OPA - Enlargement : Weekly Newsletter: 29 July 2003

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USEFUL INFORMATION	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		÷.
Who does what?	are being met.		
Public opinion	NB: This is the last edition of Enlarge		
Events	before the summer break. We wish all our readers a good holiday, and will be back on Monday 1st		
Library	September.		
Research Bulletin	COHESION TALKS START WITH HUNGARY AND	SLOVENIA	
Links > E.U in the world	Negotiations started last week with two more acceding states - Hungary and Slovenia - on the assistance they can receive from the beginning of 2004 under the EU's Structural and Cohesion Funds. During the negotiations, the Commission and each of the countries will be defining the precise terms and		
PRESS CORNER	priorities for the assistance, assessing the capacity to clarifying the delivery procedures set up for the progra for the individual measures proposed.	absorb the funding, and	
	Talks opened in Ljubljana on July 25 on Slovenia's pr the overview of strategy and priorities for action for 20 wants to concentrate on promoting the productive sec competitiveness, and on human resources development	004-2006. Slovenia ctor and	
	European Regional Affairs Commissioner Michel Barr the Slovenian minister responsible for regional develo draft programming document "represents a good bas that lie ahead". He stressed that it was important too successfully - "not only because of the country's evide most important consideration, but also because its su demonstrate the added value of the European Union"	opment, that Slovenia's is for the negotiations that it be implemented ent needs, which is the access would	
	Slovenia is entitled to some €267 million under the El €190 million under the Cohesion Fund. The entire ter eligible during 2004-2006 for the main Structural Fund as Objective 1 - which aims at promoting regions who lagging behind. And it is also eligible for Cohesion Fu country, which will co-finance major transport and env infrastructure projects.	ritory of the country is ds instrument - known ose development is inding throughout the	
	The Structural Funds comprise four individ European Regional Development Fund, the Fund, the European Agricultural Guidance	European Social	

Fund, the European Agricultural Guidance and Guarantee Fund, Guidance Section, and the Financial Instrument for

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Fisheries Guidance. The Cohesion Fund support projects in the fields of environment and transport infrastructure projects of common interest (such as trans European networks). See: <u>http://europa.eu.int/comm/regional_policy/intro</u> /regions4_en.htm

The first round of negotiations with Hungary opened on July 23 in Budapest. Hungary had already submitted its draft development plan in March and five specific operational programmes in May, focusing on business infrastructure and business aid, human resources development, transport and environmental infrastructure, agriculture and rural development, and regional development. Commissioner Barnier wrote to Endre Juhász, the minister responsible for co-ordination of EU affairs, greeting the plans as a good basis for the negotiations.

Hungary will be, after Poland, the second largest recipient amongst the new member states of Structural Funds and Cohesion Fund support; it is entitled to \in 2 billion under the EU Structural Funds and \in 1.12 billion under the Cohesion Fund.

Hungary has seven regions, all of them eligible under Objective 1 in the period 2004-06. The entire territory of the country is also eligible for support from the Cohesion Fund.

In his letter Michel Barnier wrote: "As EU institutions engage in what will be difficult negotiations on a new generation of cohesion policies for the period after 2006, it is very important that the European Union's programmes in Hungary are a success."

Poland and the Czech Republic are already in negotiations for their structural and cohesion funding for 2004-2006.

WHAT THE CANDIDATES ARE THINKING NOW

The full findings of the most comprehensive study of current opinion in the acceding states and candidate countries was released last week - confirming earlier preliminary findings that most citizens there are increasingly optimistic about European Union membership. But the details in this Eurobarometer survey display some striking diversity - and some continuing open questions. ENLARGEMENT WEEKLY highlights here some of the results. The full study can be accessed on

