

2505

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FILE TITLE:

ENLARGEMENT

SERIES

EUROPEAN Policy

PART:

2

PART BEGINS:

8<sup>th</sup> MARCH 2002

PART ENDS:

6 SEPT 2002

CAB ONE:

Labour Administration

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PART

CLOSED

DATE CLOSED	6 SEPT 2001
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Series : EUROPEAN POLICY

File Title : ENLARGEMENT

Part : 2

Date	From	To	Subject	Class	Secret
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23/03/2002	EU/PS	PM	Report on the Results of Focus Groups on EU Enlargement	U	
27/03/2002	FCO	FCO	Benes Decrees	C	
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Foreign &  
Commonwealth  
Office

06 September 2002

Sir Stephen Wall KCMG LVO  
No 10

Director EU  
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King Charles Street  
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Tel: 020 7270 2270  
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E-mail: kim.darroch@fco.gov.uk

*Dear Stephen*

**ROMANIA AND BULGARIA: COPENHAGEN TO ACCESSION**

1. Thanks for your letter of 5 September. Taking your questions in turn
  - i) Yes, I think the Romanians and Bulgarians will buy a date for accession rather than a date for concluding the negotiations. They have asked for both, although at their Gymnich bilateral, the Romanian Foreign Minister asked the Foreign Secretary only for an accession date. I think both countries would be happy to get confirmation at Copenhagen that the EU agrees to their own accession target date of 2007. We might point out to the Bulgarians that the evidence of the first wave is that a target date for concluding negotiations is the death of differentiation; the fastest have to wait for others to catch up.
  - ii) Bulgaria and Romania are different from the first wave candidates because the EU is closing chapters with them on the basis of even less action taken and even more promises to act. This trend means there is some unusual language attached to some of these closed chapters, eg. Romania/EMU, which requires "close review throughout the negotiations of developments affecting the conditions under which agreements have been reached in this chapter," and that "in view of the above considerations, the EU may return to this chapter at an appropriate moment."
  - iii) The Gymnich suggests that most Member States will not take the same line as we are suggesting – they will be more negative (as will the rest of Whitehall, as you know). Only Papandreou has come out in favour of an accession target date. The French may shift if/when Chirac forgives the Romanians for doing a bilateral deal with the Americans on ICC.

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iv) Yes, we are treating these countries differently, for the reasons described in (ii) above. But I don't think that, overall, we are being more demanding on either of them than we were with the first wave. On the contrary, we're taking much more on trust.

2. For these reasons, I think the approach set out in our note is compatible with the Prime Minister's position. That was our intention in drafting it. I don't think we should hand over the note to the Commission, but rather talk to it; and let Romania and Bulgaria know what our position is; calling, in public, for a conditional target date now will presumably get us more brownie points than doing so later in the year when the EU debate has caught up with us.

3. I am copying this letter to the recipients of yours, John Macgregor, Alex Ellis, Chris Kealey and Julian King; and to Richard Ralph in Bucharest and Ian Soutar in Sofia.

*Yours, Kim*

N K Darroch  
Director EU

RESTRICTED

At what they described as an openhearted, productive and pleasant meeting, two of the subjects they discussed were EU

Nicolai observed the thing of the past. ambassador to France looking at Europe so that we can coo

→ Telefax

To: Stephen Wall	
Fax: 7839 9044	
From: Colin Budd	
Date: 6.9.02	Pages: ①

that the 'drug wars' are at the residence of the Dutch state secretary are in contact with each other

According to Nicolai, both the Netherlands and France are in agreement particularly on the need to take another look at what Brussels should regulate and what should be regulated at a national level.

(De Telegraaf, Thursday 5 September, page 13)

Fax →

Kim Dawson  
Alex Ellis, EUD(CI)  
Stephen Wall

cc Andrew

### Balkenende ask for EU report on enlargement to be presented earlier

Colin

Prime Minister Jan Peter Balkenende and State Secretary for European Affairs Atzo Nicolai have urged the European Commission to give the Netherlands more time for the debate on the enlargement of the European Union.

6/9

The cabinet is responding to complaints from parliament that they will only have a couple of days to debate the accession of new member states. D66 faction leader Thom de Graaf raised the issue in Thursday's Algemeen Dagblad, and was supported by CDA, LPF and PvdA.

On 16 October the Commission will publish country reports stating which candidate member states have qualified for entry. One week later, all heads of state must make a decision on the countries with which it will hold final negotiations. 'In this way parliamentary democracy is being violated,' said De Graaf.

Balkenende asked the president of the European Commission Romano Prodi to deliver the report at least three days earlier. 'Prodi clearly understood our problem, but the question is whether it is practical to arrange,' said Nicolai. In the meantime, the cabinet is working to ease the 'emergency scenario' in parliament as much as possible.

EU president Denmark has less problems with the short time frame in which a decision must be made. The Danish minister of European Affairs, Haarder, considers it almost certain that the Commission will recommend the entry of 10 new countries on 16 October.

'Parliament has received reports all year about it. There is a wealth of information. No one needs to wait until 16 October to actually make a decision,' Haarder said on Thursday in The Hague.

Nicolai believes it is essential for the Netherlands to make a conscious choice: 'It is our decision - of the cabinet and parliament - and not of the Commission. Parliament is not a rubber stamp.'

The countries that are expected to get the green light are Poland, Czech Republic, Hungary, Estonia, Latvia, Lithuania, Slovakia, Slovenia, Malta and Cyprus.

(Algemeen Dagblad, page 5)

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FILE



10 DOWNING STREET  
LONDON SW1A 2AA  
020 7930 4433

5 September 2002

Dear Kim,

**ROMANIA AND BULGARIA: COPENHAGEN TO ACCESSION**

Thank you for your letter of 5 September.

Will the Romanians and Bulgarians buy a date for accession, rather than a date for concluding the negotiations?

What is the justification for treating them differently from the other candidates?

Will other member states take the same line as the one you are recommending?

It is not me you have to convince. The Prime Minister took a line on Bulgarian and Romanian enlargement which was very much a political decision. He will expect us to be implementing a policy consistent with that position, not trying to row back to where we think policy should have been in the first place.

This paper proclaims consistency in dealing with all candidates. But is that what it offers in practice?

I am copying this letter to John Macgregor, Alex Ellis and Chris Kealey (FCO) and Julian King (UKRep Brussels).

**FAXED** - 6.9. - 2.5.

Yours ever,

A handwritten signature in cursive script, appearing to read 'Stephen'.

**J S WALL**

Kim Darroch CMG  
FCO

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Foreign &  
Commonwealth  
Office

05 September 2002

Sir Stephen Wall KCMG LVO  
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King Charles Street  
London SW1A 2AHTel: 020 7270 2270  
Fax: 020 7270 3936  
E-mail: kim.darroch@fco.gov.uk*Dear Stephen***ROMANIA AND BULGARIA: COPENHAGEN TO ACCESSION**

1. The 18 July Wall/Sheinwald mandated us to produce a new version of our paper on "Romania and Bulgaria: Copenhagen to Accession".
2. This is attached. It's a refined and much shortened version of papers which have been comprehensively discussed with Whitehall, in particular the Treasury and DTI. It sets out a strategy for handling Romania and Bulgaria as we build up to the Copenhagen European Council in December, and our objectives for that meeting. It focuses in particular on a revised pre-accession strategy. The Commission has told us that is their preferred emphasis; they do not envisage a Nice-style road map with chapters and dates for closure. That suits us, not least because behind a road map of this sort would lie a date for concluding negotiations – which Verheugen told the Gymnich he wanted to avoid.
3. I understand Commission officials will discuss this issue next week. Subject to your views, Julian King will try to speak to them before this meeting, using the paper as a speaking note.

*Yours, Kim*N K Darroch  
Director EUcc John Macgregor  
Alex Ellis, EUD(E)  
Chris Kealey, EUD(E)  
Julian King, UKRep

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**ROMANIA AND BULGARIA: COPENHAGEN TO ACCESSION**

1. The UK strongly supports Bulgaria's and Romania's accession to the EU. We believe that the Copenhagen European Council in December should take their negotiations into a qualitatively new phase that builds on the conclusions of the Seville, Laeken and Gothenburg European Councils from the foundations laid at Copenhagen, Madrid and Luxembourg.
2. At Copenhagen, we would want an outcome that included the following elements:
  - consistency in dealing with all candidates, and thus no raising the bar for Romania and Bulgaria;
  - differentiation;
  - keeping inside the Berlin financial ceilings;
  - avoiding new barriers to CAP reform;
  - a closer link between progress on the ground and negotiating chapters;
  - linking any target date for accession to progress on the ground.
3. Against this background, we propose to suggest a package along the following lines to the Presidency, the Commission and our partners:

A declaration that enlargement will continue

4. To tackle Romanian and Bulgarian concerns about enlargement "fatigue," Member States and candidates could agree to sign a declaration, possibly an appendix to the Accession Treaty, that the enlargement process will continue and is irreversible.

A revised Accession Partnership

5. This is equivalent to the Seville call for "an updated road map and revised and enhanced pre-accession strategy". The main elements could be the following:
  - a) *an updated road map*, consisting of a timetable of reviews by the Enlargement Working Group of progress in the negotiations. This should include a review of whether commitments made in the negotiations have been delivered; and
  - b) *a revised and enhanced pre-accession strategy* focusing on implementation. The basis for this already exists.
6. Accession Partnerships, the mechanism for defining short- and medium-term priorities for reform in the candidates, were set up at Luxembourg in 1997 as "the key feature of the enhanced pre-accession strategy, mobilising all forms of assistance to the candidate countries within a single framework<sup>1</sup>." We could update them for Romania and Bulgaria and raise their profile. The process might be:
  - The Commission draws up a revised Accession Partnership each year until accession;
  - The Council agrees short- and medium-term priorities for reform from the AP to complete or to take forward in six-month periods;
  - Without formally linking the APs to the accession negotiations more than they are at the moment, the two – progress in the negotiations and the AP – are read side by side. This would make clearer which AP priorities were related to which chapters e.g. state

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<sup>1</sup> 2001 Accession Partnership with Romania

## RESTRICTED - NON PAPER

aid restructuring is a short-term AP priority and discussion of the Competition chapter is informed by progress against that. Some priorities would, of course, be more generic e.g. public administration reform. Those priorities, under the Copenhagen economic and political criteria section of the AP, could serve to better inform the EU about the credibility of commitments;

- As with the first Accession Partnerships, additional financial support (PHARE) could be phased in to reward progress against the priorities, subject to absorption capacity;
7. The conclusions at Copenhagen could give the "updated road map and revised and enhanced pre-accession strategy" equal footing to the chapter negotiations. This could be achieved by:
- recognising that a by 2007 target date for accession is dependent on progress against the pre-accession strategy (the revised Accession Partnership) and the updated road map (timetable of chapter/implementation reviews);
  - avoiding explicit mention of a target date for completing negotiations;
8. Avoiding a date for concluding negotiations, and milestones towards that (i.e. which chapters to close by when) would:
- uphold the principle of differentiation more effectively. The candidates would not be tied to the same date to complete negotiations, which would be difficult to forecast now;
  - reinforce the message that implementation is equally important, bringing buy-in from the Council and candidate for more focus on sustained reforms not political milestones;
  - accommodate the fact that there are few chapters left to close and that several of those which have been closed were done so with an in-built review mechanism (e.g. Romania: EMU, Bulgaria: Industrial Policy).

### A conditional date for accession of by 2007

9. Accession by 2007 is still a sensible working assumption because it:
- is the basis on which the negotiations currently operate;
  - gives an appropriate timeframe in which to get the best results from a pre-accession strategy;
  - is saleable to Member States and the candidates;
  - leaves accession by Romania and Bulgaria outside this financial perspective (accession of both candidates earlier than 2007 would break the Berlin financial ceilings).
10. In addition, subject to the existing procedures, Romania and Bulgaria could be invited to participate as observers to the IGC and be encouraged to develop a new relationship with the European Parliament.

### Additional financial support

9. In support of Seville's call, additional financial support could be offered. This should be phased in according to absorption capacity and progress along the pre-accession strategy, and must remain inside the financial ceilings set out at Berlin.

September 2002

File

**From:** Stephen Wall  
**Date:** 30 August 2002

**PRIME MINISTER**

**cc:** Jonathan Powell  
Alastair Campbell  
Sally Morgan  
Jeremy Heywood  
Roger Liddle  
Matthew Rycroft  
Sir Andrew Turnbull  
(Cabinet Secretary)  
Sir Nigel Sheinwald  
(UKRep Brussels)  
Martin Donnelly (CO)

**ENLARGEMENT AND CAP REFORM**

/ The attached letter from the Treasury on CAP reform and enlargement says that "The Chancellor believes that the UK should not agree unreservedly to signing off the enlargement financing negotiations in November without progress towards satisfactory conclusions on the mid term review of the Common Agricultural Policy, which would have to be reached before the Copenhagen European Council".

/ I have written (also attached) reminding people that you have set out the government's policy clearly in what you said in the House on 24 June.

That may hold the ring for the time being and, with a bit of luck, the problem will be self-solving:

- (i) If Stoiber wins the German election, we can probably kiss goodbye to serious CAP reform in the short term, although we should make a

determined effort to woo him away from Chirac. But in the circumstances of a Stoiber/Chirac alliance, delaying enlargement will not buy CAP reform. Neither Chirac nor Stoiber is going to lose any votes if enlargement is delayed with the Brits being the ones responsible.

- (ii) If Schröder wins the German election, then he will make a determined effort (and will begin to do so when he sees Chirac a week on Saturday) to bring him round to a more reasonable position. Silberberg tells me that they are determined to make progress on this in September and October. This suggests that, contrary to the position Schröder was in in the immediate run up to Seville, he has now accepted that the issue of direct payments in particular needs to be resolved at the Brussels summit in late October and that there are real risks in going down to the wire at Copenhagen, namely the one identified above that we simply play into Chirac's hands. I think it inconceivable that we could take a tougher position than the Germans.

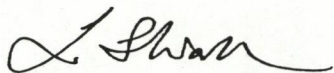
The new Dutch government are a bit of a wild card in all of this. They want CAP reform and are not as sure, as were their predecessors, that they want enlargement. So they are talking about not settling the issue of direct payments until Copenhagen. The problem with that argument is that you cannot both take direct payments all the way to Copenhagen and conclude the enlargement negotiations at Copenhagen. The EU has to settle its position on direct payments before the Commission can negotiate the whole agricultural package with the candidate countries. That is why the Danes insisted on the October deadline, because that negotiation, the most difficult of the whole enlargement process, will

take all of two months. That is also why the French are extremely well placed in saying that:

- (i) The Commission's direct payments proposal represents the *acquis* and giving the candidates the *acquis* is what the enlargement negotiations are all about.
  
- (ii) If we want to depart from orthodoxy, then we must take responsibility for holding up enlargement.

In taking this position, the French have the support of all the candidates and ten other member states.

In other words, I do not think we can improve on what you said in the House in June.



**STEPHEN WALL**

29 August 2002

**Mr Simon McDonald  
Private Secretary to the  
Secretary of State  
Foreign and Commonwealth Office  
King Charles Street  
London  
SW1A 2AH**

**INFORMAL MEETING OF EUROPEAN FOREIGN MINISTERS,  
ELSINORE, 30-31 AUGUST**

In advance of the Foreign Ministers' Informal this weekend, and further to the Chancellor's telephone call with the Foreign Secretary this evening, I am writing to reiterate the message the Chancellor would like the Foreign Secretary to give on maintaining the UK policy of treating the enlargement and CAP reform negotiations in parallel. As you may know, Treasury officials could not endorse the brief submitted to the Foreign Secretary on this issue.

In terms of the timetable for the enlargement financing negotiations, the Chancellor believes that the UK should not agree unreservedly to signing off the enlargement financing negotiations in November without progress towards satisfactory conclusions on the mid-term review of the Common Agricultural Policy, which would have to be reached before the Copenhagen European Council.

Parallel goals of enlargement and CAP reform mean parallel negotiations. This policy remains consistent with the Seville conclusions that state that 'the Council will have to take the *appropriate* decisions in order to communicate all the items lacking in the financial package to the candidate countries in early November'.

Of course there is a risk – or even a certainty – that President Chirac will make life very uncomfortable for the pro-enlargement member states by saying that he cannot agree any CAP reform and asking others to make the choice. But the better place to be in the negotiations is to stick with our partners in making the case for reform of the CAP, doing that in parallel with the enlargement negotiations and saying that 'appropriate' decisions include decisions on the future of the CAP. We lose our leverage on CAP reform if we agree enlargement first.

If we agree the enlargement financial package now, separate from progress on the CAP and say we are willing to do so, we sign away any chance of securing real, budget saving, CAP reform in this financial perspective. And we risk irritating our key allies - the Germans - who want time after their elections. Instead, we should stick with the Germans and our other allies.

We should also not forget our commitments to developing countries. Doha, Monterrey and now Johannesburg are all rightly putting an emphasis on farming. The level of EU subsidy to agriculture remains a scandal. EU support to milk production per cow is 16 times more than the average per capita spending on education by all developing countries, 25 times more than the average per capita spending on education by countries in sub Saharan Africa and over 90 times more than per capita spending on education in the world's Least Developed Countries. It is vital for our development and trade objectives that we use every opportunity we can to press the case for CAP reform.

You should also be aware that the Chancellor may want to use the opportunity of the informal ECOFIN on 5-6 September to press the case for CAP reform and plans to demonstrate that the need for reform will be in more colleagues' interests post enlargement.

Finally, we note that the Foreign Secretary's brief includes a scenario for the endgame on potential budgetary compensation, another element of the financial package. I should point out that this has not been agreed between departments, so again it should not be aired with colleagues.

I am copying this letter to Jeremy Heywood (No.10), Jo Bray (DEFRA) and Sir Stephen Wall.

**PAUL KISSACK**  
Assistant Private Secretary





10 DOWNING STREET  
LONDON SW1A 2AA  
020 7930 4433

30 August 2002

Dear Paul,

**INFORMAL MEETING OF EUROPEAN MINISTERS:  
ELSINORE, 30-31 AUGUST**

Thank you for sending me a copy of your letter of 29 August to Simon McDonald.

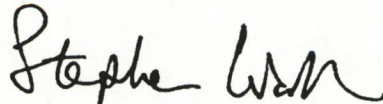
The government's policy on CAP reform and enlargement was set out publicly by the Prime Minister very recently. In the House of Commons on 24 June, following the Seville Summit, the Prime Minister was asked whether he agreed with the Leader of the Liberal Party "when he said that enlargement would be impractical unless there were major changes to the Common Agricultural Policy". The Prime Minister replied:

"It is very important that we get reform of the Common Agricultural Policy. Indeed, it would be unsustainable without reform, which is the position of this country and many others, including Germany.

"We are under the particular difficulty that any agreement has to be agreed unanimously. Although there is qualified majority voting in the Agriculture Council, that is not the case of the European Council, which is why it is extremely important that we continue to put every pressure we can on other countries, a minority of which are standing out against that reform. However, I would not want to send out a contrary signal on enlargement. The enlargement process has been a big success. We pushed for it, and it would be unfortunate to send out a signal to any applicant country that we intended to hold up the process. At the same time as we pursue the accession negotiations, we have to pursue reform of the Common Agricultural Policy, which is vital."

I am copying this letter to Simon McDonald (FCO), Jo Bray (DEFRA), Sir Nigel Sheinwald (UKRep Brussels), Sir Andrew Turnbull (Cabinet Secretary) and Jeremy Heywood here.

Yours ever,

A handwritten signature in cursive script, appearing to read "Stephen Wall".

J S WALL

Paul Kissack  
HM Treasury

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Ms Liz Lloyd  
Special Adviser to the Prime Minister  
10 Downing Street  
LONDON SW1A 2AA

02 July 2001 *a*

*Reger - move you then me.*

*lj*

Dear Ms Lloyd,

**WILTON PARK CONFERENCE 685: ENLARGING THE EUROPEAN UNION:  
THE NEW MEMBER STATES at Štiřin Castle, near Prague, Czech Republic  
(Monday 23 – Thursday 26 SEPTEMBER 2002)**

I invite you, or an appropriate colleague, to participate in the Wilton Park Conference in association with the Czech Ministry of Foreign Affairs on **Enlarging the European Union** to be held near Prague, Czech Republic between Monday 23 and Thursday 26 September 2002. I attach the preview of confirmed speakers. As you may recall, Wilton Park is a non-profit agency of the British Foreign and Commonwealth Office. It is academically independent, and seeks through international higher-level residential conferences to promote policy dialogue. Topical issues will be discussed in the modern facilities of Štiřin Castle, set in a quiet parkland, 30 minutes from central Prague and 45 minutes from Prague International Airport. Conference proceedings are in English and are intended to be informal and highly participative.

