




Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2177(COS)	Procedure completed
Estonia: membership application		
Subject 8.20.02 Enlargement 2004: new Member States		
Geographical area Estonia		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AFET Foreign Affairs, Human Rights, Common Security, Defense		07/11/2000
		PPE-DE CARLSSON Gunilla	
	Former committee responsible		
	AFET Foreign Affairs, Security and Defense Policy		23/09/1999
		PPE-DE CARLSSON Gunilla	
	AFET Foreign Affairs, Security and Defense Policy		23/06/1997
		PSE DONNER Jörn Johan	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		24/04/2001
		PPE-DE BÖGE Reimer	
	CONT Budgetary Control		29/05/2001
		PSE BÖSCH Herbert	
	LIBE Citizens' Freedoms and Rights, Justice and Home Affairs		29/05/2001
		PPE-DE OOSTLANDER Arie M.	29/05/2001
		PSE BERGER Maria	
JURI Legal Affairs and Internal Market		11/04/2001	
	PSE TITLEY Gary		
ITRE Industry, External Trade, Research, Energy		21/03/2001	
	PSE GLANTE Norbert		
EMPL Employment and Social Affairs		12/04/2000	
	PPE-DE SMET Miet		
AGRI Agriculture and Rural Development		27/03/2001	
	PSE GÖRLACH Willi		
RETT Regional Policy, Transport and Tourism		06/02/2001	

		ELDR POHJAMO Samuli	
	CULT Culture, Youth, Education, Media and Sport		11/04/2001
		ELDR ANDREASEN Ole	
	AFCO Constitutional Affairs		24/01/2001
		PPE-DE RACK Reinhard	
	FEMM Women's Rights and Equal Opportunities		20/03/2001
		V/ALE HAUTALA Heidi	
Council of the European Union	Council configuration	Meeting	Date
	Culture	2427	23/05/2002
	General Affairs	2078	30/03/1998
	General Affairs	1891	04/12/1995
European Commission	Commission DG	Commissioner	
	Neighbourhood and Enlargement Negotiations		

Key events			
17/12/1998	Non-legislative basic document published	COM(1998)0705	Summary
08/03/1999	Committee referral announced in Parliament		
24/03/1999	Vote in committee		Summary
24/03/1999	Committee interim report tabled for plenary	A4-0149/1999	
14/04/1999	Debate in Parliament		
15/04/1999	Decision by Parliament	T4-0330/1999	Summary
23/05/2000	Additional information		Summary
13/09/2000	Vote in committee		Summary
13/09/2000	Committee interim report tabled for plenary	A5-0238/2000	
03/10/2000	Debate in Parliament		
04/10/2000	Decision by Parliament	T5-0418/2000	Summary
09/07/2001	Vote in committee		Summary
09/07/2001	Committee interim report tabled for plenary	A5-0251/2001	
04/09/2001	Debate in Parliament		
05/09/2001	Decision by Parliament	T5-0427/2001	Summary
05/09/2001	End of procedure in Parliament		
	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2177(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/13766; AFET/4/09134; AFET/4/10899