http://europa.eu.int/comm/enlargement/opinion/index.htm

- Epidemics tops the list of fears of citizens in eight countries, comes in second in two countries, and is third in three countries. Organised crime tops the list in two candidate countries, is second in six countries, and third in three of them. Turkey is the only country that doesn't have organised crime in its top three. International terrorism makes the list in nine countries, tops the list in two nations, is in second place in two countries, and places third in five countries. An accident in a nuclear power station is the greatest fear on the list in Hungary (prompted, perhaps, by an accident at the Paks nuclear station, near Budapest, just before the survey was conducted). Turks, Estonians, Lithuanians and Latvians are most afraid of epidemics, and a world war is the second-most-widely held fear for Turks. Second on the list for Latvians is the spread of nuclear, bacteriological or chemical weapons of mass destruction.
- Citizens "are rather poorly informed" about some basic facts of the European Union, concludes the survey. Two-thirds recognise the European flag, and more than half knows that the headquarters of the European Union are in Brussels, Strasbourg and Luxembourg. But more than half the citizens - even in the acceding states - do not know if the members of the EP are elected directly, and 17% believe that they are not, with this figure around 25% in Latvia, Hungary, Cyprus and Slovakia.

- Except in Turkey, people consider themselves to some extent to be European rather than just their own nationality. This is more likely to be so in Cyprus (73% vs. 25%), Slovakia (68% vs. 25%) and Malta (66% vs. 30%). Only the Turkish feel themselves to be more Turkish than European in significant numbers (52% claimed to be their nationality alone, against 47% who see themselves to be European to some extent).
- People say they will feel more European if they can travel freely to EU countries, or study or work in EU countries, or if their country could become a member of the EU. But European plates on cars, or a common European holiday off work, would have little impact on a sense of being European.
- Nine in 10 people living in a candidate country are aware that their government has applied for European Union membership (and in most of the countries, has almost finished negotiations about the accession as well). The smallest proportion of people who knew about their country's bid is in Turkey (86%). All respondents knew about it in Cyprus, Hungary and Malta, and almost all in Slovenia (97%). Generally, there is no significant variation among the remaining countries or demographic groups; however, Romanians (90%) and Czechs (92%) are also a little less informed compared to the average.
- Seven in 10 respondents in Romania (74%), Cyprus (72%) and Bulgaria (70%) think that membership in the European Union would be a good thing. Almost seven in 10 in Turkey (67%), and about twothirds of the citizens of Lithuania (65%) and Hungary (63%) share this opinion. Generally, support levels for EU membership were significantly higher in Turkey, Bulgaria and Romania -- the countries that were not among the 10 named as prepared to join the Union in 2004. The lowest levels of support were recorded in Estonia (31%), Latvia (37%) and the Czech Republic (46%).
- Many people are "very poorly informed about the enlargement process". Only 41% feel well informed in the acceding states, and 29% in the other three candidate countries. (And only 21% of current EU citizens feel very well or well informed about enlargement.) Only in Slovenia does more than half feel well informed about enlargement (60%). Poland (48%), Malta (41%), Cyprus (39%), Slovakia (38%) and the Czech Republic (35%) follow. In most of the other countries, less than one-third of the respondents feel well informed; this is especially true for Estonians and Turks, of whom only 22% and 17%, respectively, feel informed about the enlargement process.
- Although most of these countries have had access to various European Union funds for almost a decade now, the fact that the EU supports the candidate countries financially remains relatively unknown in the majority of the candidate countries. About a quarter of citizens have no idea whether or not the EU has funded their country; 55% think their country is already receiving funding from the European Union; and 21% say the opposite. There are some candidate countries in which awareness of European funding is rather high: Poland (65%), Slovakia (63%), Estonia (60%), Romania and Slovenia (both 57%), Hungary (55%), the Czech Republic (54%), Lithuania (51%) and Turkey (50%). In each of the remaining countries, awareness of the influx of EU money remains below 50%, ranging from 37% in Bulgaria to 46% in Latvia.

NOW POLAND RATIFIES THE ACCESSION TREATY

In a low-key ceremony last week, the EU Accession Treaty was ratified by the largest of the acceding states, Poland. On July 23, President Aleksander Kwasniewski signed the document that will allow his country to join the EU on 1 May 2004.