Should you wish to participate for the entire four days/three nights, or only part of the conference, please contact **Miss Fran Martin** at Wilton Park on +44 (0)1903 817777, fax: +44 (0)1903-815931 or e-mail [frances.martin@wiltonpark.org.uk](mailto:frances.martin@wiltonpark.org.uk). The four day/three night charge of £1050 includes all sessions, meals, accommodation, and a direct (return) bus from Prague Airport to the conference venue. Daily and/or overnight fees can be arranged *pro rata*. A limited number of concessional rates may be negotiable.

Your own participation in these conferences would be particularly valued, and we hope you will consider coming. However, if you cannot participate, kindly ask a senior or middle ranking colleague to contact us. We hope to have the opportunity to welcome you, or an appropriate colleague, to the September EU enlargement conference near Prague.

Yours sincerely,

*Nicholas Hopkinson*

Nicholas Hopkinson  
Deputy Director



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Foreign &  
Commonwealth  
Office

26 June 2002

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*Dear Stephen,*

**“EU ENLARGEMENT ENDGAME” AND “SOMETHING FOR TURKEY”**

1. I attach a couple of updated papers which we have promised at recent Cabinet Office meetings.

**EU ENLARGEMENT END GAME**

2. We agreed at the 7 June ESG that the FCO would update and recirculate the Endgame paper, in the light of Ivan Rogers' letter. I attach the new version. This tries to cover Ivan's point about possible concessions to Spain on their future structural and cohesion funds. But it retains the option of offering them something on phase-out of SCFs through the next Financial Perspective, in exchange for a satisfactory outcome on the MTR. There is a further angle to this, which is that we are working with partners to find a technical solution to Slovenia's problem on Objective I funds. If we succeed, this will remove Spain's other toehold for getting special arrangements for their own SCFs – in which case, the trade-off option will become the only show in town.

3. There has been one other contribution to the paper – the letter from Peter Storr (HO) of 24 May, which reached me after the ESG. Peter rightly stresses the importance of the candidates making the grade on JHA, particularly border security and judicial standards. Monitoring JHA should continue, in parallel with the negotiations, and beyond, as is clear from the recent Commission Action Plans on implementation in the candidates. Moreover, the Commission is providing additional funds to help address the gaps. And – as Peter points out – the Home Office is heavily involved in providing expertise.

4. As agreed on 7 June, we will keep the endgame paper updated as negotiations progress, for future ESG review. I imagine in particular that it may be worth looking at it again, and in particular at the credibility of the UK objectives, once the MTR proposals are published and we are clearer on our partners' views.

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SOMETHING FOR TURKEY

5. I also attach the latest draft of an FCO paper on "Something for Turkey". This has been amended following the discussion at the recent Cabinet Office meeting on Cyprus. Again, I imagine we might want to return to the issues in the autumn. But colleagues are welcome to send in further comments at this stage if they wish.

6. I am copying this letter to other members of ESG.

N K Darroch  
Director EU

*Yours*

A handwritten signature in black ink, appearing to read 'N K Darroch'.

## EU ENLARGEMENT: THE ENDGAME

### Introduction

1. The Commission has now tabled draft Common Positions on the final chapters – Agriculture, Regional Policy, Financial and Budgetary Provisions, Institutions. Under the ‘road map’ for negotiations agreed at Nice, the Spanish are due to secure EU positions on these chapters by Seville. But both Member States and candidate countries are already focused on Copenhagen as the real deadline.
2. Given the summer break, German elections in September, the second Irish Referendum in September/October, and the likely absence of a settlement in Cyprus by the summer, the endgame negotiations are unlikely to begin before October. The Commission will issue its annual Enlargement Strategy Paper and Progress Reports on the candidates on 16 October, including recommendations on which candidates should be ready to join the EU in 2004. The Brussels European Council should then decide which candidates should join in the first wave and mandate the Commission and Member States to complete negotiations with them by Copenhagen.
3. The most difficult issues are unlikely to be resolved until the Copenhagen European Council itself. In order to avoid heads of government being overburdened, there will probably be one or a series of meetings at Foreign Minister level in the days preceding the Copenhagen European Council. But even so, negotiations at Copenhagen will be complex, with final positions being hammered out at 15 and discussed/negotiated in parallel with the candidates. The issues highest in the minds of the Prime Minister and Ministers will be Cyprus (handling accession, whether of a united or divided island), Turkey (handling in light of settlement or non-settlement on Cyprus) and the CAP (the implications of enlargement for CAP reform and vice versa). The strong expectation will be that the European Council will reach agreement on all outstanding enlargement issues so the Council can make a high-profile announcement that negotiations have been completed with (most probably) 10 candidates, in line with the EU’s objective and the timeframe first set out by the Prime Minister.

### Interests

4. The UK’s key interests for the endgame are:
  - To complete negotiations with those candidates who are ready, preferably including a united Cyprus, by the end of the year.
  - To secure EU15 commitment to degressivity of direct payments (alongside other elements of CAP reform), particularly if we are to accept phasing in direct payments for the new Member States.
  - To minimise the UK’s net contribution to the EU budget by preserving the abatement, ensuring that it applies to spending in the new Member States, including any budgetary reimbursements, and ensuring that overall sums going to the candidates remain within the Berlin budget ceiling for payments and commitments.
5. Key interests of other EU15 States are likely to be:

Netherlands, Sweden, Denmark: also to keep to the timetable of completing negotiations with those candidates who are ready by the end of the year.

Netherlands, Sweden, Germany: to secure degressivity of EU15 direct payments. Denmark shares this interest, but it is subordinate to their desire for agreement on enlargement in their Presidency.

France, Germany, Netherlands, Sweden: also to keep overall sums to the candidates within the Berlin budget ceiling for commitments.

France and Spain: to lock in the concept of direct payments for the candidates and to avoid any commitment to degressivity for the EU15, at least before 2006.

Spain, Portugal, Italy, Greece: to secure agreement that their Objective I Structural Funds receipts will be phased out gradually under the next Financial Perspective, not cut abruptly. Germany may also support, given the extent to which the eastern Laender would lose out once Objective 1 eligibility is calculated against average GDP in an EU25, rather than EU15.

Sweden: to avoid any reopening of the allocations of EP seats agreed at Nice.

Austria: to secure agreement to the extension of ecopoints before the Accession Treaties are signed.

Austria: to get their bilateral nuclear safety agreement with the Czech Republic included as a legally binding commitment in the Accession Treaties.

Greece: to see Cyprus, whether united or divided, in the first wave of enlargement.

6. And **key interests of candidate countries** will be:

Most: to secure a quicker phase-in of direct payments for their farmers (reaching 100% by 2007).

Most: to increase their quotas.

Most: to secure reimbursements of/phase-in of their budget contributions so they receive more, net, post-accession than under pre-accession funding.

Slovenia: to secure special status under the Structural Funds to allow them to continue receiving Objective 1 funds (or an equivalent amount) for at least part of the country during the next Financial Perspective. (This will have a read-across to the interests of some existing member states – see para 19).

Czech Republic, Hungary: to secure an increase in their allocation of seats in the European Parliament.

Malta: to secure an increase in their allocation of Council votes, and/or their EP seats, or any other “gesture” which helps them win a referendum.

Lithuania: to gain clear assurances on continued funding for the decommissioning of Ignalina nuclear power station post-2006.

Cyprus: to achieve accession in the first wave at any price; if there has been a UN settlement to see it accommodated into Cyprus' terms of accession.

Turkey: to secure this year a date for the opening of their own accession negotiations.

### UK strategy

7. The Danish Presidency are staking their Presidency's success on completing the enlargement negotiations at Copenhagen. They will exert strong pressure on all parties to settle the outstanding issues in time to meet this deadline: a deadline to which the Prime Minister is also committed. So we will have a limited window in which to secure our objectives. We therefore need a clear picture of how our interests interrelate with those of others – most particularly those of EU partners, with whom the core negotiations will take place. We need to establish where we can use their interests to achieve an endgame package that secures ours, and to consider the timing and price-tag attached to any consequent concessions.

### Possible trade-offs to secure UK interests in the endgame:

#### Direct payments

8. Our primary interest is to secure agreement to the principle of EU15 degressivity in parallel with completion of the enlargement negotiations, but without delaying the latter.
9. The Mid-Term Reviews provide a peg (a) for the Commission to produce proposals that include degressivity; (b) for Member State discussion, leading to some guidelines on CAP reform at Copenhagen. The Danish Government appears ready to support guidelines at Copenhagen, so long as they do not undermine their priority aim of completing enlargement negotiations. We support this approach.
10. To secure the principle of degressivity at Copenhagen, we will need to be ready to accept this as part of a package which does not meet all of our CAP objectives. DEFRA have indicated that they could accept that reform would hit northern products harder than southern, and – if necessary – they could consider applying degressivity to direct payments only above a certain threshold, which may benefit smaller farms.
11. Once we get into the question of degressivity, and after the end of the Spanish Presidency, we can expect Spain to retable its demands that its Objective 1 receipts under the next Financial Perspective should be phased out, not cut abruptly. In this event, and subject to research on the financial implications, we should recommend to Ministers that we be ready to give the Spanish some assurances if, and only if, we get commitments on degressivity. We will want a clear commitment on degressivity, including figures and a short timeframe. Only if we secure this should we give the Spanish similar assurances on structural fund phase-out. And we should limit the implication of such assurances for future SCF reform. We will need to be sure that any phase-out principle for Spanish regions applies equally to UK Objective 1 regions.

#### UK abatement/Reimbursements



12. The Commission has proposed that:
- (a) no candidates should be net contributors on accession;
  - (b) no candidates should suffer a net deterioration (ie get less, net, after accession than under pre-accession funds).
- They propose to ensure this by reimbursing candidates a decreasing portion of their budget contributions. Reimbursements will count as allocated expenditure in the EU budget, and so be subject to the UK's abatement.
13. So far, we have secured draft Common Positions that go no further than accepting that "temporary reimbursements may be necessary in some cases for the years 2004-2006". In the final stages, it will be very difficult to hold out against reimbursements for candidates who would otherwise be net contributors under this Financial Perspective (probably Cyprus, Malta, Slovenia, Hungary, Czech Republic for one or more years). Only if all reimbursements are clearly subject to the abatement and within payments/commitments ceilings, should we agree – as part of an endgame package that meets our bottom lines – that candidates should receive more post-accession than under pre-accession funds. And there should be no changes to the Own Resources Decision agreed at Berlin.

#### Overall budget

14. To avoid any further rise in budget costs of enlargement, we should continue to argue the overall sums down over the coming months. We should base our arguments more on candidates' absorptive capacity and the tactics of needing to constrain candidate expectations, than just on budget discipline.
15. However, the final sums agreed with the candidates are unlikely to be lower than the Commission's proposals. And certain limited concessions may be necessary in the endgame for negotiability purposes (see below). Our bottom line should be that the package must not break the overall annual commitments and payments ceilings for 2004-6 set at Berlin.

#### Negotiability with the candidates

16. Any package for the candidates should meet our key interests and fall within our red lines as described above. We should continue to stress that the Commission proposals, as set out in the DCPs, are more than generous and beyond what was envisaged at Berlin. And we should ensure the package is presented in the most favourable light (eg candidates will receive structural and cohesion funds equivalent to nearly 2.5% of their GDP where the current cohesion states only get 1.6% of their GDP; the Commission proposals represent an average 30% increase in farmers' incomes).
17. In this way, we should aim for a final package that avoids the need for any "sweeteners" to the candidates. But if the EU some concession proves unavoidable in the endgame for the candidates to accept it, we should be clear on what we are ready to consider.
18. There are three cross-cutting options for giving the candidates a sweetener within the Berlin commitment ceiling:

- (i) Direct payments: granting an earlier convergence date eg 2007/2010. This will only be an option if we achieve a substantial commitment to EU15 degressivity.
- (ii) Quotas: allowing quotas to be based on more favourable reference periods than the 1995-1999 period proposed by the Commission.
- (iii) Reimbursements: extending them not just to those who would otherwise be net contributors, but to all candidates who would otherwise receive less money post-accession than pre-accession.

19. Of these options, the most attractive is an earlier convergence date for direct payments. Direct payments have dominated the public agenda in the candidates, so this would offer the highest-profile 'win'. And its financial implications for the EU would be limited in time and scope. But an earlier convergence date will depend on our securing our broader CAP reform objectives. It is likely the Commission will propose some limited increases in quotas in specific cases (as foreshadowed in their proposals), which we will need to consider on their merits. But allowing any substantial concessions on quotas is not in UK interests given the implications for future costs of both CAP regimes and direct payments. Nor would we favour an extension of reimbursements beyond the minimum required to avoid candidates being net contributors. But if there is no agreement to quicker phase-in of direct payments in light of EU15 phase-out, it would be less uncomfortable to allow a concession on reimbursements than on quotas, given the limited time and scope of the former.

20. Other areas where we can expect individual candidates to seek concessions are:

- Slovenia - regional funds: some specific arrangement allowing at least their poorer south-eastern region to receive Objective 1 funds, or an equivalent sum, under the next Financial Perspective. This is a key issue for Slovenia, with implications for their net budget position and for their ability to fund commitments they have made on the environmental acquis. If we agree a phase-out mechanism for Spain as a quid pro quo for getting degressivity of EU15 direct payments, we should be ready to agree a similar arrangement for Slovenia. Spain will, in any case, use Slovenia's call for phase-out to demand the same for their own Objective 1 regions. The issue will probably first surface in relation to Slovenia – we should avoid making any commitment to Slovenia which can be pocketed by Spain as applying generically to them as well, at least until we have extracted our price - agreement to degressivity of direct payments in the EU15.
- Czech Republic/Hungary/Malta - increased EP seats/Council votes: we should be ready to accept 2 extra EP seats for the Czechs and Hungarians and 1 extra EP seat for the Maltese. We can be quietly supportive of their claims, but should not champion them actively in light of concerns expressed by Ireland (ie undermining second Nice Treaty referendum) and Sweden (ie reopening seat allocations for others while Sweden's – less than they wanted – remains fixed). Given the greater political difficulties at Nice in negotiating Council votes, Malta is much less likely to persuade partners to reopen this and given them an extra vote.
- Lithuania – Ignalina: Lithuania has committed to closing Ignalina Unit 1 by 2005 and Unit 2 by 2009, in line with EU demands. In return, the EU issued a declaration giving broad reassurances to Lithuania that it is "ready to continue to

provide significant additional Community assistance to the decommissioning effort also after Lithuania's accession to the European Union". The detail of any further assistance will need to be finalised before the close of negotiations and the Lithuanians will want agreed terms to be reflected in their Accession Treaty. We should avoid any suggestion that we accept Lithuanian calculations on the costs of decommissioning, particularly the inclusion of eg regional regeneration programmes. And any agreement should avoid prejudicing future discussions on the next Financial Perspective. .

21. **The bottom line in considering any concessions with financial implications will remain the overall budget ceilings for 2004-2006 agreed at Berlin.**
22. For other chapters that the candidates might leave to the endgame, see Annex I.

### Austria

23. Austria has threatened to reopen negotiations on two chapters unless its remaining demands are met.
- (i) Energy (nuclear safety)/Czech Republic: Austria wants the conclusions of the Czech/Austrian bilateral agreement ("Melk Protocol") written into a Protocol attached to the Czech Accession Treaty. We cannot accept references to Melk in a (legally-binding) Protocol to the Treaty as this would imply enhanced Commission competence. We could accept it being attached to the Treaty in the form of a non-binding Declaration.
  - (ii) Transport/ all CE candidates: Austria wants EU15 agreement to extend their existing 'ecopoints' system along the lines proposed by DG Transport. The Commission's proposal is under discussion in the Transport Council. We have consistently rejected linkages between internal policy issues and the enlargement negotiations, including on this issue. Without conceding any linkage, we should nevertheless aim to have an agreed EU position by the autumn in order to avoid additional complications to the enlargement negotiations. But we have no interest in an early agreement – the closer to the endgame on enlargement this comes, the less likely the Austrians will judge they can also secure their aims on nuclear safety.

### Cyprus

24. There will be intense political and parliamentary interest on Cyprus during the second half of the year. While the parties and the UN have set a target date of the end of June for reaching agreement, we believe that a settlement by summer is unlikely. More likely, the negotiations, in one form or another, (a continuation of the face-to-face talks, or a UN sponsored "do-or-die" session) will run into the autumn. Under the more optimistic scenarios, efforts will be needed to support the push for a settlement and/or to translate the details of an agreement into workable terms of accession for the whole island. Under the more pessimistic we will be negotiating Plan B, i.e. how to deal with the technical and political consequences of taking in a divided island.
25. There are **three possible positions by the time of the end game:**

- a) Our preferred outcome, an agreed settlement by October: in this case, the EU will have the last few months of the year to accommodate the terms of a settlement into Cyprus' accession treaty (with a possible spill-over into the period between Copenhagen and the signature of accession treaties in Athens in 2003 – this may well be necessary to tie up loose ends but should not be allowed to be interpreted as a relaxation of the absolute deadline for a settlement being December 2002). As well as considering any derogations necessary on e.g. freedom to buy property and of establishment as a result of a settlement, this will include detailed work in looking at how the *acquis* might apply in the north, which has not been included in the accession negotiations with the RoC. We and other member states will want to ensure that a united island does not become an easy way into the EU for drugs and illegal immigrants.
- b) Settlement talks are still in some form continuing: in this case, the pressure will be on the Greek and Turkish Cypriots to keep up their efforts, and time will be very short to ensure that details of a settlement are incorporated in Cyprus' accession treaty in time for agreement at Copenhagen (and the Copenhagen-Athens spill-over period will be all the more important).
- c) The settlement process has collapsed and the EU will, in line with Helsinki, "take into account all relevant factors" in its decision on accession. Sympathies of Member States will be affected by who is seen to be to blame for a breakdown. Two variants, either of which would put a severe strain on EU/Turkey relations:
- i) It is much more likely that the Turkish Cypriots/Turks will be perceived as to blame. In these circumstances we would expect the member states to accept accession by a divided island. Some (including ourselves) will want to take measures aimed at cementing links between the EU and the Turks/ Turkish Cypriots to soften the blow, but these will be contentious.
  - ii) It is possible, but much less likely, that the Greek Cypriots could be seen to be responsible for a breakdown in accession negotiations. In that case, there would be heated debate among Member States about taking in a divided island, with some placing emphasis on the "taking into account relevant factors" of Helsinki. It is still likely that the importance to Greece of getting Cyprus in at any cost would win out, although much would depend on the degree of blame attending the Greek Cypriots.

### Turkey

26. Although not part of the current accession negotiations, there will be increasing pressure from Turkey to secure at the Copenhagen Council a package of sweeteners for them, including a date for the start of their own accession negotiations. Turkey's role in the Cyprus problem and its internal political and human rights situation will therefore be in the spotlight during the endgame of enlargement negotiations for the first wave candidates and decisions on that too will be needed at Copenhagen.

## CHAPTERS CANDIDATES MAY PUSH TO THE ENDGAME

1. Besides the chapters set out in the main paper, candidates may let some other issues run into the endgame. These fall into 2 categories:
  - (i) Chapters held open for technical reasons:
    - Estonia-Energy: owing to delays in agreeing a national energy strategy and technical difficulties in bringing oil shale within the acquis. Estonia may seek concessions to help them address these difficulties eg on oil stocks. These are unlikely to be of major concern to the UK so long as the Estonians do not request an excessive transition before liberalising their energy market. Estonia may also request some financial assistance to improve their exploitation of oil shale. We will need to consider any such request on its merits;
    - Poland-JHA: over implementation of technical requirements eg on borders. There is no room for concessions here, but we should leave it to the Commission/Schengen members to take the lead;
    - Hungary-Audio-visual: over domestic parliamentary wranglings blocking legislation required to close the chapter. No question of concessions.
  - (ii) Chapters held open in hope of a better deal:
    - Estonia/Malta-Taxation: over zero rate VAT (for both)/corporation tax (for Estonia). Zero rate VAT is not a major issue for the UK. On corporation tax, we need to avoid Commission attempts to define relevant tax directives so tightly as to remove room for future UK policy adjustments.
    - Slovakia/Hungary/Poland/Malta-Competition Policy: over fiscal aids/Special Economic Zones and steel restructuring, and dry docks for Malta. The Commission is in the lead on this chapter and is taking a strict line. We will need to take a close look at any final deals proposed and will not want to see any major concessions. We can expect Spain to take a strong stance on state aids and steel restructuring given the standards imposed on them pre-accession.
    - Czech Republic/Slovakia-Transport: in the hope of further concessions on cabotage. We would be content to see a better deal for the candidates on Transport (ie shorter transition periods on cabotage) so long as it applied to all EU15. Alternatively, candidates may pursue bilateral permit deals with target markets (notably Germany/Austria). A bilateral deal with the UK is unlikely to be a priority for candidates, but DTLR is open to negotiations, if proposed.
2. These issues have no natural read-across to the main endgame issues of the financial/institutions chapters and should be handled separately and on their own merits. Creating any additional links to endgame issues would further complicate an already difficult negotiation and would open the door to other Member States making new linkages that run counter to our interests. Wherever possible, we should press candidates to resolve them before the final stages of the endgame. There are some signs that they wish to do so eg Hungary/Audio-visual.

