

IMPORTANT LEGAL NOTICE - The information on this site is subject to a [disclaimer](#) and a [copyright](#) notice.



Europa

en

The European Commission

Enlargement

Enlargement

SELECT A COUNTRY

Countries

Topics

News

Library

Contacts

Enlargement Weekly

02 July 2002

Welcome to Enlargement Weekly. This weekly bulletin provides an overview of where European Union enlargement has got to, who's doing what in the EU, in the institutions and candidate countries, and how the main challenges are being met. [[Previous issues](#)]

Articles this week

- ★ [Negotiations at end of Spanish presidency focus on agriculture](#)
- ★ [Denmark to make a priority of Enlargement](#)
- ★ [EU medicines industry seeking additional accession conditions](#)
- ★ [Enlargement News in Brief](#)
- ★ [Enlargement Agenda](#)

NEGOTIATIONS AT END OF SPANISH PRESIDENCY FOCUS ON AGRICULTURE

In the closing hours of the Spanish Presidency, all the candidates currently in negotiation except Bulgaria held talks with the EU in Brussels on June 28 at what is termed deputy-level (that is, candidates' chief negotiators and the member states' ambassadors to the EU). The talks, which focused mainly on agriculture, offered a last-minute opportunity to clear some of the remaining details out of the way so that the incoming Danish Presidency can focus to the maximum on the sensitive finance-related issues of the agriculture chapter, and the equally delicate talks on structural funding, budgets, and institutions. In addition, a number of specific chapters were closed with three candidates, with Estonia closing the Taxation chapter; Malta closing Fisheries; and Romania, the Economic and Monetary Union chapter.

- See [here](#) for an updated table of the situation in the negotiations

DENMARK TO MAKE A PRIORITY OF ENLARGEMENT

Finishing accession talks with an expected ten countries will be a key priority of Denmark which takes over the EU Presidency from Spain on July 1. Danish permanent representative to the EU Poul Skytte Christoffersen said in Brussels on June 25 that efforts will be focused on closing the difficult chapters on agriculture, regional aid and budgets, with their major financial implications.

But before then, in the first two months of the Presidency, the aim will be to conclude the dozen or so "left-over" chapters which the ten candidates aiming to complete negotiations this year have yet to close - including the sensitive competition chapter, with its impact on state aid.

In September, the countdown will start on preparing EU negotiating positions on the financial chapters. The EU Committee of Permanent Representatives - the member state ambassadors to the EU - should be in a position to pass these on to foreign ministers at the General Affairs Council of October 1. The result should be adoption at the Brussels European Council scheduled for October 24-25. This Council should also, in Denmark's view, define how many countries the EU will try to conclude negotiations with by the end of the year.

After that, "non-stop, round-the-clock negotiations" can start, so that by the December 1 Copenhagen Council, the EU will have "broadly concluded the negotiations" - with just "a few points left for the Council". Denmark will also ensure that Bulgaria and Romania get "increase pre-accession aid" - along with any of the "Laeken ten" that might not be able to conclude negotiations this year. Copenhagen should confirm that talks will continue until they are completed with these countries - and a commitment will be sought from the candidates that will accede first that they will not block the entry of subsequent new members.

See The Danish Presidency web site on <http://www.eu2002.dk/EU2002/main/>

EU MEDICINES INDUSTRY SEEKING ADDITIONAL ACCESSION CONDITIONS

European manufacturers of innovative medicines want the EU to reopen the accession negotiations on pharmaceuticals, to avert what they claim is a serious risk of swamping the European Union market with cheap versions of leading products. The European Federation of Pharmaceutical Industries and Associations said during a workshop it organised on EU enlargement in Bruges on June 26 that unless some additional mechanism is introduced in the accession terms, the profitability - and hence the research ability - of the industry will be seriously damaged.

According to Dr Frank Morich, a senior executive of Bayer Healthcare, and chairman of the enlargement task force of the European Federation of Pharmaceutical Industries and Associations, an "economic derogation" should be inserted into the EU accession treaty to prevent re-export of products from new member states to existing member states. Medicines prices will inevitably be lower in the new member states, because of their lower GDP, the industry accepts. But it does not accept that products exported from the EU15 into the new member states should be re-imported into the EU15 as parallel imports. This would benefit only middlemen making their living by arbitrage on the differences between drug prices from country to country across the EU, says EFPIA.