Documentation gateway					
Supplementary non-legislative basic document		COM(1997)2006	15/07/1997	EC	Summary
Non-legislative basic document		COM(1998)0705	17/12/1998	EC	Summary
Document attached to the procedure		COM(1998)0712	17/12/1998	EC	Summary
Committee interim report tabled for plenary		A4-0149/1999 OJ C 219 30.07.1999, p. 0006	24/03/1999	EP	
Interim resolution adopted by Parliament		T4-0330/1999 OJ C 219 30.07.1999, p. 0370-0437	15/04/1999	EP	Summary
Non-legislative basic document		COM(1999)0500	13/10/1999	EC	Summary
Supplementary non-legislative basic document		COM(1999)0504	13/10/1999	EC	Summary
Document attached to the procedure		31999D0855 OJ L 335 28.12.1999, p. 0035	06/12/1999	EU	Summary
Committee interim report tabled for plenary		A5-0238/2000 OJ C 178 22.06.2001, p. 0006	13/09/2000	EP	
Interim resolution adopted by Parliament		T5-0418/2000 OJ C 178 22.06.2001, p. 0070-0130	04/10/2000	EP	Summary
Supplementary non-legislative basic document		COM(2000)0704	08/11/2000	EC	Summary
Document attached to the procedure		COM(2000)0700	08/11/2000	EC	Summary
Committee interim report tabled for plenary		A5-0251/2001	09/07/2001	EP	
Interim resolution adopted by Parliament		T5-0427/2001 OJ C 072 21.03.2002, p. 0081-0166 E	05/09/2001	EP	Summary
Supplementary non-legislative basic document		SEC(2001)1747	13/11/2001	EC	Summary
Document attached to the procedure		COM(2001)0654	13/11/2001	EC	Summary
Document attached to the procedure		COM(2001)0700	13/11/2001	EC	
Document attached to the procedure		32002D0086 OJ L 044 14.02.2002, p. 0029-0036	28/01/2002	EU	
Non-legislative basic document		COM(2002)0700	09/10/2002	EC	Summary
Document attached to the procedure		SEC(2002)1403	09/10/2002	EC	

Estonia: membership application

PURPOSE: AGENDA 2000: presentation of the Commission's opinion on Estonia's request for membership (24 November 1995). **CONTENT:** All the requests for membership are assessed using a single method based on the criteria established at the Copenhagen European Council (June 1993). These criteria are as follows: - political criteria: the candidate countries must have stability of institutions guaranteeing democracy, human rights and respect for minorities, - economic criteria: these countries must have a functioning market economy, as well as the ability to cope with competitive pressures and market forces within the Union, - criteria relating to the ability of the countries to take on the obligations of membership (in particular integration of the *acquis*, to a greater or lesser extent, and respect for the criteria concerning economic and monetary union). With regard to these criteria, it emerges that: - in political terms, Estonia presents the characteristics of a democracy, with stable institutions, guaranteeing the rule of law, human rights and respect for and protection of minorities. However, measures need to be taken to accelerate the rate of naturalisation of Russian speaking non-citizens to enable them to become better integrated into Estonian society; - in economic terms, Estonia can be regarded as a functioning market economy, and it should be able to make the progress necessary to cope with competitive pressure and market forces within the Union in the medium term; - with regard to its capacity to assume the obligations of membership, Estonia has made considerable progress in transposing and implementing the *acquis* relating particularly to the single market. If it continues its efforts, it should become able to participate fully in the single market in the medium term. Particular efforts, including investment, will be needed to apply the *acquis* fully in sectors such as environment (where massive investments are expected). The Commission also notes that in the agricultural sector reforms must be made quickly. There is also a need to finance rising trade and current account deficits. Substantial progress is needed on public procurement, intellectual property, financial services, taxation and competition (especially the transparency of state aids). Efforts are also needed in the fields of statistics, fisheries, consumer protection and customs. Lastly, the administrative structure must be strengthened as Estonia is to have the structures to apply and enforce the *acquis* effectively. In conclusion: the Commission considers that negotiations for accession can be opened with Estonia. The pre-accession strategy will help this country to prepare rapidly for the obligations of membership by concentrating on the shortcomings.?