## SOMETHING FOR TURKEY

1. Against the backdrop of enlargement, developments in Cyprus and in Turkey itself, 2002 will be a crucial year for EU/Turkish relations. This paper offers suggestions on their development later this year in the context of the EU agreeing to admit either a united or a divided Cyprus, with a view to conclusions at the Copenhagen European Council. Events in Cyprus and Turkey will affect member states' appetites for approving measures aimed at developing EU/Turkey relations. There should be nothing new at Seville. At Copenhagen the EU will not agree to give the Turks anything for nothing in return.

### UK perspective on EU/Turkey relations

2. Turkey matters to us for the strategic reasons outlined in the Foreign Secretary's minute to the Prime Minister of 13 May. The UK has supported Turkey's candidacy to the EU for many years. Like other member states we are clear that we cannot agree to the opening of accession negotiations before Turkey complies with the Copenhagen political criteria. There is considerable British Parliamentary interest in Turkey, including in her human rights record.

### Relations since Luxembourg

3. The European Council at Luxembourg in December 1997 decided to open accession negotiations with six countries, including Cyprus, with the five others being offered accession partnerships. Turkey, although eligible for membership, was left in a category of her own and without an accession partnership. Luxembourg set out a European strategy for Turkey and confirmed "Turkey's eligibility for accession to the EU". The Turks reacted badly to the ambiguity of the Luxembourg Conclusions and threatened to integrate northern Cyprus if the EU launched accession negotiations with the Greek Cypriot government. They withdrew from the European Conference in March 1998 and from other political dialogue with the EU.
4. It was only in 1999 that EU/Turkey relations started to improve, along with the beginnings of the Greek-Turkish rapprochement. The Helsinki European Council of December 1999 stated that there were now "13 candidate states within a single framework". It also referred to peaceful settlement of disputes – implicitly including between Greece and Turkey – with progress being reviewed "at the latest by the end of 2004. (see Annex for text of conclusions relating to Turkey)
5. The Accession Partnership for Turkey was adopted by the EU in March 2001. It followed on from the Commission's 2000 Regular Report, and contains a list of short and medium term priorities for Turkey in preparing for EU membership, including 11 short-term priorities under the heading of **political criteria**.

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6. In response the Turks produced a National Programme for the Adoption of the Acquis (NPAA), which they consider to be the reference document for their reform process. This covers most of the same areas as the Accession Partnership, and outlines short and medium term priorities for reform. However, it is vague as to the steps that will be taken to deliver the Accession Partnership priorities, and when reforms will be achieved. The NPAA misses out Cyprus, which does figure in the AP.
7. The Turks were pleased with Laeken, which referred to Turkey's progress towards meeting the political criteria as bringing forward the prospect of the opening of accession negotiations with Turkey, and agreed a process of detailed scrutiny of Turkey's legislation and a timetable for alignment with the acquis, a process which has been called "pre-screening"; the Turks had made a big fuss over screening in the run up to Laeken. The line between what Laeken agreed and screening is blurred. For example the Luxembourg European Council agreed screening for the first six and the other five were subject to the same exercise, but with a different label; 'an analytical examination of the acquis'.

**Other elements of EU/Turkey relations**

8. A starting point in considering "something for Turkey" is to look at the details of the EU/Turkey relationship now.
  - Turkey has an **Association Agreement** with the EU, from 1963. This mentions establishment of "ever closer bonds" between Turkey and the (then) EEC and envisages in future considering "the possibility of Turkey's accession to the Community", subject to Turkey accepting fully the obligations arising out of the Treaty of Rome. The Turks regard this as establishing their candidacy for membership.
  - The 1995 **Customs Union** covers trade in goods, with quotas on agricultural products. This is a unique arrangement among the candidates. It is to be extended to public procurement and services.
  - Enhanced **political dialogue** covering CFSP issues such as MEPP, the Caucasus, the Balkans, the Barcelona Process and the Fight Against Terrorism.
  - Turkey benefits from **technical assistance** provided by TAIEX (Technical Assistance Information Exchange Office), mainly through TAIEX seminars.
  - Turkey is represented alongside other candidates on the **Convention** on the Future of Europe.
  - The EU has agreed participation by Turkey in **Community programmes**, e.g. education, training and research. This may start this year.
  - Planning for **twinning** has started, though twinning advisers will probably not be on the ground until next spring.

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- The EU adopted on 17 December 2001 legislation which pulls together the different sources of **Community funding** for Turkey, with the objective of doubling assistance. This foresaw an average 177 meuro annual allocation to Turkey from Category 4 of the EC Budget up to 2006.
- **EIB loans** : 250 meuro was disbursed to Turkey in 2001. Turkey's credit rating limits the scope for more.

**What the Turks want**

9. There is disagreement within and beyond the Turkish government as to whether Turkey's future lies in EU membership or in concentrating on ties with the US or others in the region. There is suspicion from all sides that the EU is not really serious about Turkey, and that the Turks are being required to jump through more hoops than other candidates. The Turks compare unfavourably the level of EU funds for Turkey with that of other smaller candidate countries.
10. The Turkish Government wants Copenhagen to set an opening date for their accession negotiations. The EU's line so far has been implicitly that it will open negotiations with Turkey once the Copenhagen political criteria are met, although this has not been stated in terms. However, it could be inferred from the fact of Turkey being dealt with on the same basis as other candidates.
11. The Turks do not want a divided Cyprus to join the EU, but conclude that the EU should slow down the accession of Cyprus, rather than that the "TRNC" should speed up negotiations with the Greek Cypriots. There is a widely-held Turkish belief that the EU will ultimately back down from admitting a divided island, possibly under pressure from the US. Very few Turks grasp the reality that they have perhaps the most to lose from a divided Cyprus entering the EU, and the most to gain from a settlement.

**Strategic Factors**

Cyprus

12. The big driver for 'something for Turkey' this year is Cyprus. There are three possible scenarios. They would, to an extent, condition the readiness of the member states to be helpful to Turkey.
  - (i) Settlement talks continue, making slow progress by autumn
  - (ii) Rapid progress in talks and a settlement or clear sign of one by autumn
  - (iii) Collapse in talks
13. Of these (i) is the most likely. Under it, the Turks and the EU will be engaged in a delicate dance in which neither side will make a formal move until it has what it wants from the other – a Cyprus settlement in the case of the EU (and progress in human rights



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– see below) and a “reward” in the case of Turkey. So it is unlikely that either side would make concessions to the other until the last minute - in the weeks before or at the Copenhagen European Council. In any case, the Turkish negotiating style is to leave everything until the last minute.

14. The sequencing might start with heads of State and Government discussing Turkey at the Brussels European Council on 24-25 October, following on from the Commission Regular Report of two weeks previously. The outcome might then be a signal to the Turks via the Commission or Presidency of the possible “reward” at Copenhagen if they can force Denktash to agree a settlement, and pursue their internal reforms further. On the basis of subsequent Turkish actions, and no doubt many informal contacts between the Turks and member states and the Commission, decisions are taken at Copenhagen.
15. The EU would be unlikely to recognise a total collapse before Copenhagen, and would play an important role in assisting the UN in trying to force the parties back to the table. However, if a clear collapse had occurred, EU reactions would depend on who member states perceived to have been responsible for the breakdown (the “relevant factors” of Helsinki which member states will take account of when deciding on whether to admit Cyprus). It is more probable that the blame for a breakdown would be laid at the door of the Turkish Cypriots, and therefore ultimately the Turks. This would present the most depressing prospect for EU/Turkish relations. The EU would formally agree the accession of a divided island. This move would strongly antagonise the Turks, who might repeat their threat to annex Northern Cyprus. Even though it is unlikely they would go through with this, they could adopt other measures which would directly affect our interests – e.g. further tightening restrictions on crossing the Green Line.
16. Ideally the EU would find a way to offer the Turkish Cypriots the hope of catching up quickly with the Greek Cypriots in the EU in the event of a settlement being agreed after the decision to admit a divided island. We should try to leave the door open for this, but it is very optimistic to expect another attempt at a settlement either after Greek Cypriot Presidential Elections next year or shortly following the Greek Cypriots’ accession.
17. If the Greek Cypriots were largely responsible for the impasse then sympathy would be with the Turks, although ultimately the importance Greece attaches to accession by Cyprus would be likely to win out against other member states’ concerns over accession by a divided Cyprus. The greater the degree of blame attaching to the Greek Cypriots, the more open the EU would be to agreeing simultaneously measures for the Turkish Cypriots and Turkey designed to soften the blow of accession by a divided island.

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Turkey - Internal

18. There is a risk of becoming too focussed on the Cyprus part of this puzzle and forgetting the wider issue of Turkey's compliance with the Copenhagen political criteria. The Turks are a long way off, and still have much to do on economic criteria too. The Commission's 2001 report on Turkey judged "though it is beginning to make progress in some areas, Turkey does not yet meet the Copenhagen political criteria and is therefore encouraged to intensify and accelerate the process of reform to ensure that human rights and fundamental freedoms are fully protected in law and practice, for all citizens". We agree. The EU delivered similar messages at the April Association Council. It is essential that the Turks continue to realise the importance of making progress on the non-Cyprus priorities in their Accession partnership, including those relating to human rights, if they are to create an atmosphere conducive to helpful EU 15 decisions later this year.

**What the EU might offer**

19. It is clear that the EU will have to offer Turkey something at Copenhagen, whether or not there is a Cyprus settlement; although the outcome of Cyprus will have a significant effect on what the EU market will bear. But whatever happens on Cyprus it is in our and Turkey's interest that the EU is acting as a force for change in Turkey, encouraging the Turks to implement reforms that are good for Turkey, independent of the part they may play in the accession process. It also clear that the prospect of accession is the most effective lever for reform which the EU holds. The Turks will be wary of any suggestion that the EU is setting greater barriers to Turkey's accession than to other candidates. But neither should we relax the requirements for membership just for Turkey.
20. The centre of gravity in the EU debate is going to be pretty strongly against anything significant for Turkey. So we will likely be faced with tough arguments over even the more modest measures aimed at Turkey. We will not know until later in the year how far the EU will go. The options for Copenhagen, in roughly increasing order of difficulty, are:

(a) Policies and programmes

- Agreement to Turkey's eligibility for all pre-accession instruments, including **ISPA/SAPARD**.
- Highlight Turkey's inclusion in the **twinning** programme as another sign of the EU's treating it as a credible candidate. Twinning would also help Turkey's administration learn about the requirements of EU membership and begin to conform to them. The Commission is now launching this programme, though twinning advisers will likely not be in place until 2003.
- Set up some **secondments** to the institutions, personnel exchanges with member states distinct from twinning, with Turks spending time in member state administrations.

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- Intensify **JHA cooperation** - member states are concerned about JHA implications of an enlarged EU including Turkey, but illegal immigration and organised crime from Turkey are already a problem. The 2002 Phare Planning Document for Turkey flags up JHA as a possible priority area. An expert JHA delegation visited Turkey in 2000 to look at areas for work – another such group could be tasked with working up full proposals on a JHA programme. Look at enhanced involvement for Turkey in EU JHA structures, including Turkey specific projects, tied to NPAA priorities, e.g. development of a national drugs strategy. Strengthening of Turkish border points.
- Commitment to look at the requirement for Turks to have **visas** for entry into the EU, as part of JHA cooperation.
- Legal/Judicial cooperation. Introduction to the **Community Legal System**, building up their capabilities on EU law.
- Offer the Turks a commitment/consultation mechanism on **terrorist organisations**, including on EU listing of proscribed organisations.

(b) New Turkey specific Projects

- A tunnel under the **Bosphorus** (a Commission long shot)
- Improved Greece/Turkey and Bulgaria/Turkey **cross border cooperation** eg through transport links and border facilities to facilitate smooth crossing of people and goods.
- Developing Turkey as a **bridge between EU and East** - cf EU/OIC forum.

(c) Money

- Agreement to more money for Turkey's **pre-accession strategy** following the first wave of enlargement, i.e. from 2004. Significant symbolically, Turkey expenditure could be shifted from Category 4 (external) to 7 (enlargement) of the budget. The funds would come from those available following the accession of ten of the twelve recipients of pre-accession aid, the annual ceilings for which in 2004-6 are €3 billion.

(d) Screening

21. Short of setting a date or a full roadmap to accession negotiations, the EU could:

- On the assumption of Turkey continuing progress, offer a date for an intensive phase of screening to start (1 June 2003?)
- additionally, agree to a review on progress in screening and against the Copenhagen criteria to take place say 18 months later. This review would give a recommendation on the opening of accession negotiations.

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(i) An opening date for accession negotiations

22. Two possible options :

- i) No date, but a reference to progress in the Autumn Commission Report, and expression of the hope that soon (by the next Report?) Turkey will have met the Copenhagen Political Criteria and describing the main actions required for them to do so. This could be expressed in terms of outstanding Accession Partnership priorities. As soon as they do meet the criteria, and in line with the EU's commitment to treat all candidates in the same framework, negotiations would open. The Conclusions could also note progress in meeting the economic criteria, where there will have been significant progress since last year.
- ii) A date, say in 2005, by which the EU hopes Turkey will conform fully to the Copenhagen political criteria with an explicit linkage to opening negotiations if they do. This could be tied in to a roadmap leading up to the end 2004 review mentioned in the Helsinki conclusions for assessment on settlement of regional disputes. If Turkey was deemed to have conformed then accession negotiations would start. The issue of what to do if they had not might best be left open, though there could be calls to review and then suspend Turkey's candidacy. Such ambiguity over what would happen in 2005 might appeal to those member states who may still want to prevent Turkey's accession.

Timing

23. There is no need for us to reach firm views now. The Commission agrees that Seville should not go beyond stating that Copenhagen would look at the "next stage of Turkey's candidature". The lines taken with the Turks at April's Association Council, welcoming progress towards the Copenhagen criteria and encouraging them to continue their reforms should still hold. Seville can flag up that decisions will be taken at Copenhagen on the basis of developments after Seville, including the October progress report

24. After Seville we would want to reflect further, with the Commission, on the nature and scope of 'something for Turkey'. For the reasons set out in paragraphs 13-16, it is hard to envisage any decisions before Copenhagen, except if there is a settlement well before then. Also, we could expect no concessions prior to September's German elections.

Presentation

25. A crucial aspect of handling 'something for Turkey' is managing Turkish expectations ahead of Copenhagen. It is vital that we keep the Turks engaged with the EU this year without talking up the prospects of them getting the maximum possible out of Copenhagen. In bilateral contacts with the Turks, member states should respond to the Turks' request for an opening date for negotiations by encouraging them to continue their reforms and by promising to take into account Turkey's improvement in performance against the objective Copenhagen criteria.

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26. The second key aspect will be presentation of the EU's approach in the lead up to and at Copenhagen itself. Heads of Government will need not just to agree Council conclusions on Turkey, but also to present them positively in public after discussion. In this respect we must avoid the events of Luxembourg where Turkish fury was provoked possibly more by the public statements than the conclusions themselves. The best approach might be for Heads of Government to have a first discussion at the Brussels European Council in October, in part to test whether the German Chancellor is serious about accepting the prospect of Turkey acceding to the EU. Without such a signal, there is little point in engaging the Turks on that basis. At Copenhagen, the European Council will need to agree a joint press line at the same time as agreeing the conclusions.

Other member states' and EU Institutions' views

27. Other member states appreciate the importance of EU/Turkey relations, and will continue to do so, irrespective of how things go on Cyprus. But several remain uncomfortable about the idea of Turkey joining the EU and therefore will be uneasy about agreeing to an accession date, however conditional. Indeed, if there was a poor assessment of Turkey's progress in meeting the Copenhagen criteria and no movement on Cyprus, some member states might be tempted to speculate about a reassessment of EU/Turkey relations and the creation of some kind of permanent associate status for the Turks; the very thing the reforming Turks fear.
28. The **German** public and politicians might view the prospect of Turkish EU membership as an "enlargement too far", going beyond the eastward enlargement being sold as a historic mission to end division in Europe. There are concerns on Turkey's human rights and doubts about real improvements. The presence of 2 million Turkish residents in Germany cuts both ways, underlining the importance of the bilateral relationship, but also reminding Germans, daily, of Turkish "otherness", setting aside the Right's immigration concerns. While Germany would welcome a settlement to the Cyprus problem, their fundamental interest is in Turkey, where they would prefer an EU-Turkey relationship that is as close as possible, but short of membership – so they will remain reluctant to see any major concessions in the 'something for Turkey' pot that move her too far or too fast towards full membership. **Austria** probably shares these sentiments.
29. The Germans and French will influence each other. **France** recognises the strategic importance of Turkey to Europe, although irritants including the Armenian Genocide Resolution and comments on Turkey by a French NGO have worsened the bilateral relationship recently. Chirac personally is pro-Turk, but the French will want anything at Copenhagen to be subject to appropriate conditionality. They will be very cautious about setting dates for assessment of Turkey's progress towards the Copenhagen criteria and not attracted to greater Turkish involvement in Council meetings and the European Parliament. They may support some of the other ideas in this paper, eg. Intensifying JHA and legal and judicial cooperation.
30. **Denmark, Sweden** and the **Netherlands**, along with us, will not want to undermine Copenhagen conditionality for opening of accession negotiations in particular in relation

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to human rights. The Danes attach great importance to a successful Copenhagen Council and will be keen to listen to ideas on Turkey/Cyprus that help them achieve that.

31. **Greece** will not necessarily take an anti-Turk line. In the happy, though unlikely, event of a swift Cyprus settlement, their rapprochement with Turkey can be expected to continue, and they may be among the member states needing little convincing for an overture to Turkey at Copenhagen. The scenarios of a breakdown or slow progress are more difficult to call. However, if Greece achieves its key objective of getting Cyprus into the EU, they ought in theory to be prepared to look at measures to alleviate the blow that accession of a divided island would deal to Turkey. The Greek Cypriots would disagree.
32. In the **Commission**, views on Turkey vary. DG Enlargement generally takes a balanced view and is willing to note progress as well as problems. The Commission will have a role in selling 'something for Turkey' to member states, as well as to the Turks. Verheugen is doubtful about how far member states will be prepared to go on it at Copenhagen. Other DGs are Turkey-sceptic, as is the **European Parliament**, which has passed many anti-Turkey human rights resolutions. The new EP President may help to steer that EP towards a more balanced debate; much will depend not just on Cyprus but also on evidence of more Turkish human rights reform, and implementation of existing reforms.

European Union Department (External)  
27 May 2002

## ANNEX

### Extracts from European Council Presidency Conclusions

Laeken, December 2001 (para. 12)

Turkey has made progress towards complying with the political criteria established for accession, in particular through the recent amendment of its constitution. This has brought forward the prospect of the opening of accession negotiations with Turkey. Turkey is encouraged to continue its progress towards complying with both economic and political criteria, notably with regard to human rights. The pre-accession strategy for Turkey should mark a new stage in analysing its preparedness for alignment on the *acquis*.

Helsinki, December 1999 (paras 4, 9 and 12)

The European Council reaffirms the inclusive nature of the accession process, which now comprises 13 candidate States within a single framework. The candidate States are participating in the accession process on an equal footing. They must share the values and objectives of the European Union as set out in the Treaties. In this respect the European Council stresses the principle of peaceful settlement of disputes in accordance with the United Nations Charter and urges candidate States to make every effort to resolve any outstanding border disputes and other related issues. Failing this they should within a reasonable time bring the dispute to the International Court of Justice. The European Council will review the situation relating to any outstanding disputes, in particular concerning the repercussions on the accession process and in order to promote their settlement through the International Court of Justice, at the latest by the end of 2004. Moreover, the European Council recalls that compliance with the political criteria laid down at the Copenhagen European Council is a prerequisite for the opening of accession negotiations and that compliance with all the Copenhagen criteria is the basis for accession to the Union.

