotiating with twelve of them (Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Romania, Slovakia, Slovenia).

Each enlargement brings *benefits* to Europe's citizens, opens new opportunities, deepens and promotes acceptance of European principles and norms in a wide range of fields. After the present enlargement phase is over the territory of the Union with free movement of people, capital and goods will stretch from the Baltic to the Black Sea, and from Nicosia to Kiruna. Businesses will be able to operate on the basis of standard procedures across the world's largest frontier-free market. As integration reduces the potential for conflict the enlargement process offers wide perspectives of political and economic stability and prosperity for Europe. Enlargement will help guarantee for future generations the values on which the European Union is built: democracy, the rule of law and respect for human rights.

In 1993 the European Council confirmed the legitimacy of applications for membership from countries of Central and Eastern Europe. On 31 March 1998 accession negotiations were begun with six countries: Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia. On 15 February 2000 the EU opened negotiations with the other six countries: Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia. Turkey was confirmed as being a candidate and in March 2001 the EU agreed an accession partnership for Turkey, as with other candidates. All candidate-countries are under the same conditions of accession and they are examined and estimated on the basis of the same criteria. At the same time it is not possible to foresee the lengths of negotiations with each candidate-country. It depends on the degree of its preparation and the complexity of the issues to be resolved. Each candidate country is judged on its own merits. However at the Nice Council held in December 2000 EU leaders agreed to receive those applicant countries that would be ready from the end of 2002 and to allow them to participate in the 2004 European elections. This decision gave a fresh impetus to the enlargement process. You can check the up-to-date pre-accession situation on the Europe map presented in Annex 1 to this lecture.

A key part of the integration process is to ensure that all values and standards the EU is based on are respected and fully maintained. That is why the applying countries are being asked to bring their own national rules and principles in line with those in the EU (in addition to the many economic, political and social reforms that the candidates have already introduced over recent years). The applicant countries should meet present criteria for accession.

Conditions for Accession

Copenhagen criteria

The level of pre-accession states is not equal to countries of European Union, but the key part of the challenge of the enlargement is to make sure that as the EU grows, its values and standards are fully maintained. Before even starting negotiations with the EU, candidate countries have to comply with the so-called "*Copenhagen Criteria*", which include a list of minimum standards of human rights and democracy. Then, during the negotiations, candidate countries must change their domestic legislation to comply with the very comprehensive EU legislation and policy in all fields, from agriculture to energy standards, from customs rules to VAT harmonisation. This legislation and policy is called the "*Acquis Communautaire*" in the local Brussels dialect.

Revising the Copenhagen criteria we may distinguish *political criteria* and *economic criteria*. They were worked out at the Copenhagen European Council held in 1993. This 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 of and protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; the ability to take on the obligation of membership including adherence to the aims of political, economic and monetary union***". This is the essence of political and economic criteria, which determines the level needed to become a member of EU. Later on at the European Councils held in Madrid (1995), in Helsinki (1999), in Nice (2000) these criteria were developed further and profound. Article 6 of the Treaty of the European Union claimed: "The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law." These principles were emphasised in the Charter of Fundamental rights of the European Union, which was proclaimed at the Nice European Council in December 2000.

The requirements set by the Copenhagen political criteria, and the Commission's regular assessment of progress achieved in meeting them, have continued to serve as important incentives for the candidate countries. Since the 1997 Opinions and the subsequent Regular Reports, overall progress in consolidating and deepening democracy and respect for the rule of law, human rights and the rights of minorities has been considerable. The progress made by candidate countries in meeting the Copenhagen economic criteria takes place at a time of rapidly deteriorating global economic conditions. However over 2000, and the first half of 2001, economic growth in the candidate countries was relatively strong.

The progress of each country has been assessed according to the *sub-criteria* of the Copenhagen economic criteria – the existence of a functioning market economy and the capacity to withstand competitive pressure and market forces within the Union. These sub-criteria were defined in the Commission Communication on Agenda 2000.

