

# EUROPEAN PARLIAMENT

1999



2004

---

*Session document*

FINAL  
**A5-0240/2000**

15 September 2000

## REPORT

on Lithuania's membership application to the European Union and the state of negotiations  
(COM(1999) 507 - C5-0030/2000 - 1997/2178(COS))

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

Rapporteur: Magdalene Hoff



**CONTENTS**

	<b>Page</b>
PROCEDURAL PAGE .....	4
MOTION FOR A RESOLUTION.....	5
EXPLANATORY STATEMENT .....	9

## PROCEDURAL PAGE

By letter of 20 October 1999, the Commission forwarded to Parliament its Regular Report on Lithuania's progress towards accession (COM(1999) 507 - 1997/2178(COS)).

At the sitting of 21 January 2000, the President of Parliament announced that she had referred this Regular Report to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible (C5-0030/2000).

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed Magdalene Hoff rapporteur at its meeting of 23 September 1999.

The committee considered the Commission report and the draft report at its meetings of 11 July and 13 September 2000.

At the latter meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Elmar Brok, chairman; Baroness Nicholson of Winterbourne, William Francis Newton Dunn and Catherine Lalumière vice-chairmen; Magdalene Hoff, rapporteur; Sir Robert Atkins (for Silvio Berlusconi), Danielle Auroi (for Daniel Marc Cohn-Bendit), Alexandros Baltas, Bastiaan Belder, Andre Brie, Carlos Carnero González (for Linda McAvan), Gunilla Carlsson, Maria Carrilho (for Hannes Swoboda), Paul Couteaux (for Cristiana Muscardini), John Walls Cuschnahan, Rosa M. Díez González, Andrew Nicholas Duff (for Bertel Haarder), Olivier Dupuis (for Emma Bonino), Pere Esteve, Giovanni Claudio Fava (for Sami Naïr), Monica Frassoni (for Per Gahrton), Ingo Friedrich, Michael Gahler, Jas Gawronski, Alfred Gomolka, Klaus Hänsch, Jan Joost Lagendijk, Alain Lamassoure, Cecilia Malmström (for Francesco Rutelli), Pedro Marset Campos, Claudio Martelli, Emilio Menéndez del Valle, Philippe Morillon, Pasqualina Napoletano, Raimon Obiols i Germa, Arie M. Oostlander, Hans-Gert Poettering, Jacques F. Poos, Luís Queiró, Mechtild Rothe (for Mário Soares), Lennart Sacrédeus (for Johan Van Hecke), Jannis Sakellariou, José Ignacio Salafranca Sánchez-Neyra, Jürgen Schröder, Elisabeth Schroedter, Ioannis Souladakis, Francesco Enrico Speroni, Ursula Stenzel, Freddy Thielemans, Geoffrey Van Orden, Paavo Väyrynen, Demetrio Volcic (for Gary Titley), Jan Marinus Wiersma, Matti Wuori, Christos Zacharakis.

The report was tabled on 15 September 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## MOTION FOR A RESOLUTION

### **European Parliament resolution on Lithuania's membership application to the European Union and the state of negotiations (COM(1999) 507 - C5-0030/2000 - 1997/2178(COS))**

*The European Parliament,*

- having regard to Lithuania's application for membership of the European Union, submitted on 8 December 1995, pursuant to Article 49 of the TEU,
  - having regard to the opinion of the Commission on this application (COM(1997)2007 - C4-0379/97),
  - having regard to the 1999 Regular Report on Lithuania's progress towards accession (COM(1999) 507 - C5-0030/2000) and to the 1999 Composite Paper of the Commission (COM(1999) 500 - C5-0341/2000),
  - having regard to the decisions taken by the European Council, notably in Copenhagen (21-22 June 1993), Luxembourg (12-13 December 1997) and Helsinki (10-11 December 1999),
  - having regard to the Europe Agreement between the European Communities and its Member States of the one part and Lithuania of the other part,
  - having regard to the 1999 Accession Partnership for Lithuania,
  - having regard to its resolution of 3 December 1998<sup>1</sup> on the First Regular Report from the Commission on Lithuania's progress towards accession,
  - having regard to Rule 47(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy (A5-0240/2000),
- A. whereas Lithuania has a well developed democratic system of government and minority rights are well protected,
- B. whereas the reform of the judiciary is well advanced, but stronger measures are required to improve the performance of the police, improve prison conditions and develop a more comprehensive approach to crime prevention,
- C. whereas Lithuania has a considerable potential for long-term economic growth and the effective exploitation of this potential necessitates investment in infrastructure as well as in the educational system,

