

09.03.2001

## Decision of the Bundesrat

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### Bundesrat Resolution on enlargement of the European Union

In its 760<sup>th</sup> session on 9<sup>th</sup> March 2001 the Bundesrat adopted the appended Resolution

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## Bundesrat Resolution on enlargement of the European Union

1. The Bundesrat emphasises that rapid enlargement of the European Union to include central and eastern European states, together with Malta and Cyprus, is a political necessity and a key step to securing a durable, stable European peace order that will guarantee freedom, democracy and prosperity for the whole of Europe. The Bundesrat reiterates its opinion that the accession countries' acceptance of shared fundamental values strengthens the model of an open, competitive, social and tolerant order for society. Integrating further states into the European area of freedom, security and justice, as well as into the Common Foreign and Security Policy, will further contribute to stabilising Europe's internal and external security.
2. The Bundesrat is convinced that full integration of Central and Eastern European countries into the division of labour in Europe will bring long-term economic gains and generate greater prosperity and stability for both existing and new members of the European Union. The prospect of enlargement contributes considerably to economic modernisation in the candidate countries, whilst also opening up additional opportunities for growth for Member States' economies. Central and Eastern Europe are already established as dynamic export markets for the European Union. A European Single Market with over 100 million more inhabitants after enlargement can be expected to continue to produce significant economic growth and reinforce the European Union's competitive position on the world stage. Existing and new Member States face the challenge of addressing particularly profound changes associated with enlargement, and in the process securing existing workplaces and creating new jobs.
3. The Bundesrat welcomes the conclusions from the European Council in Nice on establishing a more specific timetable for European Union enlargement. The Bundesrat expects that negotiations on enlargement of the European Union will

be given new impetus thanks to these conclusions, together with the European Commission's underlying roadmap and indicative timetable for dealing with individual chapters. The Bundesrat shares the hope that the candidate countries that have made the most progress will be able to take part in the next elections to the European Parliament in 2004. In this context each individual country must be fit for accession in terms of the Copenhagen criteria. The Bundesrat considers that the Nice Treaty has established the necessary institutional prerequisites on the European Union side for accession of the newly emerging democracies in Central and Eastern Europe. At the same time the Bundesrat regrets that only partial progress has been made on the reforms needed to make the European Union more able to act. The Bundesrat considers that, in addition to the topics addressed in the post-Nice process, other areas also need reform, particularly agricultural and structural policies and the own resources system.

4. The Bundesrat supports the principle of differentiated negotiations reflecting individual accession countries' progress in fulfilling the Copenhagen criteria. The Bundesrat underlines the principle that existing Community legislation must be adopted in its entirety and applied effectively by the accession countries when they join the EU. In accordance with the European Commission's progress reports and the conclusions of the European Council in Nice, the Bundesrat points out that developing democratic, efficient administrative structures and the judiciary at every level, with qualified staff, is of particular importance to ensure that the Community acquis is transposed and applied effectively. This encompasses in particular effective steps to combat crime and functioning and means that efficient structures for cross-border police and judicial co-operation must be in place. Combating corruption is of key importance, together with effective controls at external borders in conjunction with adoption of the Schengen acquis.
5. The Bundesrat considers that the statutory competence or essential interests of the Federal states are affected in the spheres of free movement of persons, freedom to provide services, competition policy, agriculture, transport, taxation, social and employment policy, regional policy, the environment and justice and home affairs. Due to the course of accession negotiations, the Bundesrat will concentrate here on the chapters on free movement of persons, freedom to provide services, social and employment policy, and the environment. A further Resolution will address the remaining chapters mentioned above, which have

not yet been opened pursuant to the roadmap proposed by the Commission and adopted by the European Council in Nice.

6. There are considerable disparities between the accession countries and the Member States in terms of economic strength, wage levels and social and environmental standards. For that reason efforts to promote greater macroeconomic convergence in the candidate countries must be stepped up. Both the accession countries and current EU Member States have a legitimate interest in reasonable transitional arrangements. These must however remain the exception and must be limited and differentiated in both duration and scope. In addition to competition law and the Single Market, particular attention must be paid to the ramifications for the following policy areas when deciding whether to accept transitional provisions: health, security, the environment, consumer and employee protection and citizens' rights.
7. The Bundesrat requests the Federal government to take steps in the framework of accession negotiations to ensure that