Acquis

The body of EU rules concerning various fields of activity covered by "acquis" is divided into 30 chapters. They are :

1. Free movement of goods ;	16. Small and medium-sized undertakings ;
2. Freedom of movement for persons ;	17. Science and research ;
3. Freedom to provide services ;	18. Education and training ;
4. Free movement of capital ;	19. Telecommunications and information technologies ;
5. Company law ;	20. Culture and audiovisual policy ;
6. Competition policy ;	21. Regional policy and coordination of structural instruments ;
7. Agriculture ;	22. Environment ;
8. Fisheries ;	23. Consumers and health protection ;
9. Transport policy ;	24. Cooperation in the fields of justice and home affairs ;
10. Taxation ;	25. Customs union ;
11. Economic and monetary union ;	26. External relations ;
12. Statistics ;	

13. Social policy and employment ;	27. Common foreign and security policy ;
14. Energy ;	28. Financial control ;
15. Industrial policy ;	29. Financial and budgetary provisions ;
	30. Institutions ;

Each chapter includes not only an assessment of progress achieved since last year's report, but also an assessment of overall progress, which is based initially on information provided by the candidate countries themselves. Some countries still have difficulties in transposing parts of the *acquis*. Nevertheless, despite the progress made over the past year, the major need now consists of building up an adequate administrative structures and strengthening of administrative capacity to implement the *acquis*.

Negotiations that take place between the European Union and the candidates are expected to lead to drawing up and signing accession treaties. Once a treaty is worked out, it will be submitted to the EU Council of Ministers for approval and to the European Parliament for assent, and then to the Member States and to the candidate countries for national ratification in line with national procedures. This is a procedure of how a new State enters. But before a candidate country comes into this phase it must incorporate the *acquis* into its legislation and actually implement and enforce it.

Pre-accession States

In March 1998 the EU formally launched the process that will make enlargement possible. It embraces the following **thirteen applicant countries** (Pre-accession States): Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, Cyprus, Turkey and Malta. This group of countries should not be confused with Association Countries (ACs), which consists of the same States except for Cyprus, Turkey and Malta. In this part we are going to revise the pre-accession situation in the three Baltic States Latvia, Estonia and Lithuania.



Latvia

Country Profile	
Full name:	Republic of Latvia
Founded on:	November 18, 1918
Area:	64 589 sq. km
Population:	2.37 million
Capital city:	Riga (population: around 800,000)
Currency:	lats (LVL). One lats consists of 100 santims. The lats has been the currency since May 1993
Official language:	Latvian
Head of State:	President, who is elected by the Saeima for a period of 4 years. The President promulgates laws, appoints the Prime Minister and performs representative functions. The current president, Ms Vaira Vike-Freiberga, was elected in July 1999.

Elements of history

From the very earliest years when the Teutonic Knights founded Latvia's capital in 1201 the Latvians have maintained contacts with the rest of the world. In 1991 Latvia regained its independence and since then it has been energetically rebuilding these links. Latvia is situated at an intersection of trade routes and has long served as a bridge between Western Europe and Russia. The famous "route from the Vikings to the Greeks" mentioned in ancient chronicles stretched from Scandinavia through Latvian territory along the Daugava River to the ancient Russia and the Byzantine Empire.

Latvia's three major ports are Ventspils, Riga and Liepaja. Ventspils is the largest port in the Baltic Sea region and is among the 15 leading European ports in terms of cargo turnover. Sectors of the economy presented in the country are electronics and mechanical engineering, chemical and pharmaceutical industries, wood processing, food processing, textiles, info technologies. The European Union is the largest trading partner.

Pre-accession situation

Latvia has introduced various internal rules designed to ensure respect for human rights and minorities' rights. Freedom of assembly and freedom of expression are established, the right of owner is guaranteed (except for non-nationals). Latvia's political institutions function properly and in conditions of stability.

Price liberalisation started in early 1991. Goods and services with administrated prices still represent about 20% in the basket of a consumer price index. Prices for energy, supply, utilities, transport and rent are still administrated and do not cover full costs. Although cost coverage is increasing, full coverage is only envisaged in 2005.

A severe problem for further progress may be the weakness of the Latvian public administration, which affects not only the pace of approximation of legislation but also the quality of its enforcement. Similar doubts must be raised about the capacity of the various structures necessary to implement internal market legislation, but it is too short for judgement yet. As things currently stand, the Commission cannot yet express an opinion on the capacity of companies, particularly small and medium-sized businesses, to implement the *acquis*.

The completion of the internal market on 1 January 1993 was only achieved by doing away with all the formalities and checks performed by the Member States at the internal borders of the Union.