Estonia: membership application

PURPOSE: to present the regular report from the Commission on Estonia's progress towards accession. **CONTENT:** In line with the timetable of Agenda 2000 and the direction given by the European Council in Cardiff, the Commission presents a report in the form of an appraisal of the progress made by this country with regard to accession. The report examines: - the relations between the Estonia and the EU, particularly in the framework of the European Agreement; - the situation in respect of the political conditions set by the European Council (democracy, rule of law, human rights, protection of minorities); - Estonia's situation and prospects in respect of the economic conditions mentioned by the European Council (functioning market economy, capacity to cope with competitive pressures and market forces within the Union); - the question of Estonia's capacity to adopt the obligations of membership, that is, the *acquis* of the Union as expressed in the Treaty, the secondary legislation and the policies of the Union. The conclusion of the Commission's analysis reveals that the Commission considers Estonia's results to be satisfactory both in political and economic terms: Estonia's institutions continue to run smoothly even if problems remain regarding access to citizenship and Estonia can be regarded as a functioning market economy and should be able to cope with competitive pressure and market forces within the Union. The land privatisation process needs to be accelerated and phytosanitary and veterinary rules implemented. Efforts are also needed in the financial sector. With regard to adoption of the *acquis*, Estonia has made general progress in the approximation process, although increased attention needs to be paid to the enforcement of internal market legislation (in particular intellectual property, standards and certification and state aids) and to the preparation of a strategy to introduce customs duties and the corresponding administration. Estonia has taken important steps to put legislation in place in the justice and home affairs area and is taking steps to ensure its effective implementation. At the same time, however, there are still shortcomings in the areas of control of financial markets and state aids, maritime transport, social and employment policy and regional development. In conclusion, Estonia continues to fulfil the political Copenhagen criteria, although decisions are needed on the naturalisation of stateless children. Estonia has dealt with all the aspects of short term priorities of the partnership for accession. The National Programme for the Adoption of the *Acquis* needs to be revised to ensure effective implementation of Community legislative acts. The Commission will take a position on the revised programme which it will communicate to the Council during the second semester of 1999 at the time of the re-examination of the Accession Partnership.?

Estonia: membership application

The Committee has adopted report on the progress made towards accession by Estonia. Overall, while the report draws attention to the remaining problems, it welcomes the progress achieved. However, it also stresses that the reforms being made by this country must be accompanied by measures to alleviate their social consequences. As regards Estonia, the momentum of the accession process must be kept up if the support of most political parties for their country's membership application is not to waver, according to the report by Jörn Johan DONNER (PES, Fin). The rapporteur welcomes Estonia's abolition of the death penalty in 1998, as well as the amendments to its citizenship law, which have brought Estonian legislation into line with OSCE norms. The committee also stresses the importance for the European Union of certainty regarding its external frontiers and calls for swift ratification of the border agreement between Estonia and Russia.?

Estonia: membership application

The European Parliament adopted its Resolution, drafted by Mr. Jörn Johan Donner (Finland, PES), which calls for the momentum of the accession process to be kept up if the broad political support for EU membership in Estonia is not to waver. An amendment supports the German Presidency's proposal to extend the scope of the Phare programme to the social field. Others stress the importance of anti-corruption measures and the need to draw up a specific timetable for the accession negotiations. The EP also stressed the need to ensure the rights of the Russian minority.?

Estonia: membership application

PURPOSE : To present the 1999 Regular Report on Estonia's progress towards accession. **CONTENT :** This report describes relations between Estonia and the Union, analyses the situation in respect of the Copenhagen criteria and addresses the question of its ability to take on the *acquis*. It also covers judicial and administrative capacity as required by the Madrid European Council. Relations between the EU and Estonia: Estonia's trade with the EU has continued to increase its share of total trade. Its main exports are machinery, equipment, wood and mineral products, while the most important imported products are machinery and electrical equipment, and agricultural products. With regard to pre-accession aid, total financial assistance in the years 2000-2002 will amount to between 168 and 213M EUR. (Phare 72M EUR, Sapard 36M EUR, and ISPA between 60M EUR and 105M EUR.) Political criteria: The Commission judges that Estonia fulfils the Copenhagen political criteria. The adoption of the Language Law, however, which restricts the access of non-Estonian speakers to political and economic life, is a step backwards and should be amended. Economic criteria: Estonia is a functioning market economy where market forces play their full role. It should be able to cope with competitive pressures within the Union, provided it completes key remaining structural reforms. Privatisation is almost complete. All small and medium sized companies are privately owned. At this stage, it is envisaged that only the Port of Tallinn, the Airport of Tallinn and some utilities, including water and sewage companies, will remain in public ownership, although some minority stakes might be sold to private investors. Some sectors, notably agriculture, face difficulties in their access to finance. The absence of a functioning market for agricultural land is one of the reasons why the decline of agricultural activity is continuing, despite direct support granted to farmers. The increase in foreign direct investment inflows that has been recorded since June 1998 has been impressive. The vast majority comes from EU countries. In 1998, it was concentrated in the financial sector, and foreign capital controlled about two thirds of the total capital of the banking sector at the end of 1998. The Russian crisis has, however, revealed weaknesses, including a low level of productivity. Transparent restructuring of the oil-shale sector is required. Ability to assume the obligations of membership: In general terms, Estonia has continued its alignment in the single market area at a steady but slow pace, in particular as regards intellectual property and data protection, free movement of goods and state aid monitoring. Good progress has been made in the fields of energy and transport, where legislative alignment and liberalisation have been taken further. The capacity to enforce environment *acquis* remains an issue. Delays in the customs area are a matter of concern. Considerable efforts are needed on capacity building. It remains difficult to recruit and retain qualified staff, and priority should be given to this matter. Standards and certification require work, as do agriculture, and regional policy. Administrative capacity to apply the *acquis*: Progress has been limited in improving judicial and administrative capacity, where the short-term accession partnership priorities have only been partially met. Although some progress has been made in the agriculture, and fisheries sectors, significant efforts are required to build up the necessary institutional structures and to develop the capacity to manage funds.?