---

<sup>1</sup> OJ C 398, 21.12.1998, p. 54

- D. whereas the public sector must also respond to the support needs of various population groups, not least in rural areas and among the elderly,
- E. whereas public spending must at the same time be carefully controlled and macro-economic stability safeguarded,
- F. whereas Lithuanian foreign trade is increasingly oriented towards the EU and this stimulates the competitiveness of the Lithuanian economy and facilitates Lithuania's integration into the Single Market,
- G. whereas Lithuania's trade deficit must be brought down and this presupposes that exports to the EU can grow through increases both in volume and in the value of the products exported,
- H. whereas the deficit in the trade with EU in agricultural products cannot be sustained,
- I. whereas continued structural change, in particular in the agricultural sector, is vital to economic development even if it is associated with an obvious risk of aggravating unemployment problems and policies therefore must be carefully designed so as to limit such effects and compensate them through re-training and comprehensive measures to stimulate the development of new economic activities; whereas pre-accession aid must take full account of this,
- J. whereas Lithuania has made remarkable progress in its alignment with the EU acquis,
- K. whereas considerable efforts to increase the efficiency of public administration and to combat corruption are being made, but further results are needed,
- L. whereas the reactors of the Ignalina nuclear power plant are of a type that does not make it possible to achieve a sufficient level of safety and they therefore must be closed down; whereas principles and a timetable for the decommissioning of the reactors have been agreed between Lithuania, the Nuclear Safety Account (NSA) as managed by the European Bank for Reconstruction and Development and the EU; whereas the Lithuanian Parliament, the Seimas, has adopted a law on the closure of unit 1 at Ignalina in 2004 and the Lithuanian Energy Strategy lays down that a decision on the closure of unit 2 will be taken in the same year; whereas the NSA agreement prohibits re-channelling of the reactors, while the EU agreement implies that running the plant too long without re-channelling, or re-channelling, is in breach of the NSA Agreement,
- M. whereas the favourable outcome of the donor conference of 21/22 June 2000 will further facilitate decision-making concerning the decommissioning of Block 2 and whereas pledges by additional countries could further accelerate this process,
- N. whereas a harmonious development of the economy and society of the Kaliningrad region is important also for Lithuania and other neighbouring countries; whereas relations to the Kaliningrad region should be strengthened in order to promote such a development and this may also be conducive to the enhancement of EU-Russia relations on a wider scale,

- O. whereas the principle that the pace of negotiations and the order in which candidate countries will accede to the EU shall be determined by their state of preparation; whereas this must be adhered to,
1. Welcomes the opening of negotiations on EU membership with Lithuania and calls on all parties concerned to conduct these negotiations in such a way as to allow Lithuania, if it demonstrates equivalent progress in its preparations for membership, to catch up with countries of the former first group and to participate in the first enlargement wave;
  2. Notes that Lithuania clearly satisfies the political criteria for EU membership, but calls on Lithuania to continue the fight against corruption, conclude the reform of the judiciary, increase efforts to improve the performance of the police, improve prison conditions and broaden its approach to the fight against crime;
  3. Recalls that Lithuania is both a country of origin and a country of transit and destination for trafficking in women, which is constantly increasing; calls on the government of Lithuania as well as the governments of the EU Member States to adopt effective measures to combat trafficking in persons and to ensure that its victims are guaranteed practical and effective assistance;
  4. Encourages Lithuania to focus steadily its economic policy on creating conditions that promote long-term growth; draws attention to the central role in this regard of investments in infrastructure and in the raising of skill-levels;
  5. Recognises the difficulty of reconciling the pressing needs for public expenditure, in particular to promote the modernisation of the economy and to address social needs, with the principle of avoiding excessive budget deficits that could jeopardise macro-economic stability; considers that Lithuania should critically review all public expenditure that is not clearly linked to its most important policy objectives or the effectiveness of which leaves room for doubt;
  6. Calls on the Commission and the Council to cooperate with Lithuania in seeking ways to achieve better balance in bilateral trade and in this connection to take into account the importance and the development needs of Lithuania's agricultural sector, which may require the maintenance of asymmetry in trade-liberalisation during the pre-accession process;
  7. Encourages Lithuania to develop a comprehensive strategy for agricultural reform and draws attention to the importance of strengthening administrative structures in this area, not least in order to make possible the reception and effective use of EU aid; calls on the Commission to use all available mechanisms to assist Lithuania in the development of these structures and to regard this as a matter of urgency;
  8. Calls on the Commission to focus pre-accession aid under the SAPARD programme on integrated rural development, with a view to controlling the social effects of structural change in the agricultural sector;
  9. Recognises Lithuania's commitment to aligning with the EU acquis and the important

results achieved;