A section of Latvia's present borders will become the Union's external frontier and this means border checks will need to be stepped up. In view of the overall assessment that can be made of progress achieved to date and the rate at which work is advancing in the various areas concerned, it is difficult at present to put a time-scale on Latvia's ability to take over and implement all the instruments required to abolish internal border checks and to transfer those checks to the Union's external frontier.

Latvia has already adopted some elements of the *acquis* relating to the Single Market. Further progress will be needed with regard notably to public procurement, intellectual property and data protection. In most areas, enforcement needs to be strengthened. Strong efforts will be necessary with regard to the strengthening of the administration. In the medium term, provided considerable efforts are undertaken, Latvia should have adopted and implemented most of the Single Market legislation and made the necessary progress on the mechanisms of enforcement, in order to be able to participate fully in the Internal Market.

Estonia



Country Profile	
Area:	45,227 square km
Population:	1,370,100 (2000 population census). 80% citizens of Estonia, 7% citizens of other countries and 13% stateless
Capital city:	Tallinn (population 408,329 or 28% of total population)
Currency:	kroon (EEK). Fixed exchange rate: 1 euro = 15.65 EEK
Life expectancy:	Average: 65.4 years (male), 76.1 (female)
Official language:	Estonian
Religion:	Leading role: Lutheran. Others: Greek Orthodox, Russian Orthodox, Baptist, Methodist and Roman Catholic
Head of State:	President, elected for 5 years. Current President: Mr. Arnold Rüütel (since September 2001)

Elements of history

Estonians settled their land in the Bronze Age, and have preserved their language and identity since then – although it took until 1918 for an independent Estonian nation to emerge for the first time. Since the country regained its independence in 1991, it has consolidated its identity still further.

Estonia lies along the Baltic Sea, just south of Finland and has a climate of icy, snowy winters and long light summers. It is a country of about the same size as the Netherlands, and is sparsely populated with around 1.4m people.

The independent Republic of Estonia was born in the aftermath of the First World War in 1918. It was subsequently a part of the Soviet Union (1940-1991) and occupied by Nazi Germany (1941-1944).

A resurgence of Estonian national identity began in the late 1980s. The most visible (but peaceful) protests occurred in 1988 when large numbers of Estonians came together to sing national songs in the so-called "singing revolution" and in 1989 when people across all three Baltic countries joined hands together to form a massive human chain.

In 1991, Estonia declared the restoration of its independence, which was quickly recognised by other countries. Since then, Estonian Governments have pursued a liberal free-trade policy and have embraced new technologies, which has resulted in a rapid transformation to a market economy. In Estonia, the transition from a planned economy to a market economy started at the beginning of the 1990s. As a result of the transition to a new economic system, Estonia's gross domestic product (GDP) decreased sharply in the years 1991-1994. By 1995, the recession phase was over. Economic growth was fastest in 1997.

In 2000, the growth rate of Estonia's economy increased rapidly to 6%, driven by economic integration with EU member states. This high rate of growth has continued in 2001. Important exports are machinery and electrical equipment, wood and textiles products. Tourism and transit trade also make

important contributions to the economy. Finland and Sweden are amongst Estonia's biggest partners in business, investment and tourism.

Pre-accession situation

In August 1991 the European Community recognised the Republic of Estonia after it had regained its independence. The following year European Commission accredited the Estonian Ambassador in Brussels. Relationships between the Republic of Estonia and the European Communities are regulated by the following agreements:

- Europe Agreement, i.e. the association agreement between the European Communities and its member states and the Republic of Estonia, which was concluded on 12 June 1995 and entered into force on 1 February 1998.
- Free trade agreement is incorporated into the Europe Agreement (concluded on 18 July 1994, entered into force on 1 January 1995).

Estonia submitted its application to accede to the EU in November 1995 and started negotiations in March 1998. By the end of 2001, 20 out of 29 negotiating chapters opened between the EU and Estonia had been provisionally closed.

In the years of 2002-2003 next changes are planned within NPAA 2001 :

- (1) elaboration, implementation, translation and analysis of new legal acts pursuant to new EC regulations, foremost in the utilities sector;
- (2) participation in EU and WTO public procurement seminars and training;
- (3) enhancing co-operation with the European Commission (DG Internal Market) and public procurement institutions of EU member states (Great Britain, Finland, Portugal, and others);
- (4) upgrading IT hardware and software, co-operating with and connecting to EU and WTO databases;
- (5) conducting public procurement related training in state- and municipal institutions for the officials of public utilities sector, for arbiters, and for trainers;
- (6) upgrading the public procurement register and linking it to the general market surveillance information system, in order to increase transparency in market surveillance, shall be included in the proposal for the PHARE 2002 market surveillance continuance project.