Estonia: membership application

PURPOSE: presentation of the second 'accession partnership' for Estonia. **CONTENT :** Like its previous version, this partnership for the accession of Estonia resembles a work programme proposing priorities and objectives to be attained by the country in the short and the medium-term in order to become a member of the Union. These objectives take into account the evaluation of the 1998 accession partnership described in the last regular report on Estonia (1999). The short-term priorities (end of 2000) concern the alignment of legislation concerning its language and international standards and the Europe Agreement, and the integration of Russian-speaking non-citizens. On the economic front, priorities concern the restructuring of the bitumen sector and the privatisation of the energy sector, the acceleration of the property ownership process and the reform of pensions. Other priorities relate to the internal market (basically continuing the harmonisation process); agriculture (veterinary inspections), transport, environment, social affairs and employment, justice and home affairs (reform of penal law) and the strengthening of administrative and judiciary capacity (in particular the management and control of EU funds). In the medium term, the measures will concern following up efforts to, integrate non-citizens and the achievement of land reform. In the area of the single market, the complete liberalisation of goods and capital, the introduction of competition rules and consumer protection are priorities. Further measures are awaited in the area of agriculture, fishing, energy (the liberalisation of the gas and electricity sectors) transport, environment (waste management, industrial pollution) and improvement in the operation of the legal sector. With regard to the programming of financial resources, the partnership confirms aid granted in line with AGENDA 2000 and the various instruments provided therein (Phare, SAPARD and ISPA) in accordance with the rules already foreseen. It should be noted that assistance is only granted if the country respects the provisions of the EC-Estonia Association Agreement, makes progress towards satisfying the Copenhagen criteria and assures in the year 2000 the achievement of the specific priorities of this accession partnership.?

Estonia: membership application

On the proposal of the Chairman of the Committee for External Relations, Mr. Elmar BROK (EPP, D) and of Mr. Patrick COX (President of the ELDR group), the conference of the presidents of the political groups in the European Parliament decided to have annual debates on enlargement as of the first plenary session of October 2000. This decision was adopted against the view of the Socialist Group, which opposed the setting of a specific calendar laying down from the present the work allocation of the various parliament committees. The decision of the Conference of presidents grants an exclusive competence to the External Relations Committee to take responsibility for the preparation of the 13 reports that will be discussed in October 2000: one report for each of the 12 candidate countries and a general report that cover all the horizontal questions. This composite report will be prepared on the basis of contributions from the other parliamentary committees on: - convergence and stability in the candidate countries; - the rule of law in the candidate countries and their adaptation to the single market; - employment and social aspects; - the environmental aspects of enlargement; - health and consumer protection; - agricultural aspects; - regional policy; - transport and tourism policy; - equal opportunities and enlargement. The other annual debates would also involve 12 reports drawn up on the basis of the regular reports of the European Commission on the progress of the candidate countries towards enlargement. As the next set of regular reports will be published by the Commission in November 2000, the second annual debate may take place before the end of the first semester of 2001.?

