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COUNCIL OF
THE EUROPEAN UNION

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"I"/"A" ITEM NOTE

from :	**Enlargement Group**
on :	**11 January 2000**
to :	**Permanent Representatives Committee/Council**
Subject :	**ENLARGEMENT** - **Preparation for the Intergovernmental Conference opening the negotiation process with Latvia (15 February 2000)**

1. In view of the first meeting at Ministerial level of the Intergovernmental Conference for the accession negotiations with Latvia, the Council has to formally adopt the Union's general negotiating framework.

   On the basis of the EU general positions already adopted by the Council in March 1998 (docs 6962/98 – 6967/98) and in the light of the conclusions of the Helsinki European Council, the Group has reached agreement on the draft EU general position to be handed over to Latvia in the following terms :

   - Annex : EU statement ;
   - Annexes to the Annex : procedure for and organisation of the negotiations and preliminary indicative list of chapter headings.

2. In this light and subject to confirmation by the Permanent Representatives Committee, the Council is invited to approve this EU position.

ANNEX

EU OPENING STATEMENT FOR ACCESSION NEGOTIATIONS

A. CONTEXT

1. On behalf of the European Union, I am delighted to welcome here today the distinguished representatives of the Republic of Latvia to the opening of negotiations on the accession of your country to the European Union, as decided by the Helsinki European Council. This forms part of the overall enlargement process defined by the European Council in Luxembourg.

2. Your presence at this historic event is a vivid demonstration of the extraordinary changes to the European landscape of the last decade. The transition to democracy and a market economy in the countries of Central and Eastern Europe are important and positive developments in European history and have paved the way for the negotiations which we are launching today.

   For the European Union, the coming into force of the Amsterdam Treaty represents the latest stage in the process of European construction, begun in the aftermath of the war which shattered our continent. Your country too is part of our shared history, heritage and culture; and your accession will mark a further important step in European unification and integration.

3. There are well established, close ties between your country and the Union. You first established contractual relations with the Union, with the entry into force on 1 February 1993 of a Trade and Commercial and Economic Co-operation Agreement. This agreement provided a solid framework for various forms of increased co-operation and interaction. The entry into force of a Europe Agreement with you on 1 February 1998 launched a qualitatively new stage in our relationship. Through the Free Trade agreement which entered into force on 1 January 1995, the trade provisions of the Europe Agreement have already been in force for some time, enabling a rapid and dynamic development of our relations to the benefit of both parties. The Copenhagen European Council on 21-22 June 1993 set out the basis on which those associated countries of Central and Eastern Europe which so desire shall become members of the European Union, and agreed that accession will take place as soon as they are able to assume the obligations of membership by satisfying the economic and political conditions required. The Copenhagen European Council also decided that the process of integration should be supported by the Union's PHARE programme. The pre-accession strategy agreed at Essen provided a route plan to prepare for your membership of the Union.

4. These successive decisions of the European Council have provided the strategy and the means to prepare for your accession to the European Union. They have demonstrated the Union's commitment to extend the process of European construction to all those European states ready and willing to participate in it. They have illustrated the ability of the Union to respond decisively and effectively to the transformation of Europe's political landscape. And they have mapped out the path to the negotiations upon which we jointly embark today.

5. The negotiations which we launch today are part of a wider Accession Process comprising all candidate States, which forms part of the implementation of Article 49 of the Treaty of the European Union. The Accession Process is comprehensive, evolutive and inclusive : all states within it are participating on an equal footing and all are destined to join the European Union on the basis of the same criteria and depending on their individual progress. Taking into account the Commission's opinion on your application for membership, the Union decided at the Luxembourg European Council on 12/13 December 1997 to invite you to participate, on 30 March 1998, to the Joint Ministerial Meeting which launched the Accession Process comprising ten Central and Eastern European candidate States and Cyprus. Determined to make a positive contribution to security and stability on the European continent and in the light of recent developments, as well as the 1999 Commission report on Latvia's progress towards accession - which described the substantial progress you have made in the light of the Copenhagen criteria, and also the important efforts remaining to be made in preparation for membership - the Union further decided at the Helsinki European Council, on 10-11 December 1999, to convene with you a bilateral Intergovernmental Conference to begin negotiations on the conditions for your entry into the Union and the ensuing Treaty adjustments.

6. The Europe Agreement, by liberalising trade between you and the Community, by making progress towards extending the other freedoms on which the Community is based, and by promoting economic and financial co-operation between us, remains a key element on the way for your accession. In particular, it recognises that the approximation of your legislation to that of the Community is a major precondition for your economic integration.