Lithuania

Country Profile	
Area:	65,300 square km
Population:	3.7 million 80 percent of the population is Lithuanian, 11 percent are Polish and 7 percent are Russians. Dominant religion is Roman Catholic
Capital city:	Vilnius
Currency:	Litas (1 litas=0.25USD)
Official language:	Lithuanian (lietuviu)
Political system:	Republic. New constitution ratified in October 1992. The country is governed by the President, supreme legislative body Seimas (a unicameral Parliament of 141 members) and the Government

Elements of history

The name of Lithuania first appeared in written sources in 1009 AD. The modern Lithuanian state was established in 1918 and regained its independence in 1990

Lithuania consists of ten counties and five cultural regions, of which Zemaitija (the Lowland) and Aukštaitija (the Highland) are the biggest and best known. Lithuania borders Poland, Latvia, Belarus and the Kaliningrad district of the Russian Federation. It boasts 99 km of sand-laid seashore and has its tiny Sahara – the dune hills on the Curonian peninsula in the Baltic Sea. Dozens of fine lakes, rivers and virgin forests form five national parks and other recreation areas. 25 km north of Vilnius the cartographers set the geographic centre of Europe.

Lithuania has a modern highway system, several international airports and a major ice-free seaport of Klaipeda. The country is relatively poor of natural resources; however, according to human social development index, the United Nations rates it 52nd among 174 world nations. The major branches of Lithuania's rapidly modernising economy are services, industry and agriculture. The countries of the European Union are Lithuania's major trade partners and investors.

Pre-accession situation

Here are priorities, mentioned in Regular Report, November 2001, that are to be implemented: consolidate a modern, independent, professional and efficient civil service, notably by ensuring further training, an appropriate level of remuneration and greater interdepartmental co-ordination; complete judicial reform in particular through the adoption of the new Law on Courts; duly implement the Civil Code and the Law on Administrative Court Proceedings; adopt the new Code of Criminal Procedures and ensure its due implementation as well as that of the Criminal Code ; continue training of specialised judges and prosecutors including in *acquis* related matters ; improve working conditions at courts (computerisation and infrastructure), in particular as regards Administrative Courts and Regional Courts ; ensure due implementation of the law on legal aid so as to widen the availability of legal aid; adopt and start implementing the anti-corruption strategy ; adopt and start implementing a new Law on Corruption Prevention, complete and start implementing the Code of Ethics for Civil Servants ; ratify the relevant international anti-corruption conventions.

Priorities of economic criteria are the following: take measures to reduce unemployment, in particular long-term unemployment, notably by promoting adequate re-training and improving the business environment with a view to attract green-field investments and enhance the creation of new enterprises; complete the large-scale privatisation process, including the remaining state-owned bank and the energy utilities.

Pre-accession Strategy

The European Union has worked out a pre-accession strategy with respect to the candidate countries. It defines instruments and mechanisms of the EU assistance and promoting investments that can be provided to the pre-accession states in order to help them adapt more rapidly to EU requirements and become a member without unnecessary delay. The strategy encompasses several elements. Some of them have been already discussed above in this lecture. The pre-accession strategy includes the following instruments : Europe Agreements (Association Agreements), Accession Partnerships, National Programs for the Adoption of the Acquis (NPAA), pre-accession assistance, participation in the EU programs, annual regular reports of the European Commission, accession negotiations, European Conference.

Europe Agreements (Association Agreements)

To provide a legal framework for association between the applicant countries and the EU and to help these countries integrate gradually the European Union concludes Association Agreements (Europe Agreements) with the candidate countries. Europe Agreements have been already concluded with Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. They are also called Association Agreements of the "last generation", which came into force between 1994 and 1999. Cyprus, Malta and Turkey have signed Association Agreements in 1973, 1971 and 1994 respectively ("old generation"). The objective of Europe Agreements is to set a free-trade area by the year of 2002 providing a basis for economic cooperation between the EU and the candidate countries in a large number of sectors. The agreements cover the main areas in which the Community acquis is to be adopted. The Association Agreements with Cyprus and Malta cover similar fields (except political dialog), while the Agreement with Turkey also aims to achieve a Customs Union.