The industry is already deeply concerned about parallel importing of medicines within the EU with wholesalers buying successful brands at low prices in Greece or Portugal, and reselling them in the UK or Germany, where prices are higher. The combination of free movement of goods and the tight control that most member states impose on national drug prices creates an easy opportunity for middlemen in the EU15, says EFPIA; the result, it says, is a loss in profit of more than 3 billion a year for leading companies, as their sales are eroded by cheap competition from their own products.

Without additional controls, current levels of such parallel trade will leap when new member states join the EU, says EFPIA. At the industry's instigation, the EU has already imposed tough terms on the candidates for intellectual property protection for pharmaceuticals. But the derogation negotiated is not enough to protect innovative capacity, EFPIA says. It is now arguing for urgent follow-up to one of the recommendations in the recent high-level Commission report on pharmaceutical competitiveness (the so-called "G10" report), which "recognises the differences between public health, marketing and economic conditions between existing Member States and the accession countries" and recommends that "a derogation governing parallel imports should be included in the accession treaties".



KEY ISSUES



WHAT'S NEW



FAQ



MAIL-BOX



INDEX



SEARCH



INFORMATION



FEEDBACK

The industry says it supports enlargement, and wants to see public health as well as the economy improve in the candidate countries. "The research-based pharmaceutical industry in Europe supports accession for all candidates that are able to meet the criteria of membership," said Morich. "The enlargement of the EU offers historic opportunities", he went on, but he stressed also the "important challenges for both the European and candidate countries' pharmaceutical industries, which have to be carefully addressed".

- See the web site of EFPIA on <http://www.efpia.org>

Enlargement news in brief

Convention hears voices from outside

The latest session of the European Convention on 24-25 June was devoted entirely to dialogue with representatives of civil society. Some 400 organisations had come together over the weeks before the meeting to hammer out some common approaches, with eight contact groups set up to focus the debate: social, environment, academia, citizens and institutions, regions and local authorities, human rights, development and culture. Many of the organisations involved - such as church and youth groups - are already fully pan-European bodies representing people in candidate countries as well as the EU-15. There were presentations from 38 spokesmen from the contact groups, including four from the candidate countries.

Several common themes emerged across the different areas of expertise. The need to close the gap between the citizen and the EU institutions was often invoked, whether in the context of an improved say for regional interests or new mechanisms to enforce Subsidiarity. Many groups also saw a particular role for civil society in encouraging good governance principles in the Union, but also backed a more effective and streamlined EU with simpler decision-making procedures. A stronger underpinning of the Union's values, particularly equal treatment, was another common theme. One issue debated was whether cultural heritage should include religious values, with an interesting exchange between Convention members from Estonia and Turkey.

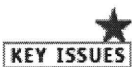
Some of the more sceptical voices in the Convention argued that the organisations chosen were not representative of the general thrust of EU opinion. But the Chairman of the session, the former Belgian Prime Minister Jean-Luc Dehaene, responded that the spokesmen accurately represented those groups who had chosen to take part.

EIB loan for Polish urban renewal

The European Investment Bank is to lend 200 million for urban renewal and energy-efficient social housing across Poland. The 25-year loan to the state-owned Bank Gospodarstwa Krajowego will help renovate dilapidated housing stock and build new energy-efficient rental housing in brown-field and urban renewal areas. EIB Vice-President Wolfgang Roth said: "Building and modernising homes is important as it should lead to a better quality of life for many Poles living in the country's more densely populated areas and will help improve and protect the environment." EIB is also granting 80 million for financing an urban expressway in Upper Silesia. Since 1990 EIB has lent more than 5 billion to projects in Poland, more than any other EU candidate country. Over 1 billion has been devoted to trans-European road and rail networks, and telecommunications, gas and other large industry schemes have also benefited. And small and medium-scale industrial investments as well as smaller energy and infrastructure projects are being furthered through credit lines (global loans) to commercial banks established in Poland. The EIB also helped rebuild infrastructure damaged during the 1997 Odra and 2001 Vistula floods.