(a) The European Council welcomes the launch of the talks aiming at a comprehensive settlement of the Cyprus problem on 3 December in New York and expresses its strong support for the UN Secretary-General's efforts to bring the process to a successful conclusion.

(b) The European Council underlines that a political settlement will facilitate the accession of Cyprus to the European Union. If no settlement has been reached by the completion of accession negotiations, the Council's decision on accession will be made without the above being a precondition. In this the Council will take account of all relevant factors.

The European Council welcomes recent positive developments in Turkey as noted in the Commission's progress report, as well as its intention to continue its reforms towards complying with the Copenhagen criteria. Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States. Building on the existing European strategy, Turkey, like other candidate States, will benefit from a pre-accession strategy to stimulate and support its reforms. This will include enhanced political dialogue, with emphasis on progressing towards fulfilling the political criteria for accession with particular reference to the issue of human rights, as well as on the issues referred to in paragraphs 4 and 9(a). Turkey will also have the opportunity to participate in Community programmes and agencies and

in meetings between candidate States and the Union in the context of the accession process. An accession partnership will be drawn up on the basis of previous European Council conclusions while containing priorities on which accession preparations must concentrate in the light of the political and economic criteria and the obligations of a Member State, combined with a national programme for the adoption of the *acquis*. Appropriate monitoring mechanisms will be established. With a view to intensifying the harmonisation of Turkey's legislation and practice with the *acquis*, the Commission is invited to prepare a process of analytical examination of the *acquis*. The European Council asks the Commission to present a single framework for co-ordinating all sources of European Union financial assistance for pre-accession.

## **Luxembourg, December 1997**

### Introduction

1. The Luxembourg European Council has taken the decisions necessary to launch the overall enlargement process.
2. The task in the years ahead will be to prepare the applicant States for accession to the Union and to see that the Union is properly prepared for enlargement. This enlargement is a comprehensive, inclusive and ongoing process, which will take place in stages; each of the applicant States will proceed at its own rate, depending on its degree of preparedness.

### The European Conference

4. The European Council decided to set up a European Conference which will bring together the Member States of the European Union and the European States aspiring to accede to it and sharing its values and internal and external objectives.
5. The members of the Conference must share a common commitment to peace, security and good neighbourliness, respect for other countries' sovereignty, the principles upon which the European Union is founded, the integrity and inviolability of external borders and the principles of international law and a commitment to the settlement of territorial disputes by peaceful means, in particular through the jurisdiction of the International Court of Justice in the Hague. Countries which endorse these principles and respect the right of any European country fulfilling the required criteria to accede to the European Union and sharing the Union's commitment to building a Europe free of the divisions and difficulties of the past will be invited to take part in the Conference.
6. The States which accept these criteria and subscribe to the above principles will be invited to take part in the Conference. Initially, the EU offer will be addressed to Cyprus, the applicant States of Central and Eastern Europe and Turkey.

### The process of accession and negotiation

10. The European Council has considered the current situation in each of the eleven applicant States on the basis of the Commission's opinions and the Presidency's report to the Council. In the light of its discussions, it has decided to launch an accession process comprising the ten Central and East European applicant States and Cyprus. [...]

#### a. The framework

11. The accession process will be launched on 30 March 1998 by a meeting of the Ministers for Foreign Affairs of the fifteen Member States of the European Union, the ten Central and East European applicant States and Cyprus. A single framework for these applicant countries will be established.

#### b. The enhanced pre-accession strategy

13. The enhanced pre-accession strategy is intended to enable all the applicant States of Central and Eastern Europe eventually to become members of the European Union and, to that end, to align themselves as far as possible on the Union *acquis* prior to accession. With the Europe Agreements,



which remain the basis of the Union's relations with these States, the strategy centres on accession partnerships and increased pre-accession aid. It will be accompanied by an analytical study of the Union acquis for each applicant State taken individually.

25. Compliance with the Copenhagen political criteria is a prerequisite for the opening of any accession negotiations. Economic criteria and the ability to fulfil the obligations arising from membership have been and must be assessed in a forward-looking, dynamic way.

26. The decision to enter into negotiations does not imply that they will be successfully concluded at the same time. Their conclusion and the subsequent accession of the different applicant States will depend on the extent to which each complies with the Copenhagen criteria and on the Union's ability to assimilate new members.

#### A European strategy for Turkey

31. The Council confirms **Turkey's** eligibility for accession to the European Union. Turkey will be judged on the basis of the same criteria as the other applicant States. While the political and economic conditions allowing accession negotiations to be envisaged are not satisfied, the European Council considers that it is nevertheless important for a strategy to be drawn up to prepare **Turkey** for accession by bringing it closer to the European Union in every field.

32. This strategy should consist in:

- development of the possibilities afforded by the Ankara Agreement;
- intensification of the Customs Union;
- implementation of financial cooperation;
- approximation of laws and adoption of the Union acquis.
- participation, to be decided case by case, in certain programmes and in certain agencies provided for in paragraphs 19 and 21.

33. The strategy will be reviewed by the Association Council in particular on the basis of Article 28 of the Association Agreement in the light of the Copenhagen criteria and the Council's position of 29 April 1997.

34. In addition, participation in the European Conference will enable the Member States of the European Union and Turkey to step up their dialogue and cooperation in areas of common interest.

35. The European Council recalls that strengthening Turkey's links with the European Union also depends on that country's pursuit of the political and economic reforms on which it has embarked, including the alignment of human rights standards and practices on those in force in the European Union; respect for and protection of minorities; the establishment of satisfactory and stable relations between Greece and Turkey; the settlement of disputes, in particular by legal process, including the International Court of Justice; and support for negotiations under the aegis of the UN on a political settlement in Cyprus on the basis of the relevant UN Security Council Resolutions.

36. The European Council endorses the guidelines that emerged from the General Affairs Council of 24 November 1997 on future relations between the Union and Turkey and asks the Commission to submit suitable proposals.

#### **Copenhagen, June 1993 (paras. 6 and 7)**

##### Relations with Turkey

With regard to Turkey, the European Council asked the Council to ensure that there is now an effective implementation of the guidelines laid down by the European Council in Lisbon on intensified co-operation and development of relations with Turkey in line with the prospect laid down in the association agreement of 1964 and the protocol of 1970 as far as it relates to the establishment of a customs union.

##### Relations with the Countries of Central and Eastern Europe

The European Council today agreed that the associated countries in Central and Eastern Europe that so desire shall become members of the European Union.

Accession will take place as soon as an associated country is able to assume the obligations of membership by satisfying the economic and political conditions required.

Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

The Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries.

The European Council will continue to follow closely progress in each associated country towards fulfilling the conditions of accession to the Union and draw the appropriate conclusions.

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## COMMUNICATION FROM THE COMMISSION

### on the Action Plans for administrative and judicial capacity, and the monitoring of commitments made by the negotiating<sup>1</sup> countries in the accession negotiations

#### FOREWORD

The ongoing enlargement process is entering its decisive stage. At its meeting in Laeken in December 2001, the European Council confirmed its determination to bring the accession negotiations with the candidate countries that are ready to a successful conclusion by the end of 2002, so that these countries can take part in the European Parliament elections in 2004. Bringing this historic process to a successful conclusion is one of the Union's highest priorities for the period ahead.

Since the European Council in Nice, which endorsed the roadmap for the accession negotiations as a central element of the enlargement strategy, very considerable progress has been made in the negotiations. The roadmap, which covered the period of the Swedish, Belgian and Spanish presidencies, has fully served its purpose. It has proven highly useful in moving the negotiations forward by ensuring that all parties stick to a realistic timetable, and has been implemented according to schedule. The European Union has defined Common Positions in accordance with the roadmap, leading to provisional closure for a very considerable number of chapters.

For the period under the Spanish presidency, the roadmap foresaw that the European Union would define Common positions on four negotiating chapters: agriculture, regional policy, financial and budgetary provisions, and institutions, with a view to provisional closure. This objective is being achieved, bearing in mind that the concrete financial aspects related to these chapters will be dealt with at a later stage of the negotiations. Furthermore, in line with the objectives set by the Laeken European Council, under the Spanish presidency, all remaining negotiating chapters have been opened with Bulgaria, and a further seven chapters with Romania. The objectives set for the period under Spanish presidency are therefore in the process of being fulfilled.

The European Council has emphasised that progress in the negotiations must go hand in hand with incorporating the *acquis* into legislation and actually implementing and enforcing it. Provisional closure of a negotiating chapter is in most cases based on commitments by the negotiating country concerned. The Commission considers it essential to ensure that these commitments are actually implemented, and closely monitors progress in this regard. Bearing in mind that negotiating countries have often committed themselves to completing specific measures by the time of accession, the Commission assures monitoring on a continuous basis, in order to assess the relevant preparatory processes and to identify those issues on which remedial action is required. Member States are being regularly informed of developments in this regard, whereby the Commission draws attention to any problems that may have arisen. The Commission will continue the monitoring process up until the actual accession of the new Member States, *inter alia* through the structures established under the Association.

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<sup>1</sup> This report focuses on the negotiating countries. It does not concern Turkey.

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Agreements. This report provides an overview of the main findings of the monitoring exercise to date.

A core element in negotiating countries' preparations for accession, and a central factor for the success of this enlargement process, is the development of adequate administrative and judicial capacity to implement and enforce the *acquis* as of accession. The European Council emphasised the importance of this aspect at its meeting in Madrid in 1995 and on a number of subsequent occasions, most recently at Laeken in December 2001.

The Commission attaches the greatest importance to ensuring that the candidate countries reach an adequate level of administrative and judicial capacity by the time of accession. Starting from its 1997 Opinions and subsequently in the Regular Reports, the Commission has carefully monitored the progress made by each country in this area. In addition, as set out above, the Commission is systematically monitoring the implementation of related commitments that negotiating countries have taken in the framework of the accession negotiations. Finally, to help the candidate countries in their efforts, institution building and related investment have been one of the focal points of Community assistance under the Phare programme since the early 1990s, and constitute to date up to two thirds of national Phare programmes.

In 2001, the Commission decided that at this advanced stage of the enlargement process, more decisive action was needed, building on the various ongoing activities. With this purpose, in its 2001 Enlargement Strategy Paper, *Making a success of enlargement*, the Commission announced that it would launch for each of the negotiating countries an Action Plan to reinforce administrative and judicial capacity. The Commission further indicated that it would mobilise special financial assistance of up to €250 mn in 2002 to accompany these efforts, over and above the yearly budgetary allocation for each of the Phare countries, bringing the Community's total effort to strengthen the administrative and judicial capacity of the negotiating countries in 2002 to around €1 billion. The Commission undertook to report on the Action Plans by the time of the Seville European Council in June 2002.

On the basis of extensive preparatory work in late 2001 and early 2002, the Commission services have completed the individual Action Plans jointly with each negotiating country concerned, and have reached with each of them a common understanding on the Plans. Implementation of the agreed Action Plans is underway. An overview of key actions in this context is included in this report. The Commission is confident that on that basis, and provided each country continues and steps up its efforts, the negotiating countries will be able to make convincing progress in the months to come. The Commission encourages each negotiating country to make full use of the opportunities offered by the Action Plan, and is committed to ensuring that this exercise bears fruit.

As work progresses, an assessment of the way in which each of the individual Action Plans is being implemented will take place in various contexts. In line with the approach taken in the past, progress in implementing relevant Accession Partnership priorities, including through the Action Plans, will continue to be reviewed in the framework of the structures existing under the Europe and Association Agreements. A detailed assessment of the effective progress achieved by each country in strengthening its administrative and judicial capacity, including through the implementation of tasks contained in the Action Plans, will be provided in the 2002 Regular Reports, which are scheduled to be adopted on 16 October 2002, with a view to the Brussels European Council. As set out in the Commission's 2001 Enlargement Strategy paper, the Commission should be able on the basis of the 2002 Regular Reports to make recommendations on those candidate countries ready for accession.

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While administrative and judicial capacity is a key factor for accession, building up administrative structures and strengthening administrative capacity, including horizontal administrative capacity, is a long-term effort that will need to be continued also after accession. With this in mind, the Commission has proposed to make available funds for a transition facility for this purpose covering actions not eligible to the Structural Funds, amounting to a total of € 380 million.

Overall, since the Nice European Council, when the roadmap for the negotiations was launched, very considerable progress has been made in the accession process, both in terms of the negotiations and as regards the candidate countries' preparations for accession, which are being accelerated. The Commission is strongly committed to ensuring that this momentum can be maintained, so that the objectives set by the Gothenburg and Laeken European Councils can be achieved.

In the meantime, the Union, as well as the candidate countries, must continue to prepare itself "mentally" for enlargement. As the first accessions draw closer, public dialogue about enlargement must continue and be intensified, so as to make the risks and benefits clear, address misconceptions where they exist, and let the people know that their concerns are being taken seriously. The Commission's Enlargement Communication Strategy, which is the subject of a separate report, is a key instrument in this regard. Enlargement can only succeed if it has democratic support.

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## INTRODUCTION

As indicated in the Commission's 2001 Enlargement strategy paper, the aim of this note is twofold. Firstly, it aims to report on progress to date in developing Action plans aimed at reinforcing negotiating countries' administrative and judicial capacity. Secondly, it seeks to update on negotiating countries' progress in implementing commitments they have made in the context of the accession negotiations, drawing attention to the main problems that have arisen and on which remedial action is required.

In its first part, this report provides a thematic overview of key actions that have been included in the finalised Action Plans. The second part of this report is devoted to an overview, chapter by chapter, of negotiating countries' fulfilment of commitments made in the accession negotiations, based on the enhanced monitoring process.

### 1. THE ACTION PLANS FOR REINFORCING NEGOTIATING COUNTRIES' ADMINISTRATIVE AND JUDICIAL CAPACITY: PROGRESS TO DATE

The Commission attaches the greatest importance to ensuring that the negotiating countries reach an adequate level of administrative and judicial capacity by the time of accession. Clearly, the need to have in place an effective administrative and judicial capacity is not a requirement limited to the candidate countries yet is a matter for all Member States, existing or new. This was clearly stated in the Commission's White Paper on European Governance of July 2001.

The main instrument in helping the negotiating countries to achieve this goal are the Action Plans for reinforcing administrative and judicial capacity that the Commission has launched with each of them in the first quarter of 2002.

The purpose of the Action Plans is to identify with each country the next steps that are required to achieve an adequate level of administrative and judicial capacity by the time of accession, and to jointly ensure that all necessary measures in this regard are taken, providing candidate countries with targeted assistance in areas that are essential for the functioning of an enlarged Union. As such, the Action Plans are a key tool towards meeting the common objective of the EU and negotiating countries, i.e. to ensure that each country's preparations for accession take place as effectively as possible within the envisaged timeframe.

Developing adequate administrative and judicial capacity for EU membership is a demanding and wide-ranging task, which requires detailed preparations in each and every domain covered by the Union's policies and legislation. In preparing individual Action Plans, the Commission has taken a comprehensive approach. The revised Accession Partnerships that the Council adopted for each negotiating country on 28 January 2002, based on the Commission's proposals, have served as the point of departure for this exercise. All priorities from the revised Accession Partnerships that are related to the development of administrative and judicial capacity have been included in the Action Plans. On that basis, the Action Plans cover not only the Accession Partnership priorities related to the administrative and judicial capacity to implement and enforce the *acquis*, but also any relevant priorities under the political and economic criteria. Each of these priorities is being given prominence in the Action Plans, through the definition of specific measures, which need to be implemented.

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Jointly with each country, the Commission has made a detailed analysis of each country's approach to implement the Accession Partnership priorities concerned, of its intentions to reinforce efforts for institution building, and of the concrete measures that remain to be taken to achieve adequate administrative capacity in each area. Any remaining gaps in terms of assistance and monitoring have also been identified.

This process has resulted in comprehensive Action Plans by country, that bring together for each priority:

- the relevant commitments made in the negotiations;
- implementing measures envisaged by each country as discussed with the Commission;<sup>2</sup>
- the Community assistance that is already underway or planned to support the country in its efforts, and any supplementary assistance that will be provided for this purpose under the € 250 mn supplementary institution building facility under the Phare programme;<sup>3</sup>
- the additional monitoring activities, including peer reviews<sup>4</sup>, that are required to assess each country's preparation, over and above the Regular Reports and the usual monitoring of the negotiations.

A summary of the issues dealt with in the Action Plans is provided below. It follows the structure of the Copenhagen accession criteria.

### 1.1. Political criteria

The political Copenhagen criteria require 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.

In order to strengthen the *public administration* and remedy specific weaknesses that have been identified in Bulgaria, the Czech Republic, Latvia, Lithuania, Romania, Slovakia and Slovenia, the Action Plans foresee a range of measures in each individual case. Depending on the situation in the country in question, these concern such issues as the adoption of outstanding basic legislation, the establishment of a civil service office, the development of a civil service code of ethics, the training of staff, the strengthening of human resources management departments, and the development of impact assessment or quality control capacity. Supplementary assistance in this area includes assistance for the implementation of civil service reform, twinning in the area of strategic policy making and co-ordination, and assistance for reinforcing human resources management capacity.

<sup>2</sup> Depending on the nature of the priority in question, and the specific weaknesses that have been identified for each country, these may include: adopting missing legislation; designating, establishing, or reinforcing relevant management structures and authorities; creating or reinforcing command and co-ordination systems, as well as evaluation, monitoring and arbitration mechanisms; developing and implementing strategic and management plans; training officials, judges, prosecutors, and the business community; setting up public awareness campaigns; and developing or upgrading relevant IT systems and databases and their inter-connection with EC systems.

<sup>3</sup> The Phare programme covers the ten candidate countries of Central and Eastern Europe. Cyprus and Malta benefit from pre-accession assistance under Council Regulation (EC) No 555/2000. Supplementary assistance to Romania under the Phare supplementary institution building facility is still in the process of being programmed.

<sup>4</sup> For a definition of the term "peer review" in this context see below, under point 2.2.

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While work has progressed on the reform of the *judicial system* in most negotiating countries, in Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia the strengthening of the independence of the judiciary, the improvement of remuneration and working conditions as well as the training of judges still need to be further pursued. To tackle these weaknesses, the Action Plans include such measures as the implementation of a judicial reform strategy, the adoption of outstanding basic legislation, measures to guarantee the adequate financing of the judicial system, the simplification of court procedures, the development of probation and mediation services, the development of training facilities and the training of judges in good judicial practices and EC law, the creation of judicial information networks, and the reinforcement of systems for legal aid and related public awareness campaigns. Supplementary assistance in this area is foreseen for Bulgaria, Hungary, Poland and Slovakia, focusing on the implementation of judicial reform strategy, strengthening the independence of the judiciary through support to the judicial council, training of judges on good judicial practices and EC legislation, and twinning focusing on professional ethics.

Developing an effective *anti-corruption capacity* is another field that is given close attention in the Action Plans for Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia. Specific measures cover such issues as the further development and implementation of national anti-corruption strategies; the reinforcement of corruption fighting bodies, including through training of staff; the improvement of co-operation among them; and the development of measures to prevent corruption within the public administration, including within law enforcement and public safety services. To help implementing these measures, supplementary assistance is envisaged for Bulgaria and Slovakia, covering in particular the implementation of anti-corruption strategies and awareness raising.

Ensuring respect for *human rights* and respect for and the protection of *minorities* is a further area where administrative and judicial capacity needs reinforcement in Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Romania and Slovakia. Depending on specific weaknesses identified, the Action Plans address such issues as pre-trial detention and the creation of an effective system to redress cases of police misconduct. In countries with sizeable Roma communities, measures to strengthen the bodies involved with implementing existing Roma action programmes and strategies are included in the Action Plans. For Estonia and Latvia, the Action Plans foresee measures to strengthen the capacity of bodies dealing with integration and language policy, in line with relevant international standards. Furthermore, the Action Plans for all countries include measures towards the development of structures for the implementation of the anti-discrimination *acquis*. Supplementary assistance is foreseen to strengthen the bodies involved with minority questions, and for twinning in the anti-discrimination field.

## 1.2. Economic criteria

The economic Copenhagen criteria require the presence of a functioning market economy with the capacity to withstand competitive pressures and market forces within the Union.