The event was witnessed by ambassadors of the current and future EU member states in Poland, and by leading figures in the government, including Prime Minister Leszek Miller. But no opposition party members were invited.

Kwasniewski thanked all the governments since the start of the transition process - from the first, under Tadeusz Mazowiecki, to the current one, under

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Miller. He also thanked the many personalities - including foreign affairs ministers and negotiators - who had worked towards Poland's accession and its EU integration process. And he thanked all citizens who took part in the June referendum that opened the way to ratification.

In his speech, the President urged the government to focus now on three priorities: putting the structures in place to assure EU direct payments to farmers, finalising the transposition of the necessary legislation, and preparing local and regional authorities for the use of EU structural funds.

"Poland is ready to do everything to make Europe stronger thanks to our presence in the EU", he said. "I am sure that Poland's accession to the EU will be successful and will be satisfying for all of us."

This brings to three the acceding states that have ratified the Treaty (the others are Cyprus and Malta). Among the current EU Member States, Denmark and Germany have so far completed their ratification.

Enlargement news in brief

Hungary wants more say in EU affairs

Hungary wants to have closer involvement in EU decision-making, even before accession, insisted Endre Juhasz, the country's minister for European affairs, during last week's General Affairs and External Relations Council. He said it was difficult for the acceding states to exert adequate influence on EU affairs in the position of "active observer" - the interim designation of the acceding states since they signed the Accession Treaty and until they actually become full member states in May 2004. As "active observers" they can sit in on all meetings in the EU institutions - from summits to technical working parties - but are not allowed to vote. In particular Juhasz demanded a bigger voice for acceding states in the negotiations with the two candidate countries still discussing the terms of their EU accession - Bulgaria and Romania. Hungary has special interests in Romania, where there is a large ethnic Hungarian minority. But Juhasz also set out other concerns during his remarks to the Council. He was alarmed, he indicated, at current member states' attempts to cut back on proposed EU staff recruitment - particularly since the staff expansion is planned not only to allow effective EU administration after enlargement, but also to offer opportunities for citizens of the new member states within the EU institutions. The Hungarian minister formerly Hungary's chief accession negotiator - also claimed that current member states are accelerating legislation so as to get it passed before acceding states join.

Cleaning up the Becva basin with EU funds

The European Union signed off last week on a grant of €32.35 million from its ISPA programme for the reconstruction of a wastewater treatment plant and sewerage system around the Becva River Basin in the Czech Republic. The project entails building and improving the wastewater infrastructure for almost 150,000 inhabitants of the sub-basins of the river Becva. A total of 23 sub-projects, spread over fifteen municipalities are to be carried out, eight for wastewater treatment plants, and fifteen to create new sewerage systems. The work will also assist in compliance with EU and Czech wastewater standards by the time the project has been completed. To date, a total of six ISPA environment projects have been approved for the Czech Republic. In addition to the Becva project, ISPA is co-financing two environmental infrastructure projects that are currently being implemented in the cities of Brno and Ostrava, and tenders for three further projects are under

preparation, in North Bohemia, Olomouc and Jihlava.

Has Estonian President tilted EU accession opinion?

Recent efforts to boost EU accession support by leading Estonian political figures - including President Arnold Rüütel - appear to be paying off. In June only 48 percent supported EU entry, and 44 were clearly against - the most negative result for two years. But following a strongly pro-EU joint statement on June 25 from the President, the parliament speaker, Ene Ergma, and the prime minister Juhan Parts, the latest polls show accession support from 53 percent of voting-age citizens in the first half of July. In particular, support seems to be growing mainly among elderly people and women - who had until now tended to be among the most reticent groups. In the fifty-plus age group support for accession is 61 percent, while among the young it remains below 50 percent. Those people who say they will vote in the September 14 referendum are also strongly in favour of the EU: 62 percent say they will vote "yes". Meanwhile, provision is being made for Estonian citizens residing abroad or temporarily staying in foreign countries to vote in 35 polling stations in some 20 European capitals, as well as Beijing, Tokyo, Sydney, New York, Washington, Toronto, Ottawa and Sao Paulo. In countries of the Commonwealth of Independent States, Estonians will be able to go to the polls in Moscow, St. Petersburg, Pskov, Kiev and Minsk. And the Estonian opposition party, the Moderates, has called on all citizens of Estonia to support the country's accession to the European Union in the referendum. "Estonia has the choice between a path of fast development or solitary stagnation", the party said in a statement last week.