New yearbook on candidate and south east-European countries

The EU's statistical office, Eurostat has issued a new yearbook on candidate and southern



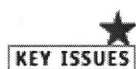
European countries. This 257-page yearbook contains detailed statistical tables covering population, education, research and development, social indicators, the labour force, national accounts, finance, agriculture, energy, industry and construction, retail trade and tourism, transport and communications, external trade and the environment. It also contains a new chapter on regional statistics. The data are mostly provided by the national statistical offices of the countries, and generally cover the 1996-2000 period.

OECD removes Hungary from black list

The just-issued annual report from the OECD's Financial Action Task Force on Money Laundering records the formal removal of Hungary from its black list of non-co-operative countries in the fight against money laundering - but says it will continue to monitor close future developments there. Hungary was the only EU candidate country on the list, which also includes countries such as Dominica, Myanmar, Russia and Ukraine. Hungary was placed on the list in 2001 because "serious systemic problems" were identified there, said the FATF even though Hungary had a comprehensive anti-money laundering system, it still suffered "major deficiencies" with the existence of anonymous passbooks and the lack of clear plans to address the problem. The Hungarian government had only decided that the opening of new anonymous savings books and the depositing on such savings books would be prohibited, as from EU accession. There was also a lack of information about beneficial ownership in Hungary, because of a requirement for financial institutions to identify the beneficial owners and to renew identification in cases in which it is doubtful whether the client is acting on his own account and no specific suspicious exists.

The June 2002 report says Hungary has now addressed the deficiencies, through legal reforms and concrete steps to implement them. "Since June 2001, Hungary has significantly enhanced its anti-money laundering regime. On 27 November 2001, Hungary enacted Act No. LXXXIII of 2001 on Combating Terrorism, on Tightening up the Provisions on the Impeding of Money Laundering and on the Ordering of Restrictive Measures. The law tightens customs identification by requiring the identification of the beneficial owner of a transaction and the renewal of identification during the course of a business relationship if doubts arise as to the beneficial owner. Most significantly, the new law abolishes anonymous passbooks by requiring registration, i.e. the identification of both the depositors and the beneficiaries. Existing passbooks must be converted to registered form. The legislation also extends anti-money laundering controls to non-banking sectors including casinos, real estate agents, and tax consultants." But in the future, the FATF "will pay particular attention to the conversion of anonymous passbooks into registered ones, the verification of written statements on beneficial owners of accounts, and the filing of suspicious transaction reports."

For the report, see the OECD web site at <http://www.oecd.org/EN/document/0,,EN-document-0-nodirectorate-no-12-31431-0,00.html>



Candidates welcome Seville conclusions

Most of the candidate countries expressed satisfaction at the outcome of the Seville summit mid-June, focusing on the affirmation of EU commitment to push forward on the Laeken timetable of accession for up to ten new members in 2004. Slovak Prime Minister Mikuláš Dzurinda said he was "satisfied" with Seville. So too did Cyprus' Foreign Minister Ioann Kasoulides. Hungary's Foreign Affairs minister Laszlo Kovacs welcomed the Summit suggestion that the accession treaty could be signed in the spring of 2003. And Poland's Prime Minister, Leszek Miller, said he was not afraid that there would be any delay: the incoming Danish Presidency's timetable is "fully satisfactory", he said. Slovenia's Prime Minister Janez Drnovsek also said he was "moderately satisfied". Outgoing Czech Prime Minister Milan Zeman said he was "not worried". And Romanian President Ion Iliescu expressed delight at the prospect of perhaps being given an accelerated timetable for accession at the Copenhagen Summit.