7. The enhanced pre-accession strategy defined at the Luxembourg European Council centres on Accession Partnerships and increased pre-accession aid. The Accession Partnership continues to mobilise all forms of assistance to your country within a single framework, covering in detail the priorities for action and the financial assistance. This assistance will be linked to your progress and more specifically to compliance with the programme for adoption of the "acquis" and respect for the commitments contained in the Europe Agreement.

8. As regards pre-accession aid, following agreement by the Berlin European Council in March 1999 on the Agenda 2000 reform package, the financial assistance available to the candidate countries is being substantially increased and reinforced with two pre-accession instruments for agricultural and structural measures. Furthermore, the PHARE programme, which has been reinforced and reorientated, focuses on accession by setting two priority aims: the reinforcement of administrative and judicial capacity and investments related to the adoption and application of the "acquis".

9. The primary objective of the Europe Agreement and the enhanced pre-accession strategy is to ensure that you arrive at a position in which you have adopted in full, and can implement effectively in all areas, the Union "acquis". The attainment of this objective will require further sustained efforts on your part. I encourage you to make the fullest possible use of all available instruments.

   As from the end of 1998, the Commission has been making regular reports to the Council, which review your progress towards accession in the light of the Copenhagen criteria, and in particular the rate at which you are adopting and able to implement effectively the "acquis". Implementation of the Accession Partnerships and progress in adopting the "acquis" are examined with each candidate State in the Europe Agreement bodies. The monitoring of your commitments - as undertaken in the framework of the accession process - and the Commission's regular reports will become a key element for taking, in the Council context, the necessary decisions on the conduct of the accession negotiations with you.

10. You must have come into line with the "acquis" by the moment of accession. This process of alignment with the "acquis" should be accompanied by a parallel strengthening of integration with the other candidate States, as is the case between Member States. Moreover, as a prerequisite for the enlargement of the Union, the operation of the institutions must be strengthened and improved in keeping with the institutional provisions of the Amsterdam Treaty.

11. I should now like to recall the developments which led up to the creation of the European Union. The Union is a unique expression of integration. The founding fathers of the Community made clear in the Treaty of Rome that their purpose was to "lay the foundations for an ever closer union among the peoples of Europe". In the preamble to that Treaty, the Member States called on the other peoples of Europe who shared their ideal of safeguarding peace and liberty to join in their efforts. Since the establishment by the original Six of the European Coal and Steel Community, the European Economic Community and Euratom, nine more countries have joined what has now become the Union.

12. The Community's internal development has matched its progressive enlargement. The Single European Act relaunched the drive to complete the Single Market, and established for the first time on a Treaty basis the principles of European Political Co-operation in the field of foreign affairs. The Treaty signed at Maastricht on 7 February 1992 established the European Union. This Treaty, which entered into force in November 1993, marked a substantial further step in European integration, in particular through the creation of an area without internal frontiers, through the development of close co-operation on Justice and Home Affairs, through the objective of economic and monetary union and through the implementation of a Common Foreign and Security Policy. This process of deepening the Union continued with the Treaty signed in Amsterdam on 2 October 1997 and which entered into force on 1 May 1999.

13. The objectives of the European Union, as set out in Article 2 of the Treaty on European Union (TEU) are:

- to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union, ultimately including a single currency in accordance with the provisions of the Treaty;

- to assert the Union's identity on the international scene, in particular through the implementation of a Common Foreign and Security Policy including the progressive framing of a common defence policy, which might lead to a common defence, in accordance with the provisions of Article 17;

- to strengthen the protection of the rights and interests of the nationals of its Member States through the introduction of a citizenship of the Union;

- to maintain and develop the Union as an area of freedom, security and justice, in which the free movement of persons is assured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime;

- to maintain in full the "acquis" and build on it with a view to considering to what extent the policies and forms of co-operation introduced by the Treaty may need to be revised with the aim of ensuring the effectiveness of the mechanisms and the institutions of the Community.

14. The modifications resulting from the "Amsterdam Treaty" introduce important new elements. In the area of Justice and Home Affairs, they transfer to the Community important powers concerning internal and external borders, introduce joint policies on visas, asylum and immigration, and invite judicial co-operation in civil matters. By promoting employment, incorporating the Social Protocol, strengthening the application of the principle of sustainable development and reinforcing earlier provisions on the environment, public health and consumer protection and by creating a higher degree of transparency, the Amsterdam Treaty underlines the importance of the citizens within the Union. And by providing more effective instruments and procedures for the common foreign and security policy, the Treaty establishes the basis for a strengthened and more coherent external policy.

