Latvia: membership application and partnership, 13 October 1995

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This Regular Report for 2000 on Latvia largely follows the same structure as the Commission's 1997 Opinion and of the subsequent regular reports; however, it differs from that used in previous years on three minor points. Firstly, the part of the present report assessing Latvia's ability to assume the obligations of membership has been structured to follow the list of 29 negotiating chapters covering the acquis. Secondly, this part has been broadened to cover also Latvia's administrative capacity to apply the acquis under each of the negotiating chapters (previously discussed in a separate section of the report). Thirdly, the report includes, for the first time, a section assessing the progress made by Latvia in translating the acquis into its offical language. This report takes into consideration progress since the 1999 regular report and looks at whether the intended reforms referred to in the 1999 report have been carried out and it also examines new initiatives. With regard to the relations between the EU and Latvia, it should be highlighted that Latvia has continued to implement the Europe Agreement and contributed to the smooth functioning of the various joint institutions. Latvia's trade with the EC has continued to increase. The negotiations which were opened in March 1999 were concluded in May 2000. As a consequence of the new agreement, approximately 75% of the bilateral trade in agricultural products will benefit from preferences. The new regime entered into force in July 2000. Also in July 2000, the Commission opened negotiations with Latvia with the view to new reciprocal concessions in the fields of fish and fishery products. In the area of conformity assessment and acceptance of industrial products, a Framework Agreement for a Protocol on European Conformity Assessment (PECA) was intialled in July 2000. In the years 2000-2002 total financial assistance to Latvia will amount to t annually to EUR 30 million from Phare, EUR 22.2 million from SAPARD, and between EUR 36.4 and EUR 57.2 million from ISPA. It should be noted that Latvia continues to fulfil the Copenhagen political criteria. The last year saw progress in carrying forward the Public Administration Reform process, including the adoption of a new Civil Service Law; in improving the functioning of the judicial system; and in designating the framework for the fight against corruption. It will be necessary to continue and accelerate the Public Administrative Reform process, in particular with the adoption of key legislation; to further strengthen the judicial system; and to continue the fight against corruption on a broad scale. As regards the Copenhagen economic criteria, Latvia can be regarded as a functioning market economy and it has also preserved macroeconomic stability. However, the current-account deficit must be kept under control. Enterprise privatisation has not yet been completed. The authorities must continue a policy of fiscal discipline and fiscal consolidation should be pursued. Progress has also been noted in the areas of internal market, customs and taxation, agriculture, transport, environment, consumers and health protection, justice and home affairs, financial control. Whereas, in certain areas progress in alignment has been lessforthcoming, for example, in the area of free movement of persons and telecommunications and information technologies, social policy and employment, and regional policy. In general, the strengthening of the Latvian administration needs to continue in all areas in parallel and complementary to the general public administration reform process.