Slovenia satisfied at talks with Prodi



Slovenian Prime Minister Janesz Drnovsek said he won the reassurances he was seeking on accession to the European Union when he met European Commission President Romar Prodi and Enlargement Commissioner Günter Verheugen during his visit to Brussels on June 24. Above all, Slovenia wants treatment fully in line with the EU principle of "differentiation" in the accession process. As one of the best-prepared candidates, Slovenia has repeatedly argued that its accession should not be held up because other candidates are slower in preparing themselves. Drnovsek provided further clarification on the Slovenian position on the outstanding chapters of agriculture, regional policy and budgets, including a restatement of its insistence that it should be allowed to top up farmers' incomes from national resources after accession. He also restated concerns about the EU's chosen reference period for calculating agricultural production quotas for Slovenia after accession, and about difficulties the country will encounter on regional aid because of its small size.

Barnier salutes Polish progress on structural funds preparations

Michel Barnier, European Commissioner for regional policy, complimented Poland on its progress in preparing for regional funding via the EU when he visited Warsaw on 27-28 June. But he cautioned that further work is needed. He said: "This is my second visit to Poland and as far as regional policy and the future participation to the cohesion and structural funds are concerned, I am pleased to see that preparations have gained momentum. The new government has proved its commitment and its pragmatic approach. Nevertheless, in order to make progress in this area, much remains to be done. The coordinating role of the Ministry of the Economy needs to be strengthened and additional efforts should be made to put in place an adequate system of management and control. We also expect measures to reinforce administrative capacity including increasing staff at strategic level or improving quality of project management... If progress can be seen in the project pipeline, improving the quality of the tender procedures and accelerating the pace of payments remain a challenge". After accession, Poland will receive, between 2004 and 2006, more than half of the structural fund envelope allocated to new member states. Poland already benefits from pre-accession structural aid through the ISPA programme of assistance in the environment and transport sectors.

Wallstrom urges Cyprus to improve enforcement of environmental law

On a two-day visit to Cyprus last week, European Environment Commissioner Margot Wallstrom highlighted environmental law enforcement as the weakest link in the chain of Cypriot environmental protection. She congratulated Cyprus on progress in complying with EU environmental rules, but she stressed the need to avoid complacency. "As accession moves nearer we will be closely monitoring how Cyprus implements and enforces the environmental laws it is putting in place", said Commissioner Wallstrom. She called on NGOs, industry, municipalities and the public to work together to safeguard the Cypriot environment. During his first official visit to Cyprus, Wallstrom met President Clerides, agriculture and environment minister Costas Themistocleous, and chief negotiator George Vassiliou, as well as the House of Representatives environment committee and environmental NGOs.

Go-ahead for pre-accession farm aid for Poland

European Commissioner for Agriculture, Rural Development and Fisheries Franz Fischler last week signed a decision to confer the management of EU agricultural aid on the Polish authorities, so that Poland can now start implementing the SAPARD programme - which will give Poland 171.6 million each year. Payment of the first advance of some 40 million will go ahead immediately. It covers projects in improving processing and marketing of food and fishery products, investments in agriculture holdings, development of rural infrastructure, vocational training and technical assistance. "I am delighted that finally also Polish farmers will benefit from EU money to restructure and prepare for Poland's EU accession. I know the road to the SAPARD funds has been cumbersome. That is now history. What matters now is that the administration of the scheme, now in Polish hands, works efficiently. Poland should see the efforts made to properly manage and control the EU money as a down payment for enlargement. Upon accession, the SAPARD structures can be used for certain CAP policies

- ★
KEY ISSUES
- !
WHAT'S NEW
- ...
FAQ
- @
MAIL-BOX
- Az
INDEX
- ?
SEARCH
- i
INFORMATION
- IV
FEEDBACK

said Fischler. This decision means that Hungary and Romania are now the only two of the ten central and eastern European candidate countries yet to finalise their SAPARD programmes.

Agenda

See also the new "Enlargement events calendar" on the DG Enlargement web site . <http://europa.eu.int/comm/enlargement/events/calendar.htm>. This gives a run-down of public events related to the enlargement of the EU taking place in all current and future member states.