Estonia: membership application

The committee adopted the report by Gunilla CARLSSON (EPP-ED, S) on Estonia's application for membership of the EU and the state of the negotiations. The committee felt that Estonia could become one of the first candidate countries to accede to the EU. It noted that Estonia met

the Copenhagen criteria and welcomed the amendments to the language law to align it with international standards. It regarded the forthcoming adoption of the State Integration Programme as an important development. Estonia was praised for its highly successful economic transition process and the keenness with which it had embraced the new information technologies. The report also congratulated Estonia on ratifying the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime. However, it highlighted the magnitude of the task of meeting EU environmental standards, and also pointed to the distortions of competition caused by the CAP to agricultural markets in the applicant countries. ?

Estonia: membership application

The European Parliament adopted the resolution from Mrs Gunilla CARLSSON (EPP/ED, Sw). It notes that Estonia fulfils the Copenhagen criteria and welcomes the amendments to the language law to align it with international standards and trusts that the Estonian authorities will implement the legal provisions as part of the comprehensive measures for the integration of non-citizens. The Parliament regards the forthcoming adoption of the State Integration Programme as an important development. The Estonian government is urged to enhance its efforts in the field of labour market policies and social security. Furthermore, the magnitude of the task of meeting EU environmental standards is highlighted while also pointing to the distortions of competition caused by the CAP to agricultural markets in the applicant countries. The Parliament urges the Estonian government to continue their efforts to curb drug trafficking and drug addiction, in particular through close collaboration between legal bodies, police forces and Europol. On the other hand, Estonia is congratulated on ratifying the 1999 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime. ?

Estonia: membership application

This Regular Report on Estonia is largely similar to that of 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 Estonia's ability to assume the obligations of membership has been structured to follow the list of the 29 negotiating chapters covering the acquis. Secondly, this part has been broadened to cover also Estonia'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 Estonia in translating the acquis into its official language. This report takes into consideration progress since the 1999 regular report and looks at whether intended reforms have been carried out and it examines new initiatives. Furthermore, complementing the assessment of new developments since the last regular report, this report provides also an overall assessment of new developments since the last report and also provides an overall assessment of the global situation for each of the aspects under consideration, setting out for each of them the main steps which remain to be taken by Estonia in preparing for accession. The report draws on numerous sources of information. The candidate countries have been invited to provide information on progress made in preparations for membership since the publication of the last regular report. As regards the relations between the EU and Estonia, it should be noted that Estonia's trade with the EC decreased slightly in 1999, to recover again in the first half of 2000. A new regime for agricultural products entered into force on 1 July 2000 on an autonomous basis, pending the conclusion of an Additional Protocol to the Europe Agreement. In addition, negotiations on further mutual concessions for a number of processed agricultural products were also concluded between negotiators in May 2000. In July 2000, the Council mandated the Commission to open negotiations with the associated countries on new reciprocal concessions in the field of fish and fishery products. In May 2000, Estonia presented a revised National Programme for the Adoption of the Acquis (NPAA), in which outlines its strategy for accession including how to achieve the priorities of the Accession Partnership. In the years 200-2002 total financial assistance to Estonia will amount annually to EUR 24 million from Phare, EUR 12 million from SAPARD, and between EUR 21 and EUR 37 million from ISPA. Estonia continues to fulfil the Copenhagen political criteria. It has addressed most of the short-term priorities of the 1999 Accession Partnership in this area. Estonia has made progress in the following areas: integration of minorities; market economy; macroeconomic stability; restructuring the enterprise and financial sectors; structuring reforms in the utilities and energy sectors; internal market; transport; agriculture; fisheries; social policy; regional policy; justice and home affairs; administrative capacity. On the other hand, although progress has been made and continues to be made, there are also areas in which further progress is needed such as: the containment of government expenditures, especially in the pension and health care reform area; local government expenditure; administrative structures; market surveillance system; industrial and intellectual property rights; customs; financial control; penal law and labour law. Lastly, it is emphasised that Estonia's main weakness is the weak administrative structures and enforcement bodies which are needed to ensure that the existing structures are fully capable of enforcing and implementing the acquis correctly. ?