15. A number of Protocols have been annexed to the TEU and the TEC. These include a Protocol on the integration of the Schengen "acquis", together with the safeguard clause (1) and the implementation mechanisms provided for in the Schengen Agreement, as well as Protocols on the application of the principles of subsidiarity and proportionality, on the institutions of the Union in the prospect of enlargement and on the role of national Parliaments in the EU.

(1) Cfr. Article 64 of TEC.

16. The Union which you have applied to join encompasses both political and economic objectives, including commercial relations, economic and monetary integration, and co-operation on foreign and security policy and justice and home affairs. It is designed to serve the interests of every citizen.

17. It will be up to the Member States to decide in due course whether conditions are right for the conclusion of the negotiations, bearing in mind developments in the "acquis" since the date of the opening of negotiations.

    Furthermore, convergence with the "acquis" which you have already begun, should now be intensified.

B. NEGOTIATING BASES: PRINCIPLES

18. Let me now turn to the specific content of the accession negotiations, and set out how we propose to proceed with them. As I have already indicated, accession implies your full acceptance of the actual and potential rights and obligations attaching to the Union system and its institutional framework, known as the "acquis" of the Union. You will have to apply this as it stands at the time of accession. Furthermore, accession implies your effective implementation of the "acquis", which requires in particular the establishment of an efficient, reliable public administration. The "acquis" is constantly evolving and includes:

- the content, principles and political objectives of the Treaties (including those that may result from the Intergovernmental Conference on institutional reform);
- legislation adopted pursuant to the Treaties, and the case law of the Court of Justice;
- statements and resolutions adopted within the Union framework;
- common strategies, joint actions, common positions, declarations, conclusions and other acts within the framework of the common foreign and security policy;
- joint actions, joint positions, framework decisions, conventions signed, resolutions, statements and other acts agreed within the framework of justice and home affairs ;
- international Agreements concluded by the Community and those concluded among themselves by the Member States with regard to Union activities.

19. The resulting rights and obligations, all of which the applicant States as Member States will have to honour, cover a wide field including the free movement of goods, services, capital and persons as provided for in the European Community Treaty. Moreover, they imply the termination of all existing bilateral agreements between you and the Communities, and of all other international agreements which are incompatible with the obligations of membership.

The "acquis" also includes all the commitments entered into under policies pursued by the Union externally. You will be required to take on the Common Commercial Policy. You will also become Member of the European Economic Area. The Union has long-standing agreements with its Mediterranean neighbours and is presently further developing a number of those agreements. In this regard, a customs union with Turkey came into effect on 31 December 1995. The Union has developed a new series of agreements with partners in Eastern Europe and Central Asia. In this context, the Union attaches particular importance to its relations with Russia and Ukraine. Moreover, relations with the countries of South Eastern Europe have been intensified.

The Union has specific relations with the United States, Canada, Japan and Australia. There are a series of Agreements with the countries of Latin America and Asia and new ones are being negotiated. The Union has a scheme under the system of generalised preferences for the benefit of developing countries and, through the Lomé Convention, a comprehensive system of relations with the African, Caribbean and Pacific countries.

You will be required to take on all the obligations of the Community and its Member States in these areas, including that of contributing to the European Development Fund.

This list is not exhaustive.

20. I would also point out that, in view of the principle of full acceptance of the "acquis", any provisions of the Europe Agreement which depart from the "acquis" cannot be considered as precedents in the accession negotiations.

21. I now wish to set out our approach in relation to the Common Foreign and Security Policy and Justice and Home Affairs as resulting from the Amsterdam Treaty.

22. Concerning the Common Foreign and Security Policy the following principles will apply:

- enlargement should strengthen the internal coherence of the Union and its capacity to act effectively in foreign and security policy and fulfil its objectives;

- you must from the time of your accession be ready and able to participate fully and actively in the Common Foreign and Security Policy (CFSP) as defined in the Treaty on European Union as modified by the Treaty of Amsterdam in particular its objective to develop and consolidate democracy and the rule of law and respect for human rights and fundamental freedoms;

- you must, on accession, take on in their entirety and without reservation all the objectives and provisions of the Treaties and the relevant declarations attached to them;

- you should be ready and able to support actively the CFSP "acquis" of the Union in force at the time of your accession;