EIB funding for Romanian schools

The European Investment Bank is lending up to €131 million to upgrade and furnish about 1,400 pre-university schools all over Romania. 80% of the money will be directed at rural areas, to decrease the imbalance in access to education between rural and urban areas. The project will improve the environment for learning all over the country, says EIB, and will help rationalise the network of schools. "It builds up the conditions for delivering good quality education and will consequently contribute towards increasing the stock of human capital in a pre-accession country, which is a critical determinant of economic prosperity, full employment and social cohesion." It is in line with the priorities set out in the Accession Partnership and the preaccession strategy agreed between Romania and the European Union. The project is a follow-up to a World Bank and Council of Europe Development Bank rehabilitation programme launched in 1997, which covered 1,200 schools. Since 1990, the EIB - the EU's largest financing arm - has lent some €20 billion to the eight central European acceding countries and the two candidate countries, Romania and Bulgaria. In Romania, projects worth a total of €2.7 million have been financed since 1991.

EBRD and Siemens cooperate in the Czech Republic

The European Bank for Reconstruction and Development is providing €5.5 million of new capital for a 33 per cent stake in Siemens Kolejová Vozidla, a Prague-based manufacturer of rail cars and trains owned by Siemens AG. The money will finance investments in technology and an upgrade of the plant, and convert it into a regional competence centre. The Bank's investment is in line with its strategy to promote the private sector in central and Eastern Europe. Within three years a further capital increase of up to €4.5 million may be considered by the Bank. SKV is a special-purpose company set up by Siemens AG in 2002 through purchase of assets from the traditional Czech industry giant CKD DS. Siemens AG has now set up an

ambitious programme of restructuring, upgrading and expanding the plant and is producing metro and commuter trains, passenger coaches, trams as well as refurbishing existing CKD DS products. EBRD says it is "proud to be involved in the industrial restructuring of a traditional Czech manufacturing company and to contribute to its ambitious expansion plans". It is also hopeful that there will be a strong demonstration effect from the restructuring of a company by a strategic investor such as Siemens.

Hungary plans for joining the Euro

Hungary plans to adopt the Euro in 2008, and to enter ERM II - the necessary exchange rate mechanism preparatory phase - in May 2004, according to the country's prime minister Peter Medgyessy. A plan for Hungary's euro-zone accession is to be completed by 15 August and the 2004 budget draft providing for the necessary changes would be submitted to parliament by 30 September. Speaking after a government meeting last week, the Prime Minister acknowledged that reforms would be needed to meet these goals. The country is struggling to bring both inflation and the state budget deficit down - and the economy will to show consistent sustainability within the next four years to qualify for the Euro. All this will have to be achieved while keeping state debt at 60% of GDP. Finance minister Csaba László has forecast a 2003 budget deficit of 4.8 per cent of GDP - against 9.4 per cent in 2002.