In terms of administrative and judicial capacity, the Action Plans cover weaknesses that have been identified with regard to the development of a functioning *land market* and *land and property registers* in Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, and Slovenia, and on the implementation and enforcement of *bankruptcy* legislation in Bulgaria, the Czech Republic and Lithuania. Other issues dealt with for Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia are the development of a favourable *business environment*, the reform and strengthening of the *financial sector*, and the reform of the *public finance*



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*management system*. To tackle these issues, the Action Plans include such measures as the adoption of missing basic legislation; the strengthening of relevant structures, including through the training of staff, and specialised training for judges and bankruptcy trustees. In addition to the assistance that is already ongoing or planned in this area, no supplementary assistance is foreseen.

### 1.3. Other obligations of membership

The Copenhagen accession criteria further stipulate that membership requires the ability to take on the obligations of membership. This involves the adoption, implementation and enforcement of the *acquis*. The major challenges in terms of administrative capacity have been highlighted in the Commission's 2001 Enlargement Strategy Paper. They concern the administrative capacity to ensure a smooth functioning of the internal market, sustainable living conditions in the European Union, the overall protection of the European Union's citizens, and the proper management of Community funds.<sup>5</sup>

#### Ensuring a smooth functioning of the internal market

Ensuring a smooth functioning of the internal market requires the presence of appropriate and effective regulatory authorities, horizontal administrative structures in a range of areas, supervisory and enforcement bodies, and in certain cases the implementation of appropriate information technology (IT) systems for the exchange of data.

In the field of the *internal market*, targeted actions are envisaged for all countries to establish or reinforce regulatory authorities, horizontal administrative structures, and supervisory and enforcement bodies. Depending on the specific weaknesses identified for each country, areas concerned include standardisation, accreditation, certification, conformity assessment, market surveillance, mutual recognition of professional qualifications, and the co-ordination of social security systems; monitoring of legislation in the non-harmonised area as far as free movement of goods and the freedom to provide services is concerned; the independent supervision of data protection; the supervision of financial services; the implementation of public procurement rules, and the enforcement of industrial and intellectual property rights and of food legislation. The Action Plans foresee such measures as the adoption of outstanding legislation; the reinforcement of relevant authorities, including through budget and staff increases; specialised training for officials, judges and prosecutors; and the development of awareness campaigns. Supplementary assistance is being provided for Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, and Slovenia, including assistance to strengthen the national conformity assessment system and enforce the implementation of public procurement rules and of food legislation, reinforce capacity on the co-ordination of social security systems and on the mutual recognition of professional qualifications, strengthen insurance as well as banking and securities supervision, and ensure the enforcement of intellectual property rights.

In the domain of *competition*, the Action Plans for all countries foresee actions to strengthen the enforcement capacity for state aid rules and anti-trust provisions. Besides measures targeting directly the state aid and anti-trust authorities, this includes measures to increase awareness of EC competition rules among aid grantors, the business community and the public at large, and to increase specialised training for the judiciary. Supplementary

<sup>5</sup> A number of negotiating chapters combine aspects related to more than one of these thematic areas. These have been dealt with under the heading allowing for the broadest coverage.

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assistance is envisaged for Bulgaria, the Czech Republic, Estonia, Hungary, Poland and Slovenia, including twinning on the enforcement of the competition *acquis* and on awareness-raising, and training of judges.

The functioning of the internal market for *transport* and/or *energy* is another area that is covered for all countries. Depending on individual weaknesses identified, the Action Plans include actions aimed at establishing or reinforcing relevant structures in the area of road transport, the regulatory body in the rail transport sector, and the energy sector regulator. Concrete measures include the adoption of outstanding legislation; the designation or reinforcement of regulatory and licensing authorities, including through staff and budget increases; training; the development of quality assurance systems; and information campaigns for industry. For the Czech Republic and Estonia, supplementary assistance is being provided in this area, focusing on the area of rail transport.

In the domains of *telecommunications*, *postal services*, and *audio-visual policy*, the Action Plans for Bulgaria, Cyprus, the Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia include actions to develop or strengthen independent regulatory structures. Concrete measures include the adoption of outstanding legislation; the reinforcement of the relevant authorities through budget and staff increases; training; and the development of appropriate administrative procedures, quality measurement systems, and IT systems. Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia and Slovenia will benefit from supplementary assistance through twinning, training courses and expert missions on various aspects of the telecommunications *acquis*. Implementing the new regulatory framework for telecommunications adopted recently by the EU represents an exceptionally heavy task.

As regards *customs* and *taxation*, the Action Plans for all countries foresee actions aimed at reinforcing the capacity of tax and customs administrations to control and enforce the implementation of Community legislation, including through external border controls; and at developing or upgrading IT systems for the exchange of electronic data with the Community and its Member States. Depending on specific weaknesses in each country, the Action Plans include such measures as the development of customs and taxation strategies and business management plans; the reorganisation of administrative structures; staff reinforcement and training; the simplification of procedures; the development of ethics codes, control procedures, appeal structures and structures for contact with the public; and the development and adaptation of IT systems. Supplementary assistance is foreseen for the Czech Republic, Latvia and Lithuania, covering such issues as the development of IT strategies and the exchange of electronic data, as well as the modernisation of the taxation system.

#### Ensuring sustainable living conditions in the European Union

This needs to be ensured, among other things, by guaranteeing the application of environmental and health and safety standards, including at the work place; ensuring a high level of nuclear safety, and improving transport safety. The proper implementation of the common agricultural and fisheries policies and the Communities' regional and structural policies are also of great importance in this context.

In the field of *agriculture*, the Action Plans for all countries foresee actions aimed at strengthening the administrative structures for the management of the common agricultural policy, in particular the Integrated Administration and Control System (IACS) and the Paying Agency, as well market information systems and mechanisms to implement and enforce the veterinary and phyto-sanitary *acquis* (on these latter two aspects see below, under "Ensuring

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the overall protection of Europe's citizens"). Specific measures include the adoption of outstanding legislation; the establishment or reinforcement of relevant structures, including through reorganisation and budget and staff increases; training; the acquisition of equipment; and the development of relevant IT systems and databases and their inter-connection with EC systems where appropriate. Insofar as detailed implementation plans for any of these areas have already been submitted by individual negotiating countries and discussed in the context of the accession negotiations, these have served as the point of departure in developing envisaged measures. Supplementary assistance is foreseen in this area for the Czech Republic, Estonia, Hungary, Lithuania, Poland and Slovakia, covering such issues as the application of EC quality standards, the management of rural development programmes and market information systems, and the development or reinforcement of IACS and the Paying Agency.

As regards *fisheries*, the Action Plans for maritime countries include actions to establish or reinforce administrative structures in one or more of the following areas: resource management, inspection and control of fishing activities, the implementation of the market policy, and the management of structural actions, including fleet registration. Concrete measures include the adoption of outstanding legislation; the establishment or reinforcement of relevant structures, including through budget and staff increases; training; the acquisition of equipment; the development and upgrading of databases and IT systems; and improving the collection of statistics. Estonia and Poland will benefit from supplementary assistance, including twinning on the implementation of market and structural policies, and assistance for establishing a management authority in the field of structural actions.

The implementation of the Communities' *regional and structural policy* is another issue that figures in the Action Plans for all countries. The Plans foresee *inter alia* actions to define and to develop appropriate bodies in charge of the implementation of the Structural Funds and the Cohesion Fund, in particular managing and paying authorities, and to ensure a clear division of responsibilities and effective co-ordination between them; to develop the technical preparation of projects eligible for future co-financing under the Funds; to establish adequate systems for the collection and processing of statistical data, and to comply with the relevant financial management and control provisions. Specific measures include the adoption of outstanding legislation; the designation or reinforcement of relevant structures, including through reorganisation and budget and staff increases; the creation of co-ordination, arbitration and monitoring mechanisms; the preparation and implementation of human resources development plans; training; and the development of databases of projects eligible for future co-financing. The implementation of all the above measures is a precondition for the Commission to approve Community funding under structural programmes, as stated in the relevant regulations. Supplementary assistance is foreseen for the Czech Republic, Estonia, Poland, Slovakia and Slovenia in this domain, including for the establishment of managing and paying authorities in all areas, the development of a comprehensive monitoring system, and the technical preparation of a pipeline of projects for future co-financing.

With regard to the *environment*, the Action Plans foresee for all countries actions to further strengthen administrative, monitoring and enforcement capacity, in particular in the fields of waste, water, air, chemicals and nature protection. Depending on individual weaknesses, specific measures include the creation or reinforcement of administrative and supervisory bodies and monitoring systems, including through budget and staff increases; the training of inspectors and other staff, including at regional and local level, as well as training for the private sector. Supplementary assistance is provided for the Czech Republic, Estonia, Latvia, Lithuania, and Poland, including for the development of monitoring systems, designated and

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management of protected areas, and training for environmental administrations at regional and local level.

The area of *social policy and employment* is also given close attention in the Action Plans for all countries. These include actions aimed at ensuring the enforcement of occupational health and safety rules and strengthening labour inspectorates, enforcing the *acquis* on equal opportunities and anti-discrimination (*for this latter aspect see above under the political criteria*), setting up or reinforcing monitoring and information capacity for epidemiological surveillance and control of communicable diseases, developing and implementing a national employment strategy, and preparing for future participation in the European strategy on social inclusion. Actions are also foreseen to support social partners' capacity-building efforts in most countries, and to develop or reinforce the necessary structures for the implementation of the European Social Fund. Depending on the specific needs of each country, concrete measures include the adoption of outstanding legislation; the establishment or reinforcement of institutions, including through budget and staff increases; the creation of inter-ministerial working groups; the upgrading of data-collection and IT systems; the training of officials, experts and social partners; and the establishment of information centres and other awareness-raising activities. The Czech Republic, Estonia, Hungary, Poland and Slovakia will benefit from supplementary assistance in this area, including assistance to enhance inter-ministerial and inter-agency co-ordination in the employment field, to strengthen the capacity of the public health administration, and to implement the equal treatment and anti-discrimination *acquis*.

The Action Plans further include for all countries actions to establish or strengthen appropriate regulatory structures and inspection arrangements to secure *transport safety* (in particular road and maritime safety), ensure a high level of *nuclear safety* (in accordance with the recommendations contained in the Council "Report on Nuclear Safety in the Context of Enlargement"), and optimise *energy efficiency* and the use of renewable energy. Concrete measures include the adoption of outstanding legislation; the establishment or reinforcement of relevant authorities, including through restructuring, budget and staff increases, and the strengthening of their independence where appropriate; training; the introduction or upgrading of IT systems; and the purchase of equipment and the development of quality assurance systems. Bearing in mind the extensive assistance already ongoing or planned in this area, the Action Plans do not foresee any supplementary assistance.

#### Ensuring the overall protection of the European Union's citizens

This needs to be ensured, among other things, by securing borders for a variety of purposes, guaranteeing sufficient levels of food safety, ensuring adequate market surveillance for consumer protection, and through co-operation in the field of justice and home affairs. These measures require various inspection and law enforcement arrangements.

In the field of *justice and home affairs*, as indicated, the Action Plans include a range of actions aimed at strengthening the judicial system and developing adequate anti-corruption capacity (*see above under the political criteria*). Further, the Plans foresee for all countries also actions aimed at strengthening border management, in particular at future EU borders, including through the implementation of a Schengen Action Plan; developing the relevant capacity to implement the *acquis* and European practice on visas, migration and asylum; preparing for the participation in the Schengen information system; ensuring due co-operation between all actors in the fight against organised crime; guaranteeing proper data protection; and preparing for the implementation of community instruments on judicial co-operation.

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Concrete measures include the adoption of outstanding legislation; the establishment or reinforcement of relevant structures, including through reorganisation, budget and staff increases, and investment for equipment; the training of officials, police officers, judges and public prosecutors; the development of procedures, operational guidelines and manuals, as well as of databases and IT systems; and the establishment and reinforcement of command, control and co-ordination centres in the fight against organised crime. The Action Plans foresee supplementary assistance for the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia in this area, focusing on such issues as border protection, the management of migration and asylum issues, the implementation of visa policy and the development and strengthening of consular facilities, reinforcing data protection authorities, and the development of information systems and databases.

With a view to guaranteeing *food safety* throughout the food chain, the Action Plans for all countries foresee actions to upgrade food processing establishments and inspection arrangements to enforce the veterinary and phyto-sanitary *acquis*, as well as the food safety *acquis* covering the free movement of goods. Specific measures include the adoption of outstanding legislation; the strengthening of relevant structures, including through budget and staff increases; the establishment of inter-ministerial co-ordination groups and scientific committees; the establishment or upgrading of laboratories, border inspection posts (BIPs), and a Rapid Alert System for Foods (RASFF); the development of Hazard Analysis and Critical Control Point (HACCP) auditing; the development or upgrading of databases and computerised networks; and the creation of training structures for inspectors, for laboratory staff as well as for food operators, including the training of veterinarians and slaughterhouse personnel on TSE. Supplementary assistance is foreseen for the Czech Republic, Hungary, Latvia, Poland, Slovakia and Slovenia, including twinning on TSE control and on market surveillance in the food chain, and assistance for the creation and upgrading of BIPs.

As regards *consumer protection*, the Action Plans foresee for Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia actions to ensure the effectiveness of administrative structures, in particular those involved in market surveillance. Concrete measures include the strengthening of relevant structures, including through budget and staff increases; the creation of regional networks of market surveillance offices and conciliation courts; training for staff and judges; the development of periodical surveillance programmes and monitoring and audit procedures; and public awareness campaigns. Supplementary assistance through twinning is foreseen in this area.

#### Ensuring the proper management of Community funds.

This requires the presence of appropriate structures at central, regional and local level to fulfil such tasks as the application of *public procurement rules*, *financial control*, *audit*, and the *fight against fraud and corruption*. Furthermore, as set out above, there is also a need for adequate administrative capacity for the programming, management and control of *structural instruments*.

In the area of *financial control*, which is of central importance in this regard, the Action Plans for all countries include actions aimed at strengthening the relevant structures for public internal financial control (PIFC), external audit, and the fight against fraud, including an anti-fraud structure that is in charge of co-ordinating all legislative, administrative and operational aspects related to the protection of the EC financial interests, and can serve as a contact point for OLAF; and at ensuring the correct use, control, monitoring and evaluation of EC pre-accession funds, as a key indicator of each country's capacity in this area. Specific measures

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include the adoption of outstanding legislation; the establishment or reinforcement of relevant structures, including through budget and staff increases, covering also regional and local levels; the training of staff and the creation of sustainable institutional training facilities; the development of procedures and techniques; the establishment or upgrading of an IT strategy and IT systems; and the setting up of inter-ministerial financial control committees. Supplementary assistance is being provided for the Czech Republic, Estonia, Lithuania, Poland and Slovenia, including assistance for the development of PIFC mechanisms, strengthening the operational capacity and the independence of the Court of Audit, and the development of sustainable training facilities for financial controllers and internal auditors.

The availability of reliable *statistics* is another key element for the implementation of Community policies in many areas. The Action Plans for Bulgaria, Cyprus, the Czech Republic, Estonia, Latvia, Lithuania, Malta, Poland, Romania and Slovakia include actions aimed at further strengthening statistical capacities, including at regional level. Concrete measures include the strengthening of relevant structures, including through budget and staff increases; training; the upgrading of infrastructure, including the development and upgrading of IT systems; and the upgrading of survey methodology. Supplementary assistance for this purpose is foreseen for the Czech Republic, Lithuania and Slovakia, in particular to strengthen statistical capacities at regional level.

## 2. ENHANCED MONITORING PROCESS

The Commission monitors systematically and on a continuous basis the implementation of commitments negotiating countries have made in the negotiations, drawing attention to any problems that may have arisen, so that appropriate remedial action may be taken.

The enhanced monitoring process is based on country monitoring reports, which are now being complemented by the monitoring actions identified through the Action Plans for reinforcing administrative and judicial capacity.

The country monitoring reports give an overview both globally and chapter by chapter of where each negotiating country stands in implementing commitments made in the accession negotiations. These commitments reflect the results of the accession negotiations, and, in accordance with the principle of differentiation underlying the negotiation process, may differ between countries. Where negotiating countries have committed themselves to completing specific measures by the time of accession, the Commission assesses the relevant preparatory processes. Each country report includes an assessment of progress in adopting and implementing the *acquis* in accordance with the commitments made by each country, and highlights issues that require close attention. These reports also provide an overview of positions taken by the negotiating countries during the negotiations, such as requests for transitional measures or reservations, and where appropriate, of positions taken by the EU.

The Action Plans for reinforcing administrative and judicial capacity constitute an additional instrument to monitor the implementation of commitments related to the development of each country's administrative and judicial capacity. Furthermore, as set out below, in a number of areas the process of developing the Action Plans has revealed a need for additional monitoring to accurately assess each country's preparations. In these areas, peer reviews and other additional monitoring actions are being organised, to further enhance the monitoring process.

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The enhanced monitoring process shows that most of the commitments made by the candidate countries are up till now being met in accordance with the agreed timetables, although further efforts are needed in a number of areas. An overview of the findings for each chapter, drawing attention to specific areas where further efforts are required, is provided below.

## 2.1. Chapter-by-chapter overview

### Free movement of goods (Chapter 1)

The Chapter has been provisionally closed with all countries, except Bulgaria and Romania.

The EU has only accepted a very small number of transitional periods in this chapter. These transitional periods concern the renewal of marketing authorisations for pharmaceuticals in five negotiating countries (Cyprus, Lithuania, Malta, Poland and Slovenia) and the expiration of the validity of certificates for medical devices in Poland and Cyprus.

Overall, the implementation of commitments made by negotiating countries during the negotiations is proceeding without major delays in most cases, yet needs to be further accelerated. Particular attention should be paid to the areas of public procurement, where legislative transposition (especially the questions relating to the scope, procedures and remedies) needs to be completed and enforcement structures reinforced, food safety, where additional efforts as regards the administrative capacity are necessary, and the non-harmonised area, where the process of legislative screening needs to be completed and its results implemented. Concerning harmonised product legislation, particular attention should be focussed on the reinforcement of administrative capacity, especially in areas such as market surveillance, and standards.

### Free movement of persons (Chapter 2)

The Chapter has been provisionally closed with all countries, except Bulgaria and Romania with whom negotiations are ongoing.

The key issue in this chapter is that of free movement of workers. The EU has proposed a transitional arrangement of up to seven years for access to labour markets, except in the case of Malta and Cyprus. Eight countries have been able to accept this arrangement, subject to reciprocity. A specific arrangement has been granted to Malta.

Overall action is being undertaken by the countries to respect the deadlines necessary for implementation of the *acquis*. However, attention should be paid to the area of mutual recognition of professional qualifications, where all necessary administrative bodies should be operational well before accession, and where, for the professions subject to minimal education and training requirements, particularly in the health sector, legislative alignment should be ensured and training adapted, so as to ensure the application of the relevant *acquis* as of accession. Moreover, in the area of co-ordination of social security, reinforcement of administrative capacity needs to continue.

### Free movement of services (Chapter 3)

The Chapter has been provisionally closed with all countries except Romania, with whom negotiations are not yet open.

For Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia, transitional periods up to five years have been agreed for reaching minimum levels of guarantees for banking

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deposits or investor protection. Cyprus, Hungary, Latvia, Lithuania, Poland and Slovenia have been accorded, in line with existing Member States, exemption or transitional periods from the banking acquis for very small or specific credit institutions.

Overall, a substantial amount of alignment has been achieved in most countries, and the schedules of commitments have largely been respected. Nevertheless, important work remains to be done which will require further close monitoring. Particular attention should be paid in certain countries to completing harmonisation in banking, investment services and the securities market, and the protection of personal data, as well as to the removal of discrimination in the provision of services.

#### Free movement of capital (Chapter 4)

The Chapter has been provisionally closed with all countries except Hungary and Romania, with whom negotiations are ongoing.

The key issue in the negotiations in this chapter is the investment in real estate (agricultural land and forests, as well as secondary residences). A 7-year transitional period for agricultural land and forests has been agreed with Bulgaria, the Czech Republic, Hungary, Slovakia and Poland (12 year in the case of Poland), and a 5-year transitional period for secondary residences has been agreed with Bulgaria, Cyprus, the Czech Republic, Hungary and Poland. A specific arrangement has been found for Malta.

In most cases commitments have been met, with many countries having progressed well with the liberalisation of capital movements. However, in the area of direct investments, and in particular the investment in agricultural land, several countries have to ensure that their legislation is in line with the acquis. Special attention must be given to the proper implementation of the money laundering directives.

#### Company law (Chapter 5)

The Chapter has been provisionally closed with all countries. The Union has proposed a specific mechanism in the field of pharmaceutical products and Community trademark, which has been accepted by all negotiating countries.