23. With regard to Justice and Home Affairs, accession to the European Union will entail that you:

a) accept in full on accession the justice and home affairs provisions, and the working practices designed to give them effect, of the Treaty on European Union (in particular Title VI) and the EC Treaty (in particular Title IV), as amended in each case by the Treaty of Amsterdam;

b) in respect of those conventions or instruments in the field of Justice and Home Affairs which are inseparable from the attainment of the objectives of the Treaty on European Union and the EC Treaty, as amended in each case by the Treaty of Amsterdam, as well as those drawn up by the Council on the basis of Article 34 of TEU following the coming into force of the Treaty of Amsterdam, including the creation of Europol:

   i) undertake to accede to those which have been drawn up by the Council or to those signed by, or which have been opened for signature to, the Member States by the date of your accession to the Union;

   ii) accept, in relation to those still under negotiation, the points which have been agreed on by the Fifteen or by the Council at the date of your accession to the Union, participating in subsequent negotiations within the Union framework only on those points still to be resolved;

c) accept on accession the joint actions, joint positions adopted by the Council and resolutions, decisions and statements adopted by the Fifteen or by the Council in the field of Justice and Home Affairs and accept, in relation to those still under examination, the points which have been agreed on by the Fifteen or by the Council at the date of your accession to the Union, participating in subsequent deliberations only on those points still to be resolved;

d) introduce administrative and other arrangements, such as those already adopted by the Fifteen or by the Council, so as to ensure close practical co-operation between Member States' institutions and organisations working in the field of Justice and Home Affairs, as is necessary effectively to implement the "acquis";

e) bring your institutions, management systems and administrative arrangements up to Union standards with a view to implementing effectively the "acquis", and in particular adopt and implement measures with respect to external border controls, asylum and immigration, and measures to prevent and combat organised crime, terrorism and illicit drug trafficking.

With the entry into force of the Amsterdam Treaty on 1 May 1999 the Schengen "acquis", including the safeguard clause and the implementation mechanisms provided for in the Schengen Agreement, is integrated into the framework of the European Union. You will need to provide the conditions and procedures applied to the Schengen co-operation before controls of persons at internal borders can be lifted.

24. Furthermore, in accordance with the conclusions of the Copenhagen European Council, the Union should be capable of absorbing new members, while maintaining the momentum of European integration.

25. Enlargement should strengthen the process of continuous creation and integration in which the Union and its Member States are engaged. Every effort should be made to ensure that the institutional structures of the Union are not weakened or diluted, or its powers of action reduced. In this light, the Union has committed itself to make every effort to complete the Intergovernmental Conference on institutional reform by December 2000, to be followed by ratification.

26. Your acceptance of these rights and obligations may give rise to technical adjustments, and exceptionally to non-permanent transitional measures, to be defined during the accession negotiations. Such requests for any transitional measures shall be limited in time and scope, and accompanied by a plan with clearly defined stages for application of the "acquis". They must not involve amendments to the rules or policies of the Union, disrupt their proper functioning, or lead to significant distortions of competition. In this connection, account must be taken of the interests of the Union, your country and the other candidate States.

27. The negotiations with you, while separate, will be conducted on the basis of the same principles and criteria as the negotiations with the other candidates, as recalled by the Helsinki European Council. The pace of progress will depend upon the individual situation of each candidate. The Presidency or the Commission, as appropriate, will keep the Council fully informed so that the Council can keep the situation under regular review. The progress and conclusion of the negotiations with each candidate are not required to take place in parallel. The Union side, for its part, will decide at the appropriate moment whether the conditions for the conclusion of negotiations have been met.

28. Your individual progress in preparing for accession will contribute, within a framework of economic and social convergence, to the advancement of the negotiations, taking into account:

- the Copenhagen and Madrid criteria, which set down the following requirements for membership:

  * the 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;

  * the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union;

  * the administrative capacity to effectively apply and implement the "acquis";

- the importance of high standards of nuclear safety and of a high level of environmental protection;

- your undertaking to resolve any border disputes within the framework of the Stability Pact procedures or by means of other dispute settlement methods laid down in the United Nations Charter, including the prior, compulsory jurisdiction of the International Court of Justice;

- the fulfilment of your obligations under the Europe Agreement, as well as the implementation of the Accession Partnership, including the intermediate priorities set out therein.

29. Moreover, you will also be required, within the framework of your policies towards third countries and within international organisations, particularly the World Trade Organisation, to align yourself progressively, in the perspective of accession, to the policies and positions adopted by the Community and its Member States.

30. Finally, by your presence here you accept the principle that your application forms part of the inclusive Accession Process as defined by the European Council in Luxembourg and Helsinki.