10. Recognises, also, that a well designed framework for public administration reform has been put in place and believes that this reform will prove successful in raising the capacity to implement the acquis to the high level required; encourages Lithuania to sustain its efforts in this area;
11. Emphasises that the current timetable for the decommissioning of the two Chernobyl-type units of the Ignalina nuclear power plant must not be relaxed, recalls that the EU will provide substantial assistance to Lithuania in connection with the decommissioning;
12. Welcomes the fact that eight EU countries, as well as other States (Germany, Denmark, Sweden, Belgium, Ireland, Finland, the Netherlands, Austria, Norway, Poland, Switzerland and the USA), have already made bilateral contributions of their own towards financing the decommissioning of Ignalina nuclear power station and calls on those Member States which have not done so to follow these positive examples;
13. Points to the need to develop co-operation with the Kaliningrad region in order to avert developments there that could have destabilising effects in a much wider area; stresses that an active EU policy in this regard could play a pioneering role for the broadening and deepening of EU-Russian relations;
14. Calls on the Commission to propose a strategy for EU cooperation with Russia, Lithuania, Poland and other interested countries on Kaliningrad and to present proposals for concrete cooperation projects, taking the Northern Dimension and the Lithuanian-Russian Nida initiative into account; also calls on the Commission to improve coordination between the Phare and Tacis programmes as regards cross-border projects;
15. Welcomes the great strides that Lithuania has made in developing its frontier controls, and considers that a simplified border crossing procedure for local residents should be found;
16. Instructs its President to forward this resolution to the Commission, the Council, the Parliaments of the Member States and the Lithuanian Government and Parliament.



## **EXPLANATORY STATEMENT**

### **Introduction**

Lithuania applied for EU membership on 8 December 1995. Earlier the same year, a Europe Agreement with the EU had been signed and this entered into force on 1 February 1998. EU trade with Lithuania has grown rapidly and there is no major problem in bilateral trade.

Pre-accession aid to Lithuania totalled € 55 million in 1999 and is now being substantially increased. The Phare programme, which is used for institution building and investments to increase the capacity to implement the EU acquis, continues. New programmes for transport and environmental projects (ISPA) and for agriculture and rural development (SAPARD) are becoming effective. The contributions from Phare, ISPA and SAPARD in the years 2000-2002 will amount to € 126 million, € 120-180 million and € 90 million respectively.

Negotiations with Lithuania on EU membership were formally opened on 15 February 2000. This was a result of the decision taken by the European Council in Helsinki, in December 1999, to replace the former division of the candidate countries into two groups, of which only one was admitted to the negotiating table, with the "regatta model" always favoured by the European Parliament.

So far, eight of the 31 negotiating chapters have been opened for negotiations. These are: small and medium sized enterprises, science and research, education, external relations, foreign policy, competition, statistics and culture. Lithuania has submitted its positions on these chapters and there is reason to believe that the negotiations on them can be concluded swiftly. Lithuania hopes that the EU will be ready to open eight new chapters per half year and that the negotiations can be concluded by the end of 2002. Lithuania has set 1 January 2004 as its target date for EU accession.

The opening and provisional closure of chapters will be closely linked to the concrete progress made by Lithuania in the fulfilment of the criteria for EU membership laid down by the European Council in Copenhagen in June 1993. This report will study this progress, as well as the important issues of nuclear safety and co-operation with the Kaliningrad enclave. On the basis of this, it will formulate a position on the accession process and on EU-Lithuanian co-operation.

### **Fulfilment of the political criteria**

It is not necessary to dwell on Lithuania's status as a country with a well-established democratic system of government, since this is obvious to everyone and not subject to any doubt. Members of the Russian, Polish and many other ethnic minorities in Lithuania can play their full part in political life as citizens of the republic. Minority rights are well protected.

The party system has been relatively stable, but recent developments, including the results of the municipal elections held in March 2000, strongly suggest that this may change. It is, however, still difficult to predict what the political landscape will look like after the parliamentary elections in October this year and to foresee how preparations for EU accession

may be affected.