Overall, negotiating countries are fulfilling the commitments made in the negotiations. A key area within this chapter relates to the enforcement of intellectual and industrial property rights, and in particular the fight against piracy and counterfeiting. While the transposition of the Intellectual and industrial property rights advances at a satisfactory pace, the level of enforcement of the legislation in the negotiating countries needs to be closely monitored. Efforts to improve enforcement in this field will have to address a number of issues, in particular concerning border controls, regular increase of the level of fines, training enforcement officials (customs, police, judiciary) and further co-ordination among enforcement bodies, mainly police, judiciary and customs. 11P

#### Competition (Chapter 6)

The Chapter has been opened with all countries, and provisionally closed with Estonia, Slovenia, Latvia and Lithuania.



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Cyprus, Malta, Slovakia and Poland have requested a number of different transitional periods in relation to state aids for foreign and individual investment as well as for key or restructuring industries. In addition, Hungary has requested a six-month adaptation period with regard to the application of a number of Community anti-trust regulations. The EU considers this a technical adaptation, which will be taken up in the Accession Treaty, subject to the legal framework in force at the time. All of these requests are under negotiation. The remaining countries have not requested any transitional periods.

A key problem of this chapter continues to be the granting of State aid which is not compatible with the *acquis*, mainly in the form of fiscal incentives typically granted to foreign investors, which needs to be converted into compatible (regional investment) aid, and aid to support ailing industries. In addition, a number of countries still need to take important steps, including the implementation of restructuring plans, in order to resolve all issues related to the granting of aid to certain sectors (steel, shipbuilding). By contrast, compliance with the *acquis* on anti-trust legislation is generally well advanced, but continuous attention has to be devoted to the enforcement of the rules.

#### Agriculture (Chapter 7)

The Chapter has been opened with all countries except Romania. It has not been provisionally closed with any country.

For Estonia, Hungary and Slovenia, all veterinary and phytosanitary issues have been clarified. In this context, transitional periods have been agreed with Hungary and Slovenia for animal welfare (laying hens in battery cages) and with Hungary for public health in establishments. Most veterinary issues have been clarified with Cyprus. The overall principle for the negotiations in this field is that the high level of food safety in the existing Union will be maintained by ensuring that internal market control systems are effectively implemented. A number of requests, including on market-related issues, are still under negotiation. Malta is reluctant to accept the principles of internal market rules in the veterinary field.

In the veterinary and phytosanitary fields, transposition of the *acquis* into national legislation is ongoing, and will need to be in place well in advance of accession. For many candidate countries a reinforced effort will be needed to meet the ambitious programme they have set out for themselves in this domain, in particular regarding upgrading Establishments, TSE measures and adequate Border Inspection Posts capacity.

Important progress has also been made in setting up the administrative structures for the Common Agricultural Policy. Further efforts are however necessary, in particular as regards the establishment of the Paying Agency and Integrated Administrative Control System (IACS) and the setting up of structures for rural development.

#### Fisheries (Chapter 8)

The Chapter has been opened and provisionally closed with all countries except Poland and Malta.

The EU has agreed a transitional arrangement with Latvia concerning a specific management regime for the entire Gulf of Riga. Malta has requested specific arrangements, which are still under discussion.

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Progress in the fulfilment of commitments is generally satisfactory. However, particular attention should be paid to the areas of market policy, including marketing standards, legislative alignment in resources management; and implementation of Community structural actions legislation, in particular the fishing vessel register.

#### Transport (Chapter 9)

The Chapter has been opened with all countries. It had been provisionally closed with all countries except the Czech Republic, Poland, Bulgaria, and Romania.

A significant number of transitional periods have been requested by the negotiating countries. In the road, rail and aviation transport sectors, a number of requests for limited transitional periods have been accepted in the case of Cyprus, Hungary, Latvia, Lithuania, and Malta.

The EU has proposed a transitional arrangement requiring that access of non-resident hauliers to the national road transport market of other Member States should, in certain cases, be phased in gradually. The proposal is to reciprocally restrict the access to the national transport markets between current and certain new Member States up to a maximum period of five years in progressive stages. All negotiating countries concerned except the Czech Republic have agreed to this proposal.

Fulfilment of commitments undertaken in the negotiations is generally satisfactory. However, particular attention should be paid to the areas of road transport, where most negotiating countries need to complete harmonisation of vehicle tax rates, and maritime transport, where a number of countries need to reinforce their maritime safety authorities.

#### Taxation (Chapter 10)

The Chapter has been opened with all countries and provisionally closed with Cyprus, the Czech Republic, Lithuania, Poland, Slovenia and Slovakia.

All negotiating countries have requested transitional periods and, in the case of Malta, specific arrangements in the field of indirect taxation, i.e. VAT and excise duties. In most cases, requests aim at maintaining the levels of VAT and excise duties on specific goods or services at a lower level than required by the acquis. Some transitional periods were accepted by the EU for Cyprus, the Czech Republic, Hungary, Lithuania, Poland, Slovakia and Slovenia.

Countries are generally meeting their commitments. Overall, legislative alignment on indirect taxation is progressing smoothly and in line with agreed timetables. Negotiating countries have declared that they accept and will apply the principles of the Code of Conduct for business taxation. The Commission is in the process of analysing the relevant legislation in negotiating countries, with a view to identifying potentially harmful practices not in line with the Code of Conduct.

#### Economic and monetary union (Chapter 11)

The Chapter has been provisionally closed with all countries except Romania, with whom it is not yet open. No transitional periods have been requested.

Countries are generally meeting their commitments, although there are delays in the detailed schedule of implementation. However, legislation regarding the independence of the central banks and legislation prohibiting privileged access of the public authorities to financial institutions and prohibiting direct financing of the public sector should be further aligned.

### Statistics (Chapter 12)

The Chapter has been provisionally closed with all countries. No transitional periods have been requested.

For all countries commitments are largely being implemented as foreseen and there are no major problems. However, attention should be paid to sustaining and reinforcing administrative structures and to improving the availability of regional statistics.

### Social Policy (Chapter 13)

The Chapter has been provisionally closed with all countries.

In recognition of the objective difficulties encountered in implementing certain elements of the health and safety acquis, as well as that on public health and labour law, a number of transitional arrangements have been granted up until the end of 2005 for Latvia, Malta, Poland, Slovenia and Hungary, and until 2010 for Bulgaria, on issues including public health (tobacco legislation) and workplace-related issues

In general, negotiating countries have provided detailed timetables for adoption and implementation of all measures, and are thus meeting their commitments. However, some legislative work remains for all countries, particularly in health and safety and equal treatment, and social dialogue needs to be reinforced.

### Energy (Chapter 14)

The Chapter has been provisionally closed with all countries, except Bulgaria, Estonia, Lithuania and Romania with whom negotiations are ongoing.

Transitional periods on oil stocks have been agreed up until the end of 2009 for Cyprus, Czech Republic, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. One transitional period on the Gas Directive until the end of 2004 has been agreed for the Czech Republic. Estonia has requested a special arrangement as regards oil shale.

Most countries are meeting their commitments. Attention should be paid to the areas of oil stocks, where some countries need to continue efforts on building up emergency stocks, and the internal energy market, where negotiating countries need to open up their electricity and gas markets. Concerning nuclear safety and closure commitments for non-upgradable units of certain nuclear plants must be provided and respected, and therefore duly included in the Accession Treaty. In Slovakia, this concerns the closure of Bohunice V-1 NPP unit 1 in 2006 and unit 2 in 2008. In Bulgaria it concerns the closure of units 1-4 of Kozloduy NPP. Commitments have been undertaken for the closure of units 1 and 2 before 2003. In Lithuania it concerns the closure of units 1 and 2 of Ignalina NPP. Commitments have been undertaken for the closure of units 1 before 2005.

It is recalled that the EU requests the closure of unit 2 of Ignalina NPP in Lithuania by 2009. With regard to units 3 and 4 of Kozloduy NPP, the EU expects closure not later than 2006.

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### Industry (Chapter 15)

The Chapter has been provisionally closed with all countries except Romania, with whom negotiations are not yet open. No transitional periods have been requested.

In all countries that have opened the chapter, industrial policy is in line with the concepts and principles of EU Industrial policy. However, further progress needs to be made in the area of restructuring, in particular in the steel sector for some countries.

### Small and medium enterprises (Chapter 16)

The Chapter has been provisionally closed with all countries. No transitional periods have been requested.

Negotiating countries' policy on SMEs is broadly in line with the principles and objectives of EU enterprise policy. Further efforts for promoting competitiveness are required.

### Science and research (Chapter 17)

The Chapter has been provisionally closed with all countries. No transitional periods have been requested.

No problems are expected in this chapter. All negotiating countries participate in the Research Framework Programme.

### Education and training (Chapter 18)

The Chapter has been provisionally closed with all countries. No transitional periods have been requested.

No particular problems are expected in this chapter. However, some countries should make further efforts to align their legislation with the acquis on the education of children of migrant workers.

### Telecommunication (Chapter 19)

The Chapter has been provisionally closed with all countries except Romania, with whom negotiations are ongoing. A two-year transitional period has been agreed for Bulgaria for the implementation of legislation on operator number portability.

Countries have generally met their commitments. However, in the coming 18 months most countries will face market opening at the same time as implementing the present acquis, while ensuring the transposition and implementation of the new regulatory framework for telecommunications that has just been adopted by the EU. For the postal sector, considerable efforts are needed in most countries to adopt the acquis and lay the basis for the liberalisation of the market through the separation of former state postal monopolies and new national regulatory authorities.

### Culture and audiovisual (Chapter 20)

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The Chapter has been provisionally closed with all countries except Hungary and Romania, with whom negotiations are ongoing. No transitional periods have been agreed and there are no requests outstanding.

Negotiations in this chapter have focused upon alignment with and implementation of the Television Without Frontiers Directive. The countries with which the chapter has been closed to date have introduced legislation providing for a high degree of alignment, even if in some cases further adjustments or secondary legislation are still needed to achieve full alignment.

#### Regional policy and co-ordination of structural instruments (Chapter 21)

The Chapter has been opened with all countries and has been provisionally closed with Cyprus and the Czech Republic. No transitional periods have been requested.

The acquis under Chapter 21 does not require transposition into national legislation, however all countries do need to have the appropriate legal framework for the implementation of the specific provisions in this area in place.

Overall, with some exceptions, good progress has been made. Specific areas that require attention include the final implementation structures, the division of responsibilities between the different bodies involved, the development of their human resources and, for some countries, the designation of managing and paying authorities for Structural and Cohesion Funds and the adoption of legislation allowing for multiannual budgeting. Specific attention is also required for the establishment of reliable financial management and control procedures and development of monitoring systems.

#### Environment (Chapter 22)

The Chapter has been provisionally closed with all countries except Bulgaria, Malta and Romania, with whom negotiations are still ongoing.

Limited transitional periods have been granted in various specific areas, for Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. Transitional measures have only been agreed on the basis of detailed implementation plans, including financing strategies and intermediate targets. These intermediate targets will need to be inserted in the Acts of Accession.

Most of the commitments made within the negotiations have been met without major delays especially as regards framework and horizontal legislation. In most cases implementation of sectoral legislation is progressing well in accordance with the timetables established. However, particular attention should be paid to the areas of water quality, where pollution reduction programmes need to be established, nature protection, where designation of protection areas needs to be completed, waste management, where plans need to be finalised and collection systems upgraded, and chemicals and GMOs where the necessary administrative structures will need to be in place by accession.

#### Consumers and health protection (Chapter 23)

The Chapter has been provisionally closed with all countries. No transitional periods have been agreed in this chapter.

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In all negotiating countries, preparations have progressed and key framework legislation as well as implementing measures have been adopted. Nevertheless, further efforts are needed in all countries to complete alignment and to develop an adequate administrative capacity for enforcing the consumers and health protection *acquis* by accession.

#### Justice and home affairs (Chapter 24)

The Chapter has been provisionally closed with Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Malta and Slovenia while negotiations are ongoing with all other countries.

This is not a chapter where the negotiations focus on transition periods, and neither the negotiating countries nor the EU have any requests for these on the table. In essence, it will rather be necessary to find ways to build confidence, among Member States, in the negotiating countries' capacity to implement the *acquis* in this area.

So far, few delays have been observed in meeting commitments undertaken in the negotiations. Monitoring focuses on the need to ensure that the negotiating countries are equipped to meet adequate and acceptable standards of implementation on issues such as border control, illegal migration, asylum, money-laundering, organised crime, and police and judicial co-operation. A key issue to verify is the implementation of the Schengen Action Plans submitted by each country; these plans cover not only the period until EU accession, but up to the moment - some years after accession - when internal border controls can be lifted. The establishment of an independent, reliable and efficient judiciary and police organisation are also of paramount importance.

#### Customs union (Chapter 25)

The Chapter has been provisionally closed with all countries except Bulgaria, Malta and Romania, with whom negotiations are ongoing.

The EU has agreed to a three-year transitional arrangement for Hungary on the import of aluminium.

Overall, commitments are being met. Specific areas that require close attention are ensuring connectivity with EC customs computerised systems and, for some countries, ensuring full compliance of their customs code with the *acquis* and its proper implementation.

#### External relations (Chapter 26)

The Chapter has been provisionally closed with all countries. No transitional periods have been agreed (several requests were made, but none were accepted).

No particular difficulties are expected with the negotiating countries' adherence to Community legislation in this field, or with its practical implementation. However, negotiating countries need to ensure that international agreements incompatible with membership are renegotiated or renounced by the date of accession, in order to ensure full compatibility with the EC's international obligations by accession.

### Common foreign and security policy (Chapter 27)

The Chapter has been provisionally closed with all countries. No transitional periods have been requested.

The foreign and security policy pursued by all the negotiating countries is generally in conformity with the CFSP. Hungary will however need to amend its law on Hungarians living in neighbouring countries, as foreseen by the law in question, to align with the *acquis* at the latest upon accession.

### Financial control (Chapter 28)

The Chapter has been provisionally closed with all countries except Bulgaria and Romania. Negotiations are ongoing with Bulgaria whilst the Chapter is yet to be opened with Romania. No transitional periods have been requested.

The main issues at stake in the negotiations on this chapter include the adoption and implementation of the necessary legislation in the area of Public Internal Financial Control. In addition, the negotiating countries should confirm the independence of their external control bodies. Furthermore, it is important that negotiating countries closely co-operate with OLAF and ensure proper use of and control over EC pre-accession and future funding.

All countries with whom the chapter has been provisionally closed have reached a high degree of legislative alignment. However, all countries still need to continue efforts to properly implement the legislation in order to fully meet their commitments in the negotiations.

### Financial and budgetary provisions (Chapter 29)

The Chapter has been opened with all countries except Romania. No country has yet provisionally closed the Chapter. All negotiating countries that have opened the chapter have requested transitional arrangements concerning their contribution to the EC budget (Own Resources).

The *acquis* consists mainly of Community legislation which is directly binding on the Member States and does not require transposition into national law. The key requirement under this chapter is the creation of appropriate administrative capacity to adequately co-ordinate the calculation, collection, payment and control of own resources. All countries have made progress in this regard as they prepare for full application of the Own Resources rules by putting in place measures to co-ordinate the various actors involved such as customs and taxation authorities, national statistical offices and financial control bodies.

#### 2.2. Peer reviews and other additional monitoring actions

The process of developing the Action Plans has revealed a number of areas where there is a need for additional monitoring to properly assess each country's preparations. This includes areas where the Commission does not have all relevant expertise to judge the readiness of the candidate countries' administration, since implementation is largely up to Member States, and where the necessary information cannot be obtained through existing channels such as technical meetings. In such areas, the Commission draws on the expertise from Member States by organising peer reviews. Peer reviews are evaluation exercises in which experts from Member States and the Commission in charge of implementing and enforcing the *acquis*

in a certain domain, evaluate the level of preparation of, and formulate advice for, their counterparts in the negotiating countries. Similar peer review mechanisms also exist among EU Member States. The Commission's 2001 Enlargement Strategy paper indicated that peer reviews could very usefully complement other monitoring tools to deepen the assessment of the implementation of commitments made by the negotiating countries in the accession negotiations, and to identify weaknesses in administrative systems and capacity as well as potential solutions.

In addition to the ongoing peer reviews in the areas of financial services, mutual recognition of qualifications, nuclear safety (under the auspices of the Council), Justice and Home Affairs, payment systems (under the auspices of the European Central Bank) and customs, on the basis of the analysis in the context of the Action Plans, peer reviews are now being organised in a range of further areas. These concern in particular the following issues: Rapid Alert Systems for Foods (RAFSS); NFoods (including GMOs); data protection; food processing establishments, border inspection posts and bovine databases; various issues related to the implementation of the common agricultural policy, including IACS; the functioning of labour inspectorates (through the Senior Labour Inspectors Committee); epidemiological surveillance and the control of communicable diseases; postal services; a range of subjects in the environmental domain; general product safety; and the implementation of the dual use goods regulation.

Besides these various peer reviews, the analysis of the Action Plans has led to, or confirmed a number of other, monitoring actions. Thus, the Commission services are undertaking assessments of negotiating countries' implementation and enforcement capacity in the non-harmonised area related to the free movement of goods and the freedom to provide services; on intellectual property rights; anti-trust and state aid; maritime safety, road and railway transport; taxation; statistics; the internal energy market; and public internal financial control. The Commission services are also organising the monitoring of the telecommunications services market in the negotiating countries, as well as IT assessments for taxation and customs, and are ensuring follow-up to the Joint Assessment of Employment Policy Priorities. Further, the Commission's Food and Veterinary Office is undertaking a range of assessment missions, including on TSE and establishments, and bilateral contacts are taking place between the Commission services and each negotiating country on the elaboration of the development plan for the implementation of the Structural Funds. Monitoring of the implementation of pre-accession instruments, including the Extended Decentralised Implementation System (EDIS), continues.

The results of these additional monitoring actions will be an important source, not only in the monitoring of the negotiations, but also for the preparation of the Commission's 2002 Regular Reports.

### 3. CONCLUSIONS

As shown above, negotiations are progressing satisfactorily and negotiating countries are generally meeting their commitments in the negotiations up till now, in accordance with the agreed timetables. Some areas requiring particular attention, such as, *inter alia*, food safety and the management of Community funds have been identified under the various chapters. These are related both to the adoption and implementation of the *acquis*. It is important that negotiating countries take all necessary corrective measures to remedy these problems, and ensure that they meet all the commitments in due time. The Commission will continue to closely examine these issues.



The Commission will provide a detailed assessment of each country's effective progress towards meeting all accession criteria in its 2002 Regular Reports. Furthermore, the Commission will continue the monitoring process up until the actual accession of the new Member States.

After accession, as indicated in the Commission's 2001 Enlargement strategy paper, "the Commission will check, in its role as guardian of the Treaties, how the acquis is implemented by the new Member States, using the same mechanisms applied to existing Member States."

Meanwhile, the process of developing comprehensive Action Plans with each of the negotiating countries has allowed to identify jointly with each country concerned the next steps to be taken for achieving the necessary administrative and judicial capacity by the time of accession, and to set out detailed work programmes. It is important that candidate countries make full use of the opportunities offered by the Action Plans, and speed up their efforts along these lines.

All Member States are expected to adjust regularly their administrative capacity to the evolving needs of the acquis. Building up an adequate administrative capacity is a process that will not end with accession, but will need to continue beyond. This demonstrates the importance of the Commission's proposal to give further support for this purpose to the new Member States after accession, through a special transition facility.

0171 270 0201



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**FACSIMILE TRANSMISSION**

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Tim Summers	COAS	By hand
Claire Smith	COAS	By hand
Tom Dodd	CO	By hand

Comment:

**CANCELLATION - PAKISTAN CABINET OFFICE MEETING: THURSDAY 13 JUNE AT 2.30 PM**

Due to the current circumstances, it has been decided to CANCEL Thursday's meeting. A further date for the meeting will be considered later in the month.

file (matrix)



10 DOWNING STREET  
LONDON SW1A 2AA  
020 7930 4433

30 May 2002

Dear Ivan

### ENLARGEMENT: NET CONTRIBUTIONS

We will be looking again at the enlargement negotiations in ESG on 7 June. I think it would be a good idea to focus, in particular, on the issue of the candidate countries' contributions in year one.