31. This constitutes the European Union's position at this stage in our proceedings.

C. ORGANISATION AND PROCEDURE

32. I suggest that our Deputies meet in due time to agree on the specific details of the negotiating procedure. The procedure for and the organisation of the negotiations to be agreed with you is set out in the Annexes to the Annex.

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33. The challenge of enlargement is great. But so too are the opportunities. We believe success will bring new dynamism to the Union and strengthen its role as a haven of stability and prosperity, to the benefit of all the citizens of both Europe and the wider world. We recognise that you share our political will to progress, and we confidently expect to bring the negotiations that we jointly begin today to a successful conclusion. And there can be no doubt that success in our endeavours is an imperative for us all. In this regard, it is up to you to continue to take full advantage of the pre-accession strategy, in order to make rapid progress along the path mapped out towards accession. The European Union, for its part, reiterates its commitment fully to support your efforts.

PROCEDURE FOR AND ORGANISATION OF THE NEGOTIATIONS

1. Chairmanship

In accordance with the practice in bilateral negotiations between two delegations, each led by a head, the question of electing a President of the Conference does not arise.

The practical work involved in chairing meetings will be performed by the head of the Union delegation in his capacity as head of the host delegation.

2. Frequency of meetings at ministerial level and deputy level – setting up of working parties

It is planned that there should be at least one meeting per six month period at ministerial and deputy level, on the understanding that the frequency could be adjusted if this were felt necessary.

The negotiations will remain centralised at ministerial and deputy level. The setting up of working parties should not be envisaged except to meet objective requirements of the negotiations. Any such working parties will operate under the authority of the deputies, on the basis of explicit terms of reference and in accordance with a specific timetable.

3. Venue for the meetings

Meetings will be held in Brussels, but during April, June and October ministerial meetings will be held in Luxembourg.

4. Organisation

(a) Secretariat

Conference secretariat services will be provided, under the authority of the Secretary-General of the Council of the European Union or his representative, by a team consisting of officials of the General Secretariat of the Council and officials appointed by the delegation of the Republic of Latvia.

(b) Operating expenses of the Conference

Each party will bear its own travel and subsistence expenses and also the salaries of staff who are put at the disposal of the Secretariat.

The operating expenses of the Conference (rents, office furniture and supplies, telecommunications, interpreting, translation, auxiliary staff recruited for the Conference, etc.) will be met by advances made by the Council of the European Union.

These expenses will be entered in the Council's budget under a special budget heading.

The General Secretariat of the Council will submit an annual financial management report to the Conference on the operating expenses. These expenses will be divided among the participants in accordance with procedures to be mutually agreed.

(c) Preparation of meeting documents

Without prejudice to other special documents which the Secretariat might be asked to draw up, the following arrangements have been adopted on the understanding that they could, if necessary, be modified in the light of experience.

(i) Ministerial meetings

- Preparation, after each meeting, of a summary of conclusions, to be finalised by the deputies on the basis of a draft produced by the Secretariat and submitted to the next ministerial meeting for formal approval.

- The verbatim account of the ministerial meetings, as recorded on tape, will be filed in the archives of the Secretariat, where it can be consulted in the event of a dispute over the interpretation of a decision.

(ii) Meetings at deputy level

- Preparation of a summary of conclusions after each meeting.

- Preparation of reports for submission to ministerial meetings on the basis of drafts produced by the Conference Secretariat.

(iii) Working parties

- Preparation of reports for the deputies on the basis of drafts produced by the Conference Secretariat.

PRELIMINARY INDICATIVE LIST OF CHAPTER HEADINGS

(Note: This list in no way prejudices the decisions to be taken at an appropriate stage in the negotiations on the order in which the subjects will be dealt with.)

1. Free movement of goods
2. Freedom of movement for persons
3. Freedom to provide services
4. Free movement of capital
5. Company law
6. Competition policy
7. Agriculture
8. Fisheries
9. Transport policy
10. Taxation
11. Economic and monetary union
12. Statistics
13. Social policy and employment
14. Energy
15. Industrial policy
16. Small and medium-sized undertakings
17. Science and research
18. Education and training
19. Telecommunications and information technologies
20. Culture and audio-visual policy
21. Regional policy and co-ordination of structural instruments
22. Environment
23. Consumers and health protection
24. Co-operation in the fields of justice and home affairs
25. Customs union
26. External relations
27. Common foreign and security policy
28. Financial control
29. Financial and budgetary provisions
30. Institutions
31. Other