Problems in the judiciary are progressively being solved. By contrast, mistreatment of detainees is still a problem according to some reports. Prison conditions continue to be a cause of concern and the Lithuanian government is aware of this. The combination of a dramatic increase in the crime rate over the last decade and the imposition of long prison sentences has caused serious overcrowding in Lithuanian prisons. In May 1999, the number of prisoners per 100 000 inhabitants stood at 389 and this was almost five times higher than the average for Western European countries. The strong repressive measures taken have proved insufficient in the fight against crime.

Women commit very few crimes, but make up a very significant share of the victims. Furthermore, fifty per cent of rape victims are minors. Trafficking in women and girls for the purpose of forced prostitution is a serious problem and the destination is often an EU country. The EU and its Member States certainly have a responsibility to fight this phenomenon.

Sociological research quoted in Lithuania's 1999 Human Development Report has revealed that public confidence in the police is low. According to these research findings, it is widely believed that police officers commit many offences themselves. The problem of corruption is, however, not limited to this sector and Lithuania needs to step up the fight against it.

In conclusion, Lithuania satisfies the political criteria since it has achieved stability of the institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, but there are still some areas where Lithuania should work hard to improve its record.

### **Fulfilment of the economic criteria**

The Lithuanian economy demonstrated a potential for strong growth in the years before the Russian economic crisis, which broke in August 1998. Lithuania's extensive trade with Russia kept it dependent on demand in the Russian market and sensitive to changes in the exchange rate of the Russian rouble. The dramatic fall in both demand and the exchange rate had considerable effects on the Lithuanian economy. Strong efforts to mitigate these effects, in particular through increased government spending, failed to produce the desired result at macro-economic level. Gross Domestic Product (GDP) decreased by as much as 3.3 % in 1999 and public finances inevitably suffered. In addition Lithuania's current account deficit edged up in 1998 and decreased only marginally in 1999, to 10.9 % of GDP.

Today, the general trend in the Lithuanian economy is, however, a positive one. The International Monetary Fund, with which Lithuania recently concluded an agreement on a stand-by arrangement in order to underpin confidence, predicts 2.1 % GDP growth in 2000. The chances for a return to the sustained growth trend that prevailed before the Russian economic crisis look good, provided that policies focus on creating the conditions for that to happen, both before and after the general election in October 2000.

As a result of the decline of CIS-markets, the re-orientation of foreign trade towards Western markets has been accelerated. This stimulates innovation and modernisation in key branches of the economy and helps prepare Lithuania for integration into the EU Single Market.

Throughout the recent period of difficulties, the currency board system operated by the Bank of Lithuania remained intact. This system is currently based on the pegging of the Lithuanian litas to the US dollar. According to current plans, a switch to a euro-peg will be carried out in the second half of 2001. The dollar peg has recently had an unwelcome effect on Lithuanian competitiveness. As the dollar has strengthened against the euro, so has the litas. Lithuanian producers' earnings from their exports to the euro-zone have thus tended to diminish and producers for the domestic market have tended to face tougher competition from euro-zone exporters. Still, Lithuanian exports to the EU are growing considerably. Increased trade in both directions should help to prepare Lithuanian producers for the competitive pressures on the internal market. In this context, it should be noted that the Lithuanian trade regime is quite open, although the agricultural sector enjoys strong protection. This protection, moreover, is a contentious issue in negotiations on accession to the WTO that Lithuania is conducting with the USA and other members of that organisation. It would appear that the USA and some other members of the Cairns Group of agricultural exporters perceive Lithuania's simultaneous alignment with the Common Agricultural Policy and pursuit of WTO membership as an opportunity to launch an indirect attack on the CAP. Using Lithuania's WTO accession as a pawn in a game on the CAP would, however, be deeply unfair.

The agricultural sector is big (10% of GDP, 21 % of employment) and sensitive. A third of the farmers and more than a quarter of all people living in rural areas are poor, in the sense that their disposable income is less than half of the Lithuanian average. When negotiating the terms for the integration into the EU market for agricultural products, as well as when working out the details of pre-accession aid under the SAPARD programme, great attention must be paid to the social effects of modernisation measures. Strong efforts must be made to promote new activities and employment opportunities in rural areas. Furthermore, the EU should be prepared to receive more Lithuanian exports of agricultural products. The EU's current large surplus in the trade in agricultural products cannot be regarded as sustainable.

Lithuania's GDP per capita, expressed in purchasing power standards (PPS), represents 29 % of the EU average. The slump in production in the first phase of transition has only partially been recovered and GDP now stands at about 65 % of its 1989 level. The dual effect of this and of rising inequality makes itself felt. Poverty is widespread, not only in the countryside, but also among households with children under 18 and among pensioners. The unemployment rate (ILO definition) is about 13 %.