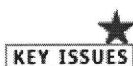
Date	Event
July	
Monday 1st	Start of Danish Presidency of the EU: the aim is to close negotiations before the end of the year with those countries that are ready. The Laeken summit noted that, if progress is maintained in the negotiations and in the reforms, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, the Czech Republic and Slovenia could be ready.
Tuesday 2nd	European Parliament holds a joint debate with the Spanish Presidency and the European Commission on the outcome of the Seville EU summit, Strasbourg
Wednesday 3rd	European Parliament debate on prospects for the Danish Presidency, Strasbourg
Thursday 4th	European Budget Commissioner Michael Schreyer receives the President of the west trans-Danube region in Hungary, Peter Marko, Brussels
Thursday 4th-Friday 5th	European Enlargement Commissioner Günter Verheugen visits Lithuania
Friday 5th	European Commission conference on enlargement from a local and regional perspective, Brussels
Friday 5th- Saturday 6th	"Riga 2002: The Bridge to Prague" - summit of NATO candidate countries, Riga
Thursday 11th-Friday 12th	European Enlargement Commissioner Günter Verheugen visits Poland Economic and Social Committee Joint Consultative Committee with Turkey, Erzurum

-  **KEY ISSUES**
-  **WHAT'S NEW**
-  **FAQ**
-  **MAIL-BOX**
-  **INDEX**
-  **SEARCH**
-  **INFORMATION**
-  **FEEDBACK**

Monday 15th-Tuesday 16th	European Enlargement Commissioner Günter Verheugen visits Hungary
Thursday 18th-Friday 19th	European Commission President Romano Prodi and Enlargement Commissioner Günter Verheugen visit Turkey
August	
Friday 16th - Monday 19th	Pope John Paul II visits Poland
September	
Friday 20th - Saturday 21st	Parliamentary elections, Slovakia
Autumn	
Details tbc	Slovenia presidential and local elections
September/October	
Details tbc	Self-governmental elections, Poland
October	
Wednesday 2nd-Thursday 3rd	Meeting of liaison officers from supreme audit institutions of the candidate countries and the European Court of Auditors, Luxembourg
Saturday 5th	Parliament elections, Latvia
Details tbc	Partial Senate elections, Czech Republic
Details tbc	Local governmental elections, Hungary
Sunday 20 October	Estonian local elections

-  **KEY ISSUES**
-  **WHAT'S NEW**
-  **FAQ**
-  **MAIL-BOX**
-  **INDEX**
-  **SEARCH**
-  **INFORMATION**
-  **FEEDBACK**

24th and 25th	Brussels European Council: enlargement will be on the agenda and the Commission's regular reports on the candidate countries may be available.
November	
Details tbc	Local elections, Czech Republic (including first elections for the Prague region)
Details tbc	Local elections, Estonia
Details tbc	Presidential, Local, and National Council (Second Parliamentary Chamber) elections, Slovenia
Details tbc	Ecofin Council discusses the report on economic dialogue with the candidate countries
Details tbc	Lithuania presidential elections
Thursday 28th and Friday 29th	Meeting of the presidents of the supreme audit institutions of the member states and the candidate countries, Luxembourg
December	
Details tbc	Meeting of heads of supreme audit institutions of the candidate countries and the European Court of Auditors, Bucharest
Thursday 12th, Friday 13th	Copenhagen European Council - enlargement may be on the agenda again, taking account of the aim of concluding accession negotiations by the end of the year.
Sunday 22nd	Presidential elections, Lithuania (second round on January 5, 2003)
January 2003	
Details tbc	Presidential elections, Czech Republic
February 2003	
9th and 16th	Presidential, elections, Cyprus




WHAT'S NEW


FAQ


MAIL-BOX


INDEX


SEARCH


INFORMATION


FEEDBACK

March 2003	
Details tbc	Parliamentary elections, Estonia
July/August 2003	
Details tbc	Presidential elections (elected by the parliament), Latvia

Archives

ENLARGEMENT WEEKLY is prepared for the Information Unit of the Enlargement Directorate General of the European Commission. As part of its communication strategy on enlargement, the Commission makes this bulletin publicly available. Comments are welcome and should be addressed by e-mail to enlargement@cec.eu.int.

[\[Enlargement Home\]](#) [\[Overview Enlargement website\]](#)