When I was in Poland this week, the only issue that all the Poles I met wanted to talk about was the fact that all their calculations show that they will be net contributors to the budget in year one. I had expected the Poles to link this with direct payments but direct payments were hardly mentioned and certainly nobody took issue with my explanation as to why we were taking the line that we are on that issue. I took the line about Poland improving its absorptive capacity on the Structural Funds. They say that the best of the best from previous enlargements (Spain and Portugal) managed no more than 7% absorption in year one. So there is no way, even if they were to get their act together on a superhuman basis, that they could achieve absorption at a level that would put them in the black. They say that the Polish public is beginning to focus on this issue and their own position will be untenable if they have to say that Poland will be worse off rather than better off in year one, and potentially year two. What they would like is some sort of phasing of their contributions.

The Poles (and, indeed, the other candidates) have, of course, been helpfully advised by Commissioner Schreyer that part of their problem arises from their contribution to the UK abatement. There will be trouble down the track for us on this, but I think we simply have to say to our partners as much as to the candidates, that the *acquis* is the *acquis* and the abatement is as much a part of the *acquis* as anything else.

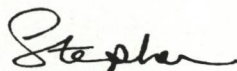
If the Spanish try and paint us into a corner on direct payments at Seville, then one way of dealing with it if we can would be for the Prime Minister (and, hopefully, Schröder) to be able to say unequivocally that we agree that the

candidate countries should be net beneficiaries in year one. I personally think that has to be the political reality and if we can say so clearly at Seville that will pull the rug from under the Spaniards' feet.

It would be very helpful before we meet in ESG if you could put round a note giving the figures for the candidates. We could also look at precedents for what has been done before in terms of phasing in of direct payments as well as comparisons with the absorptive performance of previous enlargements.

I am copying this letter to the other members of ESG.

Yours ever

A handwritten signature in cursive script, appearing to read 'J S Wall'.

J S WALL

Ivan Rogers  
HM Treasury

44 20 7273 3639

8



# Home Office

Organised Crime, Drugs and International Group

PETER STORR

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N K Darroch Esq  
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Foreign & Commonwealth Office

*Handwritten notes:*  
NL  
S.P.C.  
SW  
M.N.  
P.M.

24 May 2002

*Dear Sir,*

## EU ENLARGEMENT: THE ENDGAME

Thank you for your letter of 30 April covering an FCO paper with the invitation to comment.

I should like to echo your statement that there is only a very limited window before Copenhagen in order to work towards our objectives. I understand the importance of the effect of enlargement on CAP reform, and vice versa, and its substantial effect on the public purse. However, we should not overlook some of the wider implications of enlargement, including in the field of Justice and Home Affairs. The two specific issues I should like to raise are the state of preparedness of the candidate countries to participate in new measures allowing for closer co-operation in law enforcement such as the European Arrest Warrant (EAW); and the JHA implications of a united Cyprus.

You will know that there are a number of measures currently in the pipeline, which allow for closer judicial and police co-operation. The most wide reaching of these is the European Arrest Warrant in which, on current plans, the candidates will participate upon accession. After returning from his visit to Poland of 18 April, Bob Ainsworth wrote to Peter Hain relaying his concerns about the preparedness of the candidate countries to participate in the EAW. He noted that during parliamentary scrutiny, Home Office Ministers repeatedly encounter difficult questioning about the extent to which we can have full confidence in the judicial systems of the candidates, such as to dispense with



44 20 7273 3639

the safeguards of, for example, the current extradition procedure. The current concerns about the Greek judicial system, in the light of the planespotters case, is a foretaste of controversies to come.

To counter these criticisms and real weaknesses on the part of the applicants, we need consistently to take a strong line on the implementation of JHA and to engage the support of other Member States. In particular, with regard to your reference to Poland JHA, we would do well to have a united approach with our Schengen neighbours, as problems stemming from a porous Eastern border (trafficking in drugs, illegal migration) do not stop at ours.

Of course, we need to be realistic about what can be achieved in the run-up to the likely accession of the first ten candidate countries in 2004. We are not suggesting that the UK, a traditional champion of enlargement, should radically change its position. However, it would be practical and credible to use the remaining months to monitor closely the progress made by the candidates in the field of JHA, not going beyond the *acquis*, but focussing on their capacity effectively to implement the undertakings made in the negotiations. Failings brought to light in the monitoring process should then be raised at an appropriate level.

Finally, you mention the Cyprus issue and the three possible outcomes before accession. Whilst I do not disagree with your analysis, we should factor in the repercussions in fields such as JHA of each outcome. In the event of the politically preferable outcome - an agreed settlement by October - we must make sure that relevant measures and safeguards are in place. Northern Cyprus has not been assessed on its ability to implement the *acquis* and, in the event of the accession of a united island, we would be admitting a country which is a cause of particular concern as regards organised crime, particularly smuggling of drugs. Illegal immigration via Turkey also acquires a new route with no evidence of robust enforcement action. We should be ready to be proactive in suggesting mechanisms which would allow a united Cyprus to implement the *acquis* throughout its territory, should the first outcome arise.

I am copying this letter to Sir Stephen Wall and other members of ESG.

*Yours sincerely,  
Peter Storr*

PETER STORR



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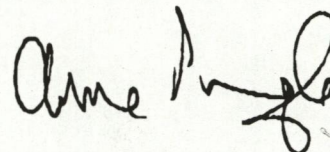
**MATRIX**✓ Cos  
EOLPS  
FAPS

From: Anne Pringle  
 Date: 27 March 2002  
 CC: Judith Gardiner  
 John Ramsden, CNWED  
 John Macgregor  
 Kim Darroch  
 Matthew Rycroft, No.10

Denis Keefe

**BENES DECREES**

1. Ramiro Cibrian (Head of the Commission here) rang me this morning about the Benes Decrees. He said that the recent discussions were unfortunate. EU integration should not proceed on the basis of World War II. The decrees were history. Verheugen was clear that they were not part of the Accession negotiations. Cibrian was concerned that "isolated voices" in the European Parliament were trying to stir things up and that Czech public opinion was being polarised because they felt there was no support for their position here. He was worried that no-one in Europe was saying anything publicly about the Benes Decrees, particularly the UK.
2. I said that we had deliberately not got embroiled in the discussions here. We had explained our position to the MFA. We were committed to a successful EU Enlargement in 2004. The Benes Decrees were indeed history and a bilateral matter for the countries concerned. The Czechs had welcomed our support: see for example Telicka's comments on the front page of Pravo today after his meeting in London. I told Cibrian that the Prime Minister would be visiting Prague next month, as would Straw. They would certainly be pressed on the Benes Decrees and would have an opportunity to repeat that line. That should suffice. I did not want to get embroiled in a no-win argument with the Austrians and Germans - or the Czechs - to no useful purpose.
3. Cibrian said he fully took the point. Our line was correct. He would leave matters there.
4. Today's papers lead on the Prime Minister's visit. It was inevitable that the Czechs would comprehensively leak the details including, in one case, the date. But they are putting an unhelpful spin on it that the Prime Minister is coming to Prague to "discuss the Benes Decrees". We should put the MFA and Zeman's office right on this. Clearly the issue will be uppermost in Zeman's mind after the furore with Schroeder and Haider. The Prime Minister will need very careful briefing, including on our role as a Potsdam signatory.



Anne Pringle

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(file)

# Report on the results of Focus Groups on EU Enlargement

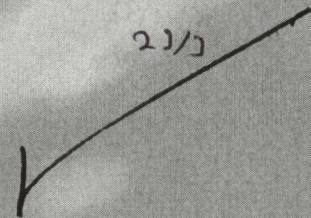
Rhine Münster

*This is worth seeing.*

*Not scientific but  
probably not far  
off the mark*

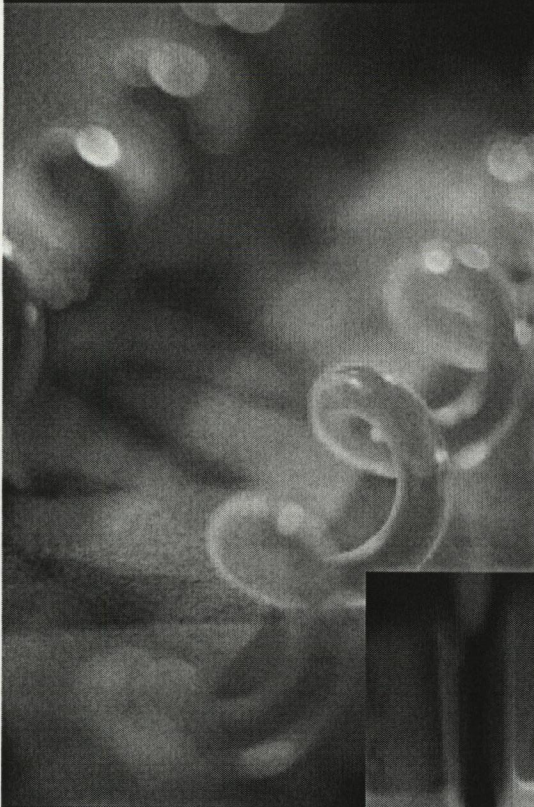
*Steph*

*2/1/03*



Conducted for the Foreign  
and Commonwealth Office.

**ICM**





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## 1. Introduction.

ICM were commissioned by the Foreign and Commonwealth Office to conduct exploratory research among members of the general public on attitudes to enlargement of the EU.

Four focus groups were conducted in two locations on 20<sup>th</sup> February 2002. Two groups were conducted in Watford and two in Redditch, Worcestershire.

Open conversation between people in a focus group is usually obtained if participants are similar in terms of their demographic profile and attitudes on the subject matter. In both locations ICM excluded from the groups people who said they are strongly in favour or strongly against Britain's membership of the European Union and included only those who said they tended to be in favour of membership or tended to be against membership. By this method we sought to include people with views on Britain and the EU while removing the risk of one or two people with strident pro or anti EU views dominating the discussion. ICM also excluded people who had no view on Britain's membership of the EU and those with no view on whether the EU should allow more countries to join. Simply, this is because we did not want people in the groups who are totally disinterested in the subject matter. The groups contained a mix of the two sexes. In each location one group was conducted among younger people (aged 24-45) and one group among people aged 46-64.

Group respondents included:

John. Married with 2 kids. A retired policeman  
 Joan. Widower and works in an antique shop  
 Jan. Married and works part time for social services  
 David. Married with four children. A builder  
 Caroline. Married three children and works for UCAS  
 Charles. Technical manager of lighting company  
 Malcolm. Retired with two grown up children  
 John. Runs minibus company. Married with two children  
 Vince. Works in print industry  
 Miriam. Works at Watford Hilton and had just had an argument with boyfriend  
 Heidi. Works in travel industry.  
 Terry. Works manager  
 Jim. Lorry driver. One son in the forces  
 Caroline. Retired with 5 grandchildren

ICM would like to point out to the reader that focus groups among such people expose the rational arguments about EU enlargement to the full force of the views of ordinary people. These are people who are, in effect, talking in private. In such circumstances the views may be expressed much more forcefully than may have been the case if they knew that senior people in the Foreign Office would read them. The writer has sought to reflect the force of feeling expressed in the groups, even though these views are in some cases ill-informed.

In the report, whenever quotations are used they appear in bold italics within quote marks.

## 2. One Minute Report

- The impression gained is that many people work on three tests for deciding which countries would belong to the EU: geographic, cultural and economic. Many seem to place the centre of their ideal EU somewhere on the Dutch/German Border. The further from that point, in kilometres, culturally or in terms of affluence, the less likely they were to consider the country as a suitable member of the EU.
- Overall, however, while geographic and cultural differences influence decisions on which countries should be allowed to join, it is the relative perceived strength of each candidate's economy that concerns people most.
- Most are confused about which countries are currently members of the EU and some think candidate countries are already members.
- It is hard to find any comments in the groups made spontaneously in support of countries being able to join the EU who are not already members. Even on the rare occasions when one person did mention any positive reason for allowing more members another respondent would follow up with a negative or sarcastic comment.
- Most group members had a vague idea that more countries want to join the EU but fewer could name any and many respondents were unsure where they are located.
- Almost all the candidate countries fail the tests set out for them by the respondents. They are imagined to be poor, populated by peasants and backward. Respondents think they will be a drain on EU resources and not contribute. Only Poland, Czech Republic, Hungary "*might have something to offer*", and the Baltic states.
- It would be very hard to underestimate the ability of ordinary people to understand the arguments for and against enlargement. It is as if they can only think of the operation of the EU in terms of a bank account, with money going in and being paid out. They want countries to join that will pay in more than they withdraw. Their other concerns are based on cultural and historical stereotypes and in some cases on bigotry against certain nations and the EU itself. Whatever positive case is made for enlargement we have to battle against a deeply cynical population, who believe we, in Britain, will be dragged along with the rest of Europe or end up losing out.
- The pamphlet, "Britain A Champion of EU Enlargement" is difficult for them to accept, given this context

*"They only believe 'themselves' this lot, sit there dream it up and they think it's right. This research you are doing now, will anyone take any notice of it, I don't think so".*

- The one argument advanced in the pamphlet that has any power to persuade respondents that enlargement would be a good thing is that it will enhance stability and security. Others are too complex to understand or cut across the logic of ordinary people.
- However, arguments against allowing more entrants were much more readily cited. Respondents think the EU is too large already, we will end up paying for them, enlargement will mean more bureaucracy and, crucially, more asylum seekers.

*“They all apply, just a touch (sarcastic)”*

- Most important is the asylum seekers issue. Respondents thought that asylum seekers would gain automatic right of entry. While some are proud of our benefits system, asylum seekers are perceived to be attracted to Britain by the NHS in particular, a world ranking health system already creaking under pressure. This thought made many much more hostile to the idea of new EU members. On its own this thought means that the discussion about new EU members moves opinion in totally the wrong direction.
- It may be intended that the pamphlet should be read by the general public or by experts. In as much as this pamphlet is intended to be read by ordinary people, these groups imply to us that communication might need to be simplified. What would have most impact are arguments about how enlargement will help us in Britain, not how it will help other people in the EU.
- Finally the concerns about asylum seekers cannot be ignored because these will emerge anyway. If the problem is tackled head on you could say something like “we will be taking on countries which have been held back but are growing rapidly and have very good growth potential, representing opportunities for UK businesses. By encouraging economic development in these countries we will also stem the flow of people wanting to come to Britain. Denying these countries entry to the EU, holding back these countries, will only encourage people smugglers”.

## 2. Knowledge of which countries are in the EU

Respondents were somewhat unsure which countries are currently members of the EU. Some reminded themselves that there were 15. After some thought and debate between group members most were named correctly.

Most confusion surrounded Norway as well as some of the smaller countries, islands and principalities:

*"I would have thought Luxembourg but I don't think they are. They are a bit independent aren't they"*

*"The principalities"*

*"I don't think Switzerland is"*

*"Not sure about Norway"*

*"Not sure about Denmark but they have got Euros 'cos I was there last week"*

*"Not sure about Iceland because it's a bit far North"*

The table below shows the countries mentioned by group respondents as being members of the EU and are numbered in the order they were mentioned. No real pattern emerges but countries that tend to be mentioned first are either the larger members (France Germany etc), countries that respondents have visited on holiday (e.g. Spain, Portugal, Greece) or countries that are in the news as benefiting from EU membership (e.g. Greece, Ireland).

The UK was mentioned as a member but was not at the top of the list and this may be attributable to individuals thinking first and foremost about other countries that belong to the EU. They may have thought they did not need to mention the UK. In most cases doubts about some member countries were expressed after the total number of the list exceeded the 15 members they already had in mind.

Countries mentioned by group members which respondents were unsure about in terms of EU status have a question mark inserted in the table.

As can be seen from the table a few respondents already think some applicant countries are members of the EU, e.g. group two respondents mentioned Turkey and Cyprus.

*Table 1. Members of the EU*

	<b>Group 1 Older Watford</b>	<b>Group 2 Younger Watford</b>	<b>Group 3 Older Redditch</b>	<b>Group 4 Younger Redditch</b>
France	1	2	5	5
Germany	2	6	2	3
Portugal	3	15	8	6=
Spain	4	3	4	10
Eire	5	1	3	2
Greece	6	9	1	15
Italy	7	5	7	9
Sweden	8	19?	10	6=
Norway	9?	18?	16?	7?
Denmark	10	14	12	14
Finland	11	13?	15?	13
Iceland	12?	-		
Belgium	13	4	11	12
Holland	14	7	13	
Austria	15?	12	14	4
Switzerland	16?	11?		8?
Luxembourg	17	10	9	11
Britain	18	8	6	1
Liechtenstein	19	21?		
Turkey	-	16?		
Cyprus		17		
Poland		20?		

### 3. Countries that should be in the EU

The groups were asked to imagine that the EU is being set up afresh and that they were responsible for deciding which countries should belong to the EU.

The impression gained from this part of the discussion is that many people work on three thoughts when deciding which countries should belong to the EU; geographic, cultural and economic. Many seem to place the centre of their ideal EU somewhere on the Dutch/German Border. The further from that point, in kilometres, culturally or in terms of affluence, the less likely they were to consider the country as a suitable member of the club:

*“Purpose is to codify how we deal with each other, and that’s the problem. The further south you go the less notice they seem to take of the rules, so the poor buggers up in the North stick to the rules and get shafted by the likes of Greece and Italy who, as a policy, bend the rules to suit themselves and milk the pool of money to suit themselves”*

*“It’s a cultural thing, the European Union is a northern European mentality”*

*“Some are sort of eastern European rather than sort of western European”*

*“Switzerland should be in because it’s in the middle of Europe”*

*“If Switzerland is in then Liechtenstein has got to be in too”*

*“Portugal is a bit iffy, sort of the poor man of Europe dragging everyone down, shit anchor”*

*“Greece should not be in but is”*

*“Greece, too far away, appalling human rights record ain’t they”*

*“Attitudes to corruption”*

*“The ones that are similar, have similar cultures and beliefs, once you go to Russia or Turkey, they have different cultures, principles, political and ....”*

Younger people interviewed in the focus groups had somewhat more difficulty deciding what the criteria ought to be for joining the EU and some even thought that any country that wants to join should be allowed in. Attitudinally perhaps younger people are more willing to accept new ideas and ways that countries may co-operate than are older people. Nevertheless, many younger people were more inclined to think in terms of the EU being fundamentally a Western European grouping.

Overall, however, while geographic and cultural differences influence decisions on which countries should be allowed to join, it is the relative perceived strength of each candidate’s economy that concerns people most. One person said simply that we should allow in “all the wealthy ones with stable economies”. Comments below, by their number and strength of assertion signify that economic concerns are foremost.

*“Poor ones will drain the economy”*

*“If they have a poor economy they should not be allowed, we have got enough liabilities”*

*“We will have to put more in, for them to take out - sort of thing-, we are just working harder for them”*

*“We don’t look after our own”*

*“Danger of opening up trade barriers, cutting our own throats”*

(Keep out) *"Unstable countries, poor countries, ones that are going to take out more than put in"*

*"They got that way on their own so why should we help them"*

*"We only want the wealthy ones".*

*"We have got enough now that we are helping without getting more"*

(Keep out) *"A poorer country that will drag us down"*

*"We will just prop up the poorer countries"*

*"They still plough the fields with oxen an things like that don't they"*

*"I don't agree, (that Italy should be included) their economy is not great"*

(Italy) *"Dodgy", "Unstable economy, government and people". "Take out more than they put in"*

When discussion developed another concern emerged, that cheap labour in candidate countries might mean jobs are moved to take advantage of this, thereby impoverishing more affluent areas of an enlarged EU:

*"The only 'advantage' to Britain is to export jobs and "get things done cheaper"*

One comment made at this time sets out a concern that emerged more forcefully later in each group:

*"We are paying out for people already. Here is an illustration, that place they built, cost millions and burned down, you know, I mean, its just ridiculous isn't it. That was built for them to be housed and they shouldn't be here in the first place"*

Some comments by group members reflect historical animosities between European countries, as well as past military allegiances and alliances in the Second World War. Some would allow entry to the EU on the basis of their perceived allegiance to Britain. Others would want to include countries that they feel would stick together in times of international crisis. The response to September 11<sup>th</sup> was seen as such an occasion, but one may wonder about how such attitudes may change if other instances arise when there is a divergence between EU countries.

*"Germany I suppose(should be included) but I don't know, I suppose it goes back a long way, I am not very keen on them"*

(Allow in) *"Those who militarily would not be 'with us'"*

*"Cyprus because it is in the continent of Europe, and we have got troops there"*

*"Main factor is the military situation, would they be with us in a war"*

The group of older voters interviewed in Redditch were most rabidly anti-EU. This made them reject membership of the EU for many countries. In particular they rejected France because France rejected membership by Britain in the past, although they went on to say that they felt France had done Britain a favour by keeping us out of the EU. But younger people in Redditch were also somewhat hostile to the idea of France joining because they perceived the French to be wreckers of any international co-operation. This younger group could think of no good reason to keep any present members of the EU out of the new hypothetical EU except Greece, which they saw as being somewhat poor and too far away from the centre of the EU.