Accession Partnerships, NPAA, annual regular reports

Accession Partnerships (APs) are the key feature of the pre-accession strategy together with pre-accession assistance and participating in the Community's programs. AP is a document (no more than 20 pages in length) drawn up for each country aiming to enter the EU. It :

- provides an assessment of the priority areas in which the candidate country needs to make progress in order to prepare for accession and
- outlines the ways in which the Phare Program will support such accession preparations.

An Accession Partnership contains precise commitments of a candidate country concerning in particular democracy, macroeconomic stabilization, industrial restructuring, nuclear safety and the adoption of the acquis. Each country's Accession Partnership is complimented by its own National Program for the Adoption of the Acquis (NPAA), which details the country's commitments regarding to achieving the accession criteria and adoption the acquis. The progress made by each country is revised regularly and is recorded in annual reports prepared by the Commission and submitted to the EU Council. This serves as a basis for future decisions on negotiations. The financial assistance also depends on the progress made by each country and on the degree it complies with the NPAA.

Pre-accession Assistance

The pre-accession assistance provided by the EU to the candidate countries includes the Phare program, instrument for structural policies for pre-accession (ISPA), instrument for agricultural and rural development support (Sapard).

Phare Program

The main objective of the Phare programme is to provide economic aid to candidate central and eastern European countries (CEECs).

The Phare program has operated since 1989 and it is, currently, the European Community's main instrument of financial and technical cooperation with CEECs.

There are two main priorities Phare focuses on :

- Helping the administrations of the candidate countries to acquire the capacity to implement the Community . Phare also help the national and regional administrations, as well as regulatory and supervisory bodies, in the candidate countries to familiarise themselves with Community *acquis* objectives and procedures.
- Helping the candidate countries bring their industries and basic infrastructure up to Community standards by mobilising the investment required, particularly in areas where the Community rules are increasingly demanding : environment, transport, industrial plant, product quality, working conditions, etc.

The budget of the Phare program amounts 1.5 billion euro.

(<http://europa.eu.int/scadplus/leg/en/lvb/e50004.htm>)

ISPA

The main objective of the Instrument for Structural Policies for Pre-accession (ISPA) is to provide financial assistance with a view to contributing to the preparation for accession to the European Union of the applicant countries of central and eastern Europe in the area of economic and social cohesion.

ISPA was established in June 1999 with the Council Regulation. Currently, the Regulation provides that Community assistance granted under ISPA is to be limited to programmes for the environment and transport infrastructure.

Under ISPA the EU allocates over 1 billion euro a year in the period from 2000 to 2006 to provide a financial assistance for the applicant countries of CEECs.

(<http://europa.eu.int/scadplus/leg/en/lvb/l60022.htm>)

Sapard

The main objectives of this instrument are :

- to establish a Community framework for supporting sustainable agricultural and rural development in CEECs during the pre-accession period ;
- to solve problems affecting the long-term adjustment of the agricultural sector and rural areas ;
- to help implement the Community *acquis* in matters of the common agricultural policy and related policies.

Financial support under Sapard is focused on the priorities of the area of agriculture and rural development.

The program Sapard was established with a Council Regulation in June 1999. Sapard came into effect on January 1, 2000, and is budgeted until the end of 2006. Under Sapard the EU allocates pre-accession aid to agriculture over 520 million euro a year from the year 2000.

(<http://europa.eu.int/scadplus/leg/en/lvb/e50003.htm>)

Coordination Instrument

It was also established with the Council Regulation in June 1999 to ensure coordination and coherence between the forms of aid granted in the framework of the pre-accession strategy under the Phare program, the agricultural instrument (Sapard) and the structural instrument (ISPA).

The table below represents a simplified overview of the EU spending foreseen on enlargement 2000-2006, in billion euro.

Category	2000	2001	2002	2003	2004	2005	2006
Phare	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Sapard	0.5	0.5	0.5	0.5	0.5	0.5	0.5
ISPA	1	1	1	1	1	1	1
'Post-accession'			6	8	11	13	15
Total EU spending on enlargement	3	3	9	11	14	16	18

Table 1: EU financial assistance to applicant countries

Read more about the pre-accession assistance on the web-site :

<http://europa.eu.int/comm/enlargement/pas/paa.htm>

Participating in the EU Programs and Agencies

In its Communication "Agenda 2000" (July 1997) the European Commission proposed for the applicant countries participation in a broad range of Community programs as well as in certain Community agencies and bodies in order to prepare these countries better for adoption of the *acquis*.