- a) in the chapter on free movement of persons

any transitional arrangements adopted on the free movement of employees are comparable to the deadlines applied when Spain and Portugal joined the Community. This is to ensure that the already difficult situation on the labour market is not exacerbated by immigration as a result of divergent economic and social conditions and is particularly pertinent in structurally weak regions and in the labour market for unskilled workers. In this respect

- particular attention should be paid to the problem of commuters in border regions ;
- Member States must have scope to respond flexibly to transitional rules to reflect sectoral, regional and local needs;
- if the transition period is subsequently shortened, on the basis of transparent criteria established in advance, appraisal must be differentiated and reflect the situation in individual accession countries; the key parameters here are economic development, the extent to which social policy acquis is actually put into practice and the impact on the labour market.

b) in the chapter on freedom to provide services

appropriate transitional arrangements should be adopted, for example, for specific sectors, taking as a yardstick the transition periods for freedom of movement of workers and conditions stipulated in that context, with Member States retaining the freedom to determine the specific form that such transitional arrangements should take. Given the considerable differences in social standards, immediate unlimited freedom to provide services may give rise to distortion of competition, whilst, in conjunction with low wages, it may cause structural policy tensions. This would in particular affect small and medium-sized businesses and craftspeople with a regional focus (particularly in the construction industry and associated trades). In addition, precautions should be taken to ensure that the transitional periods for freedom of movement are not circumvented.

c) in the chapter on social and employment policy

- the acquis shall be transposed rapidly, thus allowing greater flexibility for transition periods for freedom of movement of workers. This encompasses in particular robust social security systems and social partners able to perform their role, which are also essential prerequisites for the co-operation with Member State authorities required in the context of freedom of movement and freedom to provide services;
- transition periods for protection in the workplace should be kept to a minimum to avoid distortion of competition and above all to ensure employee health and safety.

d) in the chapter on the environment

- transitional arrangements should only be accepted if they have a limited impact on the environment and do not cause considerable distortion of competition in the Single Market. For example, transitional arrangements for waste management should not lead to waste being exported from existing Member States to the accession countries.
- transitional arrangements should be adopted in specific cases if there are sound practical reasons and if such arrangements are tenable. This applies in particular to provisions with high associated investment costs or for which transition periods for implementation were granted to

existing Member States. Binding specific implementation and financing plans shall be agreed as a condition for adopting such transitional arrangements;

- framework provisions, horizontal legislation and the Nature Conservation Directives shall be transposed immediately and implemented in practice.

The Bundesrat reserves the right to make further comments, including more detailed observations on specific points.

8. Flanking preparatory measures for the EU, the existing and new Member States, the Federation and the Federal states are needed in the process of enlargement of the European Union.

This applies to a number of spheres, including

- setting up and developing efficient cross-border transport infrastructure,
- functioning environmental infrastructure,
- promoting economic structural change with particular reference to new technologies and
- integrated spatial development policy.

The Bundesrat reserves the right to draw up an additional Resolution on preparatory measures needed in the light of further developments.

9. The Bundesrat considers that one of the central challenges for Europe is how to involve citizens, particularly young people, in an objective dialogue on the opportunities and dangers associated with enlargement of the European Union. The Bundesrat believes it is urgently necessary to adopt a communication strategy informed by these criteria and supported by the European Union, the Federation, the Federal states, governmental and non-governmental organisations. Personal contacts with people from accession countries are especially important, particularly between young people and between people involved in culture, sport, schools and universities.
10. The Bundesrat considers that the EU must effectively support the German

Federal states' commitment to cross-border co-operation within regions and between countries, working in conjunction with regions in the accession countries. That also means that existing programmes must be more targeted and efficient, and devised to better complement each other. The Bundesrat also notes that the Federal states have played a significant part in administration-building through the European Union's Twinning Programme. This makes skilled staff and expert know-how available via partnerships between authorities and institutions in the Member States and in the candidate countries and establishes effective long-term contacts for co-operation.

11. The Bundesrat welcomes the Nice European Council's request that the Commission propose a programme to secure the economic competitiveness of border regions and urges the Federal government to support the Commission in this process, in close co-operation with the Federal states concerned. Targeted measures of limited duration should be envisaged for specific problem areas. However, such measures must not become a burden on other regions in Germany that need particular support.
12. Integrating the accession countries into the work of the Committee of the Regions, as called for by that body in its Resolution of 17th. November 1999, could provide a positive complement to the pre-accession strategy. The Bundesrat requests its authorised representatives to continue to pursue this point.
13. The Bundesrat requests its authorised representatives to continue to observe the accession negotiations and to prepare supplementary and/or more specific resolutions in the light of progress in the negotiations.