Latvia: membership application and partnership, 13 October 1995

1997/2176(COS) - 13/11/2001 - Supplementary non-legislative basic document

The Commission has prepared this fourth series of Regular Reports with a view to the Laeken European Council in December 2001. The structure followed for this Regular Report is the same as that used for the 2000 Regular Report. This Report takes into consideration progress since the 2000 Regular Report. It looks at whether intended reforms referred to in the 2000 Regular Report have been carried out, and examines new initiatives. The Report contains a separate section examining the extent to which Latvia has addressed the Accession Partnership priorities. With regard to the pre-accession instruments (Phare, SAPARD and ISPA), these programmes have concentrated their support on the Accession Partnership priorities that help the candidate countries to fulfil the criteria for membership. For the years 2000-2002 total financial assistance to Latvia amounts annually to at least EUR 30 million from Phare, EUR 22.2 million from SAPARD and between EUR 36.4 and 57.2 million from ISPA. Firstly, Latvia continues to fulfil the Copenhagen political criteria, the three main criteria are as follows: 1) Political Criteria : During the last year, the government remained committed to reforming the Public Administration and the judiciary, as well as to fighting against corruption. In parallel, the reform of the judicial system must be carried on, with particular attention to the legal framework, speeding up and enforcing court decisions, and addressing the issue of pre-trial detention. Measures to combat corruption need to continue. Further important steps were taken to promote the integration of non-citizens into Latvian society. The effectiveness of the Naturalisation process needs to be maintained and Latvian language training needs to continue. 2) Economic Criteria : Latvia is a functioning market economy. Provided that it makes further substantial efforts in maintaining the pace of, and completing, its structural reforms, it should be able to cope with the competitive pressure and market forces within the Union in the near term. Latvia has preserved macroeconomic stability. Further progress has been made on structural reform, the last steps of the pension reform, a new framework for financial supervision and a new regulatory authority for public utilities have been introduced. However, the authorities must continue a policy of fiscal discipline, within a medium term fiscal framework, in order to keep the budget deficit and the current account deficit sustainable over the medium term. 3) Aligning its legislation with the acquis : in most areas, Latvia has kept up a steady pace in aligning its legislation with the acquis. - in the area of the internal market : whether it be in the field of the free movement of goods, services or capital, the country is nearly ready. However, delays in the entry into force of the Commercial Code and the effective protection of intellectual and industrial property rights constitute a serious challenge. The adoption of legislation related to state aid represents an important step. Latvia's enforcement record in this area has also developed but efforts to ensure the full implementation of anti-trust and state aids rules should continue; - in the agricultural sector : encouraging efforts were undertaken in the area of agriculture, in particular concerningveterinary and phytosanitary matters, as well as food safety. Important challenges still lie ahead, both in completing alignment and in introducing and upgrading the necessary structures and mechanisms; - for the area of energy : further alignment was achieved in this area. This needs to continue with special emphasis on the electricity and gas directives, as well as oil stocks; - for the area of environment, alignment needs to be completed as concerns access to environmental information, waste management and chemicals. Further efforts to upgrade the administrative structures are needed; - for justice and home affairs, progress could be noted on data protection, visas and border control, including also the adoption of a Schengen Action Plan. These efforts need to be maintained, and alignment in the areas of migration and asylum completed. Upgrading the capacity and infrastructure for border management also remains a priority. The fight against organised crime, drug trafficking, money laundering, fraud and corruption also needs to be reinforced. 4) Administrative capacity : preparing its administration for EU membership remains one of the greatest challenges Latvia faces. With a view to the responsibilities Latvia will have to assume in managing and enforcing the acquis upon accession, a substantial portion of the necessary institutions and bodies have been re-structured or created. This

process needs to continue, including the setting up of further new bodies and mechanisms. 5) Accession Partnership : Latvia has made progress on all the short-term Accession Partnership priorities. All medium-term priorities have been addressed. Attention should be paid to those areas where important legislation still needs to be adopted such as energy, telecommunications and economic and social cohesion or the administrative structures strengthened, such as agriculture, fisheries and the control of EC funds.