Estonia: membership application

The committee adopted the report by Gunilla CARLSSON (EPP-ED, S) praising Estonia for the significant steps it had taken to integrate its Russian-speaking minority and for tackling corruption effectively. Estonia was a functioning market economy and had continued to make progress in implementing the "acquis communautaire". The committee applauded Estonia's environmental policy but expressed concern over the social and economic problems of the north-east of the country. The report also noted the EU's own preparations to ensure it was ready to receive new members from 1 January 2003 and stressed the need to maintain the pace of negotiations. Finally there was support for Estonia's efforts to become fully integrated into the Euro-Atlantic security structures. ?

Estonia: membership application

The European Parliament endorsed the resolution by Mrs Gunilla CARLSSON (EPP-ED, S) on Estonia's application for membership of the EU. The House stressed that the country was making good progress in its preparations for EU membership and has clearly emerged as one of the leaders among the candidate countries. It is urged to continue with the implementation of its programmes to integrate minorities, while the House also stress the need to take more steps to provide language training - particularly for the Russian speaking population. There is also applause for the progress in tackling corruption. Estonia receives praise for its economic progress, although there is concern over the high rate of unemployment and in particular the 'difficult situation' in the North-East of the country. Moreover, the resolution welcomes progress in

adopting the 'acquis', although authorities are criticised for allowing foreign works to be broadcast legally without permission and payment of any fee to the author. The resolution also looks forward to Estonia's full participation in the common foreign and security policy and to becoming integrated into the Euro-Atlantic security structures. Finally, it looks forward to progress in adopting the environmental 'acquis' with Estonia's forthcoming accession to the European Environmental Agency.?

Estonia: membership application

In line with the previous strategy papers from the Commission which aim to set out the steps to be followed for the next enlargement, the Commission has published a new general document which sets out the progress made by all of the candidate countries with regard to accession to the European Union. If, on the one hand, certain countries have made substantial progress, considerable efforts still have to be made in order to ensure the effective application of EU legislation and standards ("acquis communautaire") before their accession. This is why the Commission announces that it shall present an important action plan in order to help the candidate countries strengthen their institution building capacities. The negotiations are conducted on the basis of the existing acquis, applying the principles of own merits and catching-up. It shall continue to follow the road map (please refer to the previous Commission working document for the year 2000) and the calendar approved by the European Council, which foresees the conclusion of the negotiations with the better prepared candidate countries before the end of 2002. In this context, the Union does not create new conditions for accession, which signifies that for all the subjects to come (in particular those which have important financial implications such as agriculture, regional policy and the budget, shall be dealt with throughout the first semester of 2002), the Commission shall present negotiation proposals based on the acquis and the existing budgetary framework. The Commission considers that this framework provides a sufficient basis for the accession of up to 10 new Member States in 2004. The accession negotiations can be concluded independently of decisions for financing the EU after 2006. Given the present pace of negotiations and the progress made so far, the Commission should be able to make recommendations on those candidate countries ready for accession on the basis of its 2002 Regular Reports. It should also be noted that the countries which should be ready for accession on this date may be able to participate as Members of the Union in the 2004 European Parliament elections. In addition, it should be noted that the Commission's important action plan aiming to reinforce institution building should mobilise EUR 1 billion for the year 2002 alone (drawn mostly from the PHARE programme). In conclusion, the Commission announced that from November 2002, the Regular Reports that it presents shall identify which candidate countries are ready to become full Members of the European Union. The countries which do not conclude the negotiations in 2002 shall become subject to a new updated road map and eventually, a revised pre-accession strategy.?