There are two types of programs performed within the European Community. They are :

- Community programs' – an integrated set of actions adopted by the European Community in order to promote co-operation between its Member States in different specific fields related to Community policies, over a period of several years. They have been conceived, in principle, exclusively, for Member States, on the basis of a specific allocation from the General Budget of the European Union.
- Other programs whose beneficiaries are not Member States of the Union. For example: Phare program, Tacis program (Community external aid devoted to former republics of Soviet Union – New Independent States – and Mongolia), Meda program (Community external aid devoted to the Euro-Mediterranean Partners – Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority).

So here we are going to discuss the former (participation of the pre-accession states in the Community programs). You may find the list of all existing and planned Community programs legally opened (or to be opened) to candidate countries in the attached file on the web-site : http://europa.eu.int/comm/enlargement/pas/ocp/ocp_index.htm .

To take part in a Community program

Pre-accession Strategy (PAS) towards the CEECs as well as Pre-accession Strategy for Cyprus and Malta and European Strategy for Turkey presuppose these candidate countries participation in the Community programs. Two types of legal instruments are needed in order to allow a country take part in a Community program :

- on the Community side the programs have to be "opened" for such participation by means of internal and unilateral legal act.
- on the candidate country side there should be a formal application for such participation, and then the European Commission will start negotiations on behalf of the European Community on the terms and conditions of the participation. There is a difference between legal forms of registration of the CEECs and Cyprus, Malta and Turkey participation in Community programs.

The Luxembourg European Council indicated that candidate countries should steadily increase their own financial contribution, but agreed that the Phare program, in the case of the CEECs, if necessary, would continue to part-finance these countries' financial contribution up to "around 10% of the Phare appropriation, not including participation in the research and development framework program".

Both in its Enlargement Strategy Paper and Reports on progress towards accession of November 2000, the European Commission considered participation of the pre-accession countries in Community programs as a key feature of the pre-accession strategy. In fact citizens, companies and national administrations of candidate countries are joining in co-operation and exchange networks in very different areas covered by Community programs such as research, education, vocational training, youth, culture, audio-visual, environment, energy, public health, social policy, judicial co-operation in civil matters, small and medium sized enterprises taxation, indirect taxation, customs, information society. Thus framework programs of the European Community for research, technological development and demonstration activities (and the FP5 in particular) are an example of Community programs opened for participation of candidate countries in the area of research.

Negotiations for the participation of all 13 candidate countries in the European Environment Agency were concluded in 2002, and agreements are in sight with most candidates on participation in the European Monitoring Centre for Drugs and Drug Addiction and other Community agencies.

Participation in the Community programs, agencies and committees will provide a successful way to prepare the candidate countries for the accession and to familiarize them to the Community policies and working methods.

With respect to other Agencies, it has been decided to prepare now future participation of candidate countries. To this purpose, almost € 5 million have been allocated in 2000 as Phare support to

implement preparatory measures in 2000-2001 as regards the 10 CEECs and the following 5 Community Agencies :

- European Centre for the Development of Vocational Training ;
- European Environment Agency ;
- European Agency for the Evaluation of Medicinal Products ;
- Office for Harmonisation in the Internal Market ;
- European Agency for Safety and Health at Work.

Accession Negotiations

Accession negotiations determine the conditions under which each candidate country will join the EU, and the terms under which each candidate will adopt, implement and enforce the *acquis*.

European Conference

The European Conference is a forum that brings together the candidates with the EU Member States at senior levels of government to discuss issues such as foreign and security policy, justice and home affairs, regional cooperation or economic affairs.

Next Steps in the Process of the EU Enlargement

2002 - The strategy gives priority to negotiations in the first half of 2002 on the remaining questions in agriculture, regional policy and structural instruments, financial and budgetary provisions, institutions, and "any important questions from other chapters for which solutions have not yet been found". The Spanish Presidency will be responsible for guiding the process in this crucial period. It should be possible to conclude negotiations in the course of 2002 with those candidates who fulfil all the conditions for membership.

2003 - If negotiations have been completed, the resulting Treaty of Accession will need to be ratified by EU Member States and candidate countries.

2004 - European Parliament elections will take place in June 2004. The EU hopes that some new States will have joined in time to take part in these elections.

Annex 1

Europe Map