Citizens expect the public sector to guarantee a decent level of social security and provide services. The public sector should not shrink from its responsibility in this regard, although the expenditure that it can make without sacrificing the soundness of public finances and thereby endanger macro-economic stability is very limited. Getting maximum value for the money spent is therefore crucial. The EU is, through the Phare programme, engaged in improving the provision of health care services and should increase its efforts in the social field.

According to the joint press release of the EU-Lithuania Association Council of 15 February 2000, Lithuania "is close to being a functioning market economy and should be able to cope with competitive pressure and market forces within the Union, but this will require sustained implementation of its recent reforms". This conclusion can be supported.

## **Ability to assume the obligations of membership**

As recognised in the Commission's progress reports and in the joint declarations of the Association Council, Lithuania makes steady progress in its alignment with the EU acquis. Problems tend to be related to weaknesses in administrative capacity and to lack of resources.

The cost problem is particularly serious in the area of the environmental acquis. The investments needed in order for Lithuania to be able to comply with this acquis may, according to the Commission's 1999 Progress Report, be in the order of € 1 billion. It may be tempting to use this cost and the evident impossibility of achieving full compliance in the short or even medium term as arguments for lowering the level of ambition. Temporary derogations would then be granted quite freely and their ending would be put off till distant dates. Such an approach is, however, unacceptable. Clean air, water and soil and safe food are no less important in Lithuania than in the EU's present member states. Damage to the soil and waste on the bottom of the Baltic Sea resulting from Soviet era military activities need to be assessed. Moreover, pollution does not stop at borders and neither does food or other products thanks to the EU's internal market. The proper functioning of this market also presupposes that competition is fair. This means *inter alia* that similar standards for the protection of the environment are applied throughout the internal market.

Yet transitional arrangements will be needed for Lithuania. These must be accompanied by strict timetables for their ending and indications of when intermediate objectives should be reached. EU assistance mainly through ISPA before accession and through the Cohesion Fund thereafter, will provide a part of the necessary resources.

Acquiring capacity to implement the EU acquis does not always require major investments and new expenditure, however. Improving administrative structures requires more work than money and will clear the way for reception of more EU funding. Lithuania therefore has a strong incentive to continue the public administration reform that it has embarked upon in a promising way with the adoption of several new laws. Furthermore, greater compliance with EU rules on state aid would ease the pressure on Lithuanian public finances.

Improving efficiency in the use of resources is also key to a better functioning energy market. This is a necessary step in the preparations for the closure of the Ignalina nuclear power plant, to which we will now turn.

## **The need to close the Ignalina nuclear power plant**

Although safety at the Ignalina nuclear power plant has been improved with the help of EU aid, the Chernobyl type reactors there cannot be operated in a manner conforming to international safety standards. They must therefore be decommissioned. An agreement concluded with Lithuania in 1994 on financing for a safety upgrade from the Nuclear Safety Account, administered by the European Bank for Reconstruction and Development (EBRD), obliges Lithuania to shut down the reactors as soon as an ageing phenomenon known as gap-closure occurs. In Agenda 2000, adopted by the Commission in July 1997, the Commission took the view that the older unit could close in 2004 and the somewhat newer unit in 2008, at the latest, if certain criteria were fulfilled. In October 1999, the Lithuanian Parliament, the Seimas, adopted an energy strategy according to which unit 1 will be closed down before 2005 and a

decision on the closure of unit 2 is to be taken in 2004, taking into account the age difference between the two units. A law on the closure of unit 1 in 2004 was adopted by the Seimas in May 2000.

Given that business interests have been pressing for continued operation of the Ignalina power plant, that the adoption of the energy strategy was preceded by very difficult discussions and that it cannot be excluded that the closure plans will again come under attack, it is important that the EU follows developments attentively and provides assistance in accordance with its pledges and plans. If need be, it must clearly state its opposition to any further delay and remind Lithuania of its commitment under the Nuclear Safety Account Agreement.