Estonia: membership application

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 Estonia has addressed the Accession Partnership priorities. With regard to the pre-accession instruments (Phare, SAPARD, ISPA), these programmes concentrate 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 Estonia amounts annually to around EUR 30 million from Phare, EUR 12.1 million from SAPARD and around EUR 35 million from ISPA. Concerning the Copenhagen criteria, the main areas are as follows: 1) Political criteria : Estonia continues to fulfil the Copenhagen political criteria. Progress has been made in the modernisation of the public administration by moving to a more results based system and improving public access to information. As regards the judicial system, Estonia needs to continue to improve the efficiency in dealing with court cases whilst at the same time improving the quality and enforcement of court decisions. There is also a need to further improve citizen's access to justice. Estonia should maintain the momentum of the integration process. This includes ensuring the efficiency of the naturalisation process, providing access to language training, and raising awareness of the issue across the entire spectrum of Estonian society. 2) Economic criteria : Estonia is a functioning market economy. Provided that it continues with and fully implements its reform programme, it should be able to cope with the competitive pressure and market forces within the Union in the near term. Estonia has returned to high growth and made further progress in strengthening its macroeconomic performance and stability, restructuring the enterprise sector, and in implementing structural reforms in the utilities and energy sectors. The pension reform has been adopted. The legal, institutional and regulatory framework is in place and enforcement is largely adequate. Nevertheless, the current account deficit remains high. The labour market is highly segmented leading to high unemployment combined with labour shortages. Initiatives to improve the response of the labour market to economic growth, with a focus on improving education, training and labour market mobility, need to be developed. 3) Alignment of Estonian legislation with the acquis : overall, Estonia has continued to make good progress in both adopting and implementing the acquis. - concerning the internal market : progress has been made in free movement of goods in aligning public procurement legislation and adopting standards although there is still a need to harmonise sectoral legislation. For free movement of persons, new legislation now ensures the mutual recognition of professional qualifications. In competition policy there has been further alignment of legislation which is now largely in line with the acquis in anti-trust and state aid; - concerning agriculture : important steps have been taken in preparing for the CAP, including the partial accreditation of the SAPARD agency. Progress has also been made in the phytosanitary sector. Considerable efforts still need to be made, particularly in the veterinary field. Raising food quality standards to EU levels is still a significant challenge; - transport and energy sectors : in transport policy, Estonia has continued to make progress in both aligning and implementing legislation. The necessary separation of accounts and the role of the railways regulatory body need to be clarified. In energy limited progress has been made. Efforts need to be made in this area particularly as regards the electricity market. Estonia also needs to further develop administrative structures and strengthen the energy market regulator; - for social policy and employment : Estonia has made good progress in terms of legal transposition. Further work is required on implementation. There is also a need to actively promote social dialogue; - environment sector : further progress has been made in relation to both alignment and implementation of environmental legislation. Estonia needs to continue these efforts and strengthen administrative capacity, particularly at local level. Also, enforcement of environmental legislation needs to be improved; - justice and home affairs : Estonia has made further progress in this area including the adoption of the new Penal Code. Work needs to be continued to ensure implementation of legislation, to improve internal coordination and to extend cooperation with external organisations. Particular attention should be paid to strengthening capacity to fight organised crime including drug trafficking. 4) Administrative Capacity : Estonia has continued to take steps to improve implementation and effectively enforce the acquis which should be recognised as often being more difficult, more expensive and time consuming than the transposition of legislation. Specific areas to which further attention should be paid include reorganisation of the market surveillance system and reinforcing the fight against piracy and counterfeit goods, in preparations for the Common Agricultural Policy and in raising the quality of food. There is also a need for investment in compliance and enforcement in the

environment sector, preparing for EC structural funds. 5) Accession Partnership : Estonia has continued to address aspects of all the short-term 1999 Accession Partnership priorities. Estonia is now tackling many aspects of the medium term priorities including those priorities in the internal market, agriculture, fisheries, transport, employment and social affairs, environment and justice and home affairs.?