Enlargement Mini-Briefs

- Latvia's upcoming accession referendum could get a boost from across the Atlantic. Thirty-six members of the Latvian National Federation General Assembly in Canada and leaders of Canadian Latvian community organisations have urged Latvians living abroad to take part in the 20 September referendum and to vote in favour of EU accession. In response to an invitation by the Latvian ambassador to Canada, Atis Sjanitis, the Latvian National Federation in Canada adopted a resolution as early as April encouraging Latvian citizens to take part in the referendum and vote in favour of Latvia's accession to the EU.
- Norway's Prime Minister, Kjell Magne Bondevik, says Norway must adapt to the EU's impending enlargement. He and his party do not favour EU accession for Norway, but that the country must develop a coherent plan to adjust to the larger market that will open to it next year.
- Romania and Hungary have reached a new level of agreement over the so-called Hungarian "status law", which extends privileges and financing to ethnic Hungarians and their cultural institutions abroad notably in Romania and Slovakia.
- The French government has come up with a formal proposal for a legal text to ratify the EU Accession Treaty. On July 21 French President Jacques Chirac announced the government's agreement on the proposal, and urged the French parliament to move ahead rapidly with the necessary approval. "This is a decisive new chapter in the long history of building Europe," said Chirac. "By enlarging from 15 to 25 members on 1 May 2004, the European Union will be stronger and will carry more weight in discussions on world affairs", added European affairs minister Noëlle Lenoir. The French government planning is that the Parliament should adopt the law by the end of 2003, and President Chirac urged the parliament to stick to this timetable so as to provide for EU enlargement to take place on time. "We must not allow any delay", he insisted.
- 13 years after they first came to Prague, in the period immediately following the Velvet Revolution, former Czech President Vaclav Havel introduced the Rolling Stones at a concert in Prague on Sunday 27th

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June. The group asked Havel to open the concert with a speech, in which the former dissident recalled their first visit to the then Czechoslovakia, and thanked Mick Jagger for celebrating his 60th birthday in the Czech capital. 80,000 fans watched the concert on the Letna plain.

Agenda

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

(note: now that acceding states take part in Council meetings and EP and ESC plenaries, these will from now on be listed in this calendar)

Date		Event
July	2003	

August 2003

September 2003		
1st - 3th		European Enlargement Commissioner Günter Verheugen visits Estonia
1st - 4th	***	European Parliament plenary session, Strasbourg
3 th - 5 th		European Enlargement Commissioner Günter Verheugen visits Latvia
		Informal Telecommunications Council, Viterbe
5 th - 6 th		Informal General Affairs and External Relations Council, Riva del Garda Informal Health Council, Milan
11th		David Byrne, European Commissioner for Health and Consumer Protection visits Lithuania
12 th		David Byrne, European Commissioner for Health and Consumer Protection visits Latvia
12 th - 13th		Informal Ecofin, Stresa Informal Justice and Home Affairs Council, Rome
Sunday 14th		Referendum in Estonia on EU accession
Monday 15th		David Byrne, European Commissioner for Health and Consumer Protection visits Estonia
18th		European Enlargement Commissioner Günter
		Verheugen visits Switzerland
Saturday 20th		
		Verheugen visits Switzerland
20th		Verheugen visits Switzerland Referendum in Latvia on EU accession Informal Agriculture Council, Taormina European Enlargement Commissioner Günter
20th 20th - 23th		Verheugen visits Switzerland Referendum in Latvia on EU accession Informal Agriculture Council, Taormina
20th 20th - 23th		Verheugen visits Switzerland Referendum in Latvia on EU accession Informal Agriculture Council, Taormina European Enlargement Commissioner Günter Verheugen visits Korea Competitiveness (internal market, industry and
20th 20th - 23th 22th - 23th	**	Verheugen visits Switzerland Referendum in Latvia on EU accession Informal Agriculture Council, Taormina European Enlargement Commissioner Günter Verheugen visits Korea Competitiveness (internal market, industry and research) Council, Brussels

http://europa.eu.int/comm/enlargement/docs/newsletter/latest_weekly.htm

Agriculture, Rural Development and Fisheries visits Switzerland

- 29th 30th General Affairs and External Relations Council, Brussels
 - Agriculture Council, Brussels

2004

May 2004

Saturday 1st

Entry into force of the accession treaty (according to conclusions of <u>General Affairs Council, 18.11.02</u>)

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