Table 2. Countries that should be in a new EU.

	Group 1 Watford Older	Group 2 Watford Younger	Group 3 Redditch Older	Group 3 Redditch Younger
France	1	3	NO	NO (Wreckers)
Germany	2	4	1	All Others should be In EU
Switzerland	3	10		
Holland	4	8		
Belgium	5	9		
Spain	6	2	3	
Italy	7	6		
Denmark	8	14		
Sweden	9	11		
Austria	10	5		
Norway	11	12		
Britain	12	1	4	1
Portugal	-	7		
Finland	-	13		
Ireland	-	15	2	
Greece				NO

#### 4. Reasons why we should let other countries in

It is hard to find any comments in the groups made in support of current non-EU countries being able to join the EU. Even on the rare occasions when one person did mention any positive reason for allowing more members another respondent would follow up with a negative or sarcastic comment.

- “Free trade, harmonise subsidies, new markets, more competitive industries”*
- “At the start there may be more for them to gain out of it, but why should that be a reason to not let them in”*
- “I might be wrong but the purpose of this organisation (the EU) is to prop countries when their economies falter”*
- “Reason to let them in is to help them”*
- “Yes, that is what we always do isn't it”*

As previously stated all the positive comments were made by younger people.

Most respondents could not think of any reason to let other countries join the EU and would judge all potential entrants on the basis of whether they add to wealth or are a drain on resources:

- “Can't really think of anything”*
- “Good question, why should we?”*
- “Exactly, why should we?”*
- “First question I would like to ask is what do they have to offer?”*
- “If they could put something into the EU then let them in, if they are going to be hangers-on, then no, sorry, stay on your own”*
- “They might have a commodity or quality that may be valuable to us”*
- “If they struck oil in Slovenia then let them in, 'cos they would be rich then”*

Particularly euro sceptic respondents could not see any reason why any country would want to join the EU.

- “Do we know why they want to join?”*

## 5. Countries applying to join

Most group members had a vague idea that more countries want to join the EU but few could name any specifically. Many respondents confused the names of individual countries with their exact geographic location. For example the Baltic States were confused with the Balkan States and with areas in the former Yugoslavia. The table below shows the countries named by respondents and the order in which they were mentioned in each group.

	Group 1 Older Watford	Group 2 Younger Watford	Group 3 Older Redditch	Group 4 Younger Redditch
Hungary	1			7
Turkey	2	5		5
Estonia	3	1	4	
Bulgaria	4			11
Cyprus	5	6	7	6
Something "Stan" Uzbekistan or something	6			
Czech Republic				3
Latvia		2	3	10
Lithuania		3		10
Estonia				10
Malta		4	6	4
Poland				1
Romania			9	
Slovakia				12
Slovenia				13
Macedonia		7		
Albania			1	
Yugoslavia			5	
Croatia			2	8
Norway			8	
Russia				2
Israel				9

Respondents were able to put candidate countries into groups they thought of as being similar to one another. The main groupings were the Baltic States, former Eastern Bloc countries, and Mediterranean countries and islands. Because some respondents were geographically challenged, the impressions they had of some countries are completely misplaced. Therefore the following comments are somewhat general.

**Eastern European or Eastern Bloc.** (For most people Hungary, Poland Romania and Bulgaria, Czech Republic and in some cases former Yugoslavian republics)

These countries were generally thought of as being poor and associated with refugees, asylum seekers and gypsies.

*"They want to get over here"*  
*"They would all come"*  
*"They are Slavic"*

If these countries were to be characterised as a person they would be:

*"A gypo"*  
*"Wombles, Uncle Bulgaria"*  
*"Agricultural types"*  
*"Peasants"*  
*"Farmers"*  
*"No table manners except they wouldn't have tables"*  
*"Run by the Mafia"*  
*"Empty supermarkets"*  
*"Bloody peasants ain't they"*  
*"40 year olds who look 60"*  
*"Still driving around on a horse and cart"*

One respondent thought that the Poles are *"hard workers"*. Another, perhaps thinking of the Second World War thought the Poles are *"Pro British"*. Most of the comments that follow relate to Poland but some respondents were probably thinking more generally about eastern European countries:

*"Gorgeous women"*  
*"Square necked"*  
*"Intense and lacking a sense of humour"*  
*"Studios"*  
*"Hard workers"*  
*"Industrial working nations"*  
*"Poland is very up-and-coming"*  
*"Fought with us in WW2"*  
*"Would be good for Europe"*

One person was concerned about the applications to join being made by the Czech Republic and Slovakia.

*"Czech Republic and Slovakia can't even get on with one another"*

A few people thought that Hungary is perhaps a bit more affluent and civilised than the others. Poland was imagined to be rather like poorer parts of Britain, *"working class"*. Romania is associated in particular with *"gypsies"*, *"babies"* and *"Dictators"*.

**Baltic States.** Estonia, Latvia and Lithuania were sometimes placed much further east or even in Yugoslavia. A few perhaps recall that these states were in the thick of things during the Second World War:

*"They are that way (pointing East)", "War torn countries, they have had it"*  
*"Where are all the refugees from?"*

*"Quite poor"*  
*"Same as everyone else but with an accent" (Pro enlargement respondent)*  
*"Not as educated as us"*  
*"Know how to use a gun"*  
*"Peasantry"*  
*"Wonderful farming country"*

Those who obviously did know the geographic location of the Baltic States were perhaps somewhat more balanced in their assessment:

*"Poor but held back by Russia"*  
*"Quite a cultural heritage"*  
*"But are we going to have to support them while they build themselves up"*

**Mediterranean Countries and Islands.** Malta, and Cyprus and in some cases Turkey and Greece. Malta and Cyprus have historic links to Britain but for some the animosity between the two parts of Cyprus confused them.

*"They don't like each other do they"*

Malta is placed in the same group as Cyprus but is also seen as small and insignificant.

*"Malta is just nothing is it"*

When respondents were asked to think of Turkey as if the country were a person, the following comments were made ....

*"Hairy"*  
*"Basic personal habits, dicey on hygiene"*  
*"Dangerous race, they would slit your throat as soon as look at you"* (perhaps linked to football supporters)  
*"Vicious". "Goes back to Galipoli"*

On a more positive note, one respondent thought Turkey is a country *"Going in the right direction"*

**Cyprus.** *"Quite English", "Emva Cream", "Holidays"*. As a person, a Cypriot for many would be on a par with a Turk or a Greek but they are *"all womanisers"*. Some thought a Cypriot would be *"more trustworthy than a Turk"*. But confusion was sown in the groups by the thought that Cyprus is split between Turks and Greeks. They wondered which part of Cyprus would be applying to join and could not see how membership of the EU would be compatible with being in a virtual state of war with one another.

## 6. Favourites for entry

It is economic criteria that most respondents think is paramount when considering which countries should be allowed to join the EU. Therefore, it is not surprising that the countries perceived to be most affluent are favourites for inclusion. The countries mentioned include Poland, Czech Republic, Hungary *"might have something to offer"*, and the Baltic states.

*"Hungary is rich"*

*"Unless they can bring something to the table they should not be allowed in"*

Cultural differences are already perceived to exist within the EU. Some respondents think that perhaps one or two cultural *"steps"* would span the whole EU. In this context, for some, allowing in more countries means the span would be three cultural steps and *"three steps is a step too far"*. Another respondent said *"they are just too far behind us"*.

## 7. Pamphlet

It would be very hard to underestimate the ability of ordinary people to understand the arguments for and against enlargement. It may be that the pamphlet was written with a different, more enlightened audience in mind. However, for ordinary people some of the terms are simply too complex, an example being GDP. The impression created is that respondents could only think of the operation of the EU in terms of a bank account, with money going in and being paid out. They want countries to join that will pay in more than they withdraw. Their other concerns are based on cultural and historical stereotypes and in some cases on bigotry against certain nations and the EU itself. Whatever positive case is made for enlargement we have to battle against a deeply cynical population, who believe we, in Britain, will be dragged along with the rest of Europe, or somehow lose out.

We also have to remember that EU enlargement is hardly likely to ignite serious or reasoned debate in many UK households. It is perceived as boring.

This dictates that promotional literature must be very simple and direct and use language ordinary people will understand. "Britain A Champion of EU Enlargement" is therefore difficult for them to comprehend.

*"They only believe themselves this lot, sit there dream it up and they thinks its right. This research you are doing now, will anyone take any notice of it, I don't think so"*

*"They print all these things and they are really a waste of money aren't they"*

*"Britain, a champion of EU enlargement, Ha, Ha"*

*"I'd like to know their reasons for enlarging it"*

Initially many liked the look of the pamphlet and said it was attractive. However, it also contains too many words, few if any thought they would read it. The map was useful for most as it allowed them to see where the candidate countries are located but the map does also reinforce geographic considerations.

*"Turkey just goes so far over doesn't it"*

Group respondents were then taken through each of the top ten benefits of enlargement set out in the pamphlet and asked to comment on them.

### A. More prosperity

Very few understood what GDP stands for or means.

*"Haven't a clue what it means"*

*"It means Gross Domestic Product"*

*"Ah well, there we go then"*

The main problem with big numbers is that most people cannot relate to them, they lack any perspective. 11 billion euros is just a big number, but no one in these groups

would be able to place it in any kind of context. Other figures in this paragraph seem very small:

*“£1.75 billion, that’s nothing”*

*“300,000 jobs is absolutely nothing, that is just one car factory in Luton”*

The second important point about this paragraph is that it contains words or phrases that weaken its impact considerably. Adding jobs in ‘EU Member States’ does not say how ‘we’ will benefit. ‘Research suggests’ that GDP ‘could’ increase, and other research that ‘estimates’ extra jobs will be created are statements that do not reassure sceptics, they reinforce their unease:

*“Could increase GDP, doesn’t say it will”*

*“Doesn’t say it will create any jobs in this country, probably means Spain where it is cheaper to produce things”*

It is harsh to write, but unfortunately true that this statement failed to convince anyone in the groups. Some even thought the reverse would happen or at best nothing would happen:

*“We will just export jobs, the opposite”*

*“Another way of moving money around and making it look good”*

Overall, the statement was perceived by them to lack clarity and simplicity:

*“You would have thought they would explain it wouldn’t you”*

*“Candidates? You think what’s all that then”*

As one respondent pointed out:

*“They need to write like an idiots guide, for me”*

Another respondent reflected on the experience of the unification of Germany and came to the conclusion that taking on new and poorer members would have a negative impact:

*“When Germany took on the East it really dragged their economy right down didn’t it”*

To summarise the views of the groups:

We *“don’t believe this argument, not at all”*

## **B and C. Opportunities for consumers and More trade**

Most respondents were pessimistic that we in Britain will actually benefit:

*“Don’t believe it”*

*“In theory there should be more trade but it won’t happen will it”*



*"All that will happen is that products will be made by lower cost producers and still be sold to us at the same price"*

*"We were told when we had oil that it would be cheaper but it isn't is it"*

*"Hasn't happened with the ones in the EU already has it"*

*"Cheaper cars, supposed to have that already"*

The over-riding feeling of respondents was that no change in the EU will benefit Britain. Thereafter some respondents started to focus on more particular arguments raised in these two reasons given for why Britain should champion enlargement. In particular, some have trouble imagining what could be included in a "wider range" of goods and services than is presently available in the EU:

*"What do they get in Romania that we can't get here?"*

*"Babies and refugees"*

*"We like their wine but we still have to pay so much for it"*

When respondents focus on the argument that enlargement will mean more trade, again pessimism resurfaces:

*"One way then"*

*"We haven't got a lot of things to trade any more"* (reference to manufacturing)

Furthermore, in as much as larger markets may be opened up to UK companies, one respondent wondered what actual benefit would accrue:

*"Some hairy Turk in the back of beyond, they are going to buy a computer aren't they"*

Not surprisingly many had difficulty understanding what a "Single Market" is and others therefore wondered what the benefit is to have a market that is bigger than the USA:

*"Bigger than the USA, so what"*

## D. The fight against terrorism (Closely linked to Combating international crime)

Many feel that despite the intention to reduce crime the opposite will happen. Most concern centres on the opening up of borders:

*“Contradictory because it says new opportunities to travel, a lot more freedom to travel, and some of them that want to join are quite unstable and generate more terrorists anyway”*

*“That is absolute rubbish, you open up the borders and make it far easier for people to move from one country to another”*

*“Why do you have to be a member of the EU to share intelligence?”*

*“As an ex-police officer, the information trade between counties in the UK is pathetic, the information passed across Europe is going to be absolute crap”*

*“The more countries the easier it (terrorism) will be”*

## E. Combating international crime

The feeling of many was that we would only be successful in combating international crime if the whole of Europe has common laws. Again the lack of effective border controls within the EU (or enlarged EU) make most people feel that international crime will be made easier not more difficult:

*“But drug trafficking and people smuggling is going to be easier”*

*“Like plane spotting in Greece”*

*“Same concerns apply”*

*“Opening up borders will stop drug trafficking will it?”*

*“I would think it would make it easier”*

One detail from the text that caused confusion was Europol which meant very little to the people of Watford and Redditch:

*“What is Europol?”*

*“Europol, is that the brother of Interpol, never heard of it”*

## F. Enhance stability and security

The best positive argument on the page:

*“That is fair enough, so we have got one good one (argument) in a row”*

*“Hasn't been a war, if that is stability I suppose ..”*

*“It's true really”*

## G. A cleaner environment

Having read through this argument the latent cynicism crept back into the conversation. Whatever new rules are announced by the EU and forced on Candidate

Countries, most people felt that these rules would be unworkable or would not be obeyed by some countries:

*"They are implementing rules, like on our fridges, but then they can't think what to do with them"*

*"Others will break the rules"*

## H. A louder voice in the world

Ordinary people have a lot of difficulty with this argument. Some were inclined to shrug their shoulders and say "so what":

*"Irrelevant, so what"*

*"Why do we have to be in competition with the States"*

Others felt that Europe does not speak with one voice anyway, so having a greater number of countries would not increase the power of our voice in the world or the likelihood that the EU will stand together in times of crisis:

*"Last time we had a trade argument with the US we had to back down"*

*"If people want to go to war with you they are going to think twice, but does the EU always stand together?"*

*"(EU) Has no punch, because they are not united and have their own views"*

## I. Democracy and human rights

Initially, some younger respondents reacted positively to this argument but concerns soon surfaced. Some respondents felt that human rights and respect for minorities are not positive features of the existing EU states or even in Britain:

*"Good thing"*

*"Mmmm, a good thing but can they implement it"*

*"But human rights and respect for minorities, that is hardly something we can brag about"*

*"That excludes most of them"*

## J. Motor for EU reform

The statement reads as follows:

"Enlargement prompted the Agenda 2000 package of internal policy reforms agreed at the Berlin European Council in 1999, and the international reforms agreed at the Nice European Council in December 2000. It will provide pressure for further reform to improve the effectiveness and transparency of the EU."

Here is what respondents had to say about it:

*"That is gobbledegook"*

*"That paragraph makes no sense"*

*“Can we read that again”*

*“What does that mean?”*

*“What does transparency mean?”*

*“I wonder who thought all this out?”*

Not one respondent had any knowledge of the relevant meetings. They therefore mean nothing to ordinary people:

*“Must have missed that one”*

So, overall, the only argument advanced in the pamphlet that has any power to persuade respondents that enlargement would be a good thing is that it will enhance stability and security.

## 8. Reasons we should not let more members in

We also gave respondents some arguments that could be used by opponents of enlargement as reasons why we should not allow more members into the EU. Almost all of these had more impact on respondents than the positive arguments for enlargement:

### A. Too large already

*"One of 15 and we have more voice than if we are one of 27"*

### B. We will have to pay for them

*"Yeah"*

*"Obviously"*

*"But why shouldn't we" (younger respondent)*

*"And why should we" (older respondent)*

*"That is a show stopper isn't it"*

### C. More bureaucracy

*"What more than there is already?" (Sarcastic. i.e. there couldn't be more bureaucracy)*

### D. More asylum seekers (except they won't be called asylum seekers any more)

*"They can just walk in can't they"*

*"Why do they want to come here?"*

*"We don't need them no more"*

Some concerns about asylum seekers centre on concern for social services that are already perceived to be at breaking point. In particular most think very highly of the NHS. It is seen as one very important reason why so many people from poorer parts of Europe want to come here:

*"We are a soft touch"*

This thought persuaded some respondents to imagine that we would have to restructure our own social security system and health service to make Britain only as attractive as other members of the EU. This thought made many of those initially in favour of allowing more entrants much more hostile:

*"They won't be asylum seekers, they will be able to come anyway"*

*"They come here because they get given a lot more money"*

### E. Loss of sovereignty

*"That went years ago"*

*"Managed that already"*

When asked to consider all the arguments against joining all appeared to be powerful reasons not to allow any more members.

*"They all apply, just a touch"* (sarcastic)

This reaction is in stark contrast to the arguments advanced in the pamphlet, almost all of which were questioned by almost all respondents (except perhaps some of members of the younger group in Watford).

## 9. Scale

Respondents were given a scale (the layout is shown below) at the outset of the discussion and were asked to position themselves on the scale to indicate how they felt about allowing more countries to join the EU. Having completed the discussion they were asked to repeat the exercise.

Allow more countries to join the EU					Don't know/unsure	Allow no more countries to join the EU				
←	←	←	←	←		→	→	→	→	→

Among older respondents, ten had not changed their views over the course of the discussion, most were hostile at the outset and remained so.

Only one older person moved one position and became slightly more positive to the idea that more members should be allowed into the EU, and one moved two places in a more positive direction. However, three people moved one point in a more hostile direction and one person moved four places and became much more hostile to the idea that other countries should be allowed to join.

Younger respondents started the discussion being somewhat more positive to the idea that more countries should be allowed to join but only one person grew more positive over the course of the discussion, moving in a positive direction by four places on the scale.

But most moved in a negative direction, two moved one place towards not allowing any more countries to join, three moved two places, one moved four places four moved five places and one moved six places out of a total maximum movement of ten places (from the left hand extreme of the scale to the right).

The movement is almost all accounted for by fears that asylum seekers will flood the UK.

## 10. Ideas to Promote New Members

Although it is not a subject many of the people in the groups had thought about in any detail prior to the research, enlargement is nevertheless something that they discussed seriously in the groups and had very real concerns about. Given the very low level of understanding of the issues, and the fears born out of historical animosity, hazy geography and current problems with asylum seekers, serious consideration has to be given to the fundamentals of enlargement and how best to introduce the idea to the British public.

*“Got to back a stage before we can move forward”*

*“Groups like us, they have got a fat chance don’t they”*

*“Go back to basics”*

By these comments people mean they want to be told simply and clearly why allowing membership by Candidate Countries would be good for Britain. They are already aware of some of them from holidays they have taken or from snippets of information such as might be provided on the Eurovision Song Contest. But more thought needs to be given to the problem of how best to communicate key facts, simply and in a way that makes such information understandable to those who, for example, don’t have a clue what GDP means.

It is fairly clear from these groups that ordinary people need to be educated about the various Candidate Countries and why people here in Britain will benefit from their inclusion within the EU.

This communication could be direct, for example via simplified fact sheets or via the media. If people were to be able to read a series of short articles in their newspaper for example, showing each country in turn, a map, pictures of relatively wealthy shopping streets, simplified graphics showing the size of a Candidate’s economy in comparison to Britain and interviews with people from these countries explaining that they consider Britain as a friend, it may help break down the views currently held, many based on very limited knowledge and historical stereotypes.

It is also hard to escape the finding also that sensitive issues such as asylum seekers will need to be addressed.



RESTRICTED



10 DOWNING STREET  
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to Paris + UK  
11/3/02  
**FAKED**

11 March 2002

Dear David,

**ENLARGEMENT: FRANCE**

Thank you for your interesting letter.

Have there been any recent echoes of what Jospin said at the Anglo-French Summit in November, and Strauss-Kahn to us when he was here a few months ago, namely that this is an enlargement for which the candidates are totally unprepared and (in Strauss's case) had to be delayed? He was quite explicit on the point. When we said "too late for that", he replied "never too late". Is this just wishful thinking on his part or something serious?

I am copying this letter to members of ESG and Alex Ellis (FCO).

Yours ever,

A handwritten signature in cursive script that reads "Stephen".

**J S WALL**

David Frost  
Paris

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