### **The need to improve the situation in Kaliningrad**

The Russian Kaliningrad region presents both a number of challenges and a major opportunity in connection with the EU accession of the two only countries with which it has a land-border: Lithuania and Poland. Challenges stem from the serious economic and social problems within the enclave, including organised crime, the current absence of a clear strategy for its future development and the destabilising effects on the wider region that a further deterioration may well provoke. At the same time, a window of opportunity is now open. Lithuania and Russia are now actively seeking co-operation with the EU to ensure a harmonious development in Kaliningrad. As has often been pointed out, such a co-operative effort would be a litmus test of the potential for a much wider and deeper co-operation with Russia. This provides a strong additional motive for the EU to engage very actively in cooperation to solve problems in this region.

The Kaliningrad region is heavily militarised. Yet it would be a mistake to focus primarily on traditional "hard security" aspects when devising a policy in relation to it. The size of the troops and the military hardware based in the region has declined considerably in the last years. Despite the already noted lack of a strategy for the region, it is clear that current Russian thinking is centred on civilian development and co-operation, not on military development or on the building of a fortress.

More attention should be given to "soft security" hazards arising from the social and economic crisis in the Kaliningrad region and from the unstable conditions there. Such hazards include trans-border crime, smuggling of arms and other items, drug trafficking, the spread of HIV by infected prostitutes searching for new markets with richer clients, illegal migration and serious trans-border pollution. In principle, the policy response can aim at *containment through isolation* or at *stabilisation through co-operation*.

Some of the hazards mentioned will by their very nature escape every attempt to contain them through such measures as the strengthening of border controls. As regards other hazards, the adoption and implementation of Schengen standards for external border management may certainly have a significant effect. Nevertheless, it is a delusion that containment could fully succeed. More importantly still, if the EU erects walls around Kaliningrad, it will already have done half the job of turning it into a fortress. The chance to exert positive influence would then be lost, Russian perceptions of its exclave would inevitably change and the window of opportunity would close.

*Stabilisation through co-operation* must therefore be the main policy line. Lithuania has for a long time been seeking to engage Russia in thinking about cooperation that could improve Kaliningrad's development prospects. In their recent so called Nida Initiative, Lithuania and Russia presented proposals for a number of transport, environment protection, education, health care, border management and other projects which they would like the EU to include in its Northern Dimension action plan and support. These ideas are worthy of being very carefully examined.

The reality of Kaliningrad's existence as an enclave within the EU in the near future is now dawning on EU leaders. Signs are that a policy of active engagement, rather than one that just marks borders and time, may be opted for. The European Parliament called for an active EU policy on Kaliningrad already in 1994, in a resolution on the basis of a report specifically on the Kaliningrad region<sup>1</sup>. The author of the present report was rapporteur also for that report. She is, of course, pleased to note that a political momentum is now building up and strongly hopes that this will make the EU grasp the opportunity to develop ground-breaking co-operation that now seems to exist.

## **Conclusion**

For Lithuania, the big challenge is to catch up. It needs rapid progress in its negotiations on EU membership in order to catch up with countries like Poland and Estonia, with whom the EU has negotiated since November 1998. This presupposes both that Lithuania can show sufficient results in its practical preparations for EU membership in relation to the various negotiating chapters and that both parties conduct the negotiations in such a way as to avoid any unnecessary delays.

Lithuania's strong efforts and very significant results so far must be recognised. Its painful memory of having been left outside the former first group in the accession process and its deep resistance against the idea of a first enlargement wave where it would not be included is fully understandable. The advantages to both the EU and Lithuania of a broader wave, preferably encompassing all of the Baltic states as well as Poland and other advanced candidates, are obvious. Such a wave would avoid uncertainties that in Lithuania could harm investments, public confidence in the EU and the resolve to carry on also with difficult adjustments to EU rules. It would also avoid the hassle of temporarily making the Polish-Lithuanian or the Latvian-Lithuanian border an EU external border, suspending the Baltic Free Trade Agreement etc. Finally, it would clearly demonstrate the EU's determination to make its vision of an inclusive European Union and a re-unified continent a reality.

Yet candidate countries can only be permitted to accede to the EU if they are sufficiently prepared. There are also obvious dangers with advancing enlargement too rapidly. Lithuania, as much as the EU, would have reason to fear the consequences if, for example, competition in the internal market did not function well, if laws and rules could not be implemented properly or if there were a massive waste of resources due to serious weaknesses or corruption in public administration.

Lithuania should keep up its good work and the EU assist it in every possible way. It is still too

---

<sup>1</sup> Resolution on the basis of the report A3-0036/94, adopted on 9.2.94 (OJ C 61, 28.2.94, p.74)

early to establish a position on when and with whom Lithuania should accede, but efforts should be aimed at making possible a broad first enlargement wave in which Lithuania is included.