ESTONIA’S WAY INTO THE
EUROPEAN UNION

Estonian Ministry of Foreign Affairs 2009
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Tallinn 2009
Estonian Ministry of Foreign Affairs
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ISBN 978-9985-9923-3-3
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When the fourth anniversary of Estonia’s accession to the EU came and went, a foreign journalist asked me why this day went unnoticed in Estonia and why there was no formal celebration. I admitted that it had never occurred to me to pay particular attention to this day nor that we should celebrate it in a special way. I think that most Estonians probably felt the same way.

What does this tell us? It definitely does not mean that we do not attach great importance to EU membership. Rather the opposite is true. Our membership has become so self-evident in just a couple of years that it needs no highlighting. Indeed, it is rather difficult to believe that until quite recently Estonia was not part of the EU and that our accession was far from guaranteed.

We have long talked about Estonians historically belonging to Europe. It is nice that this claim has been reconfirmed, once again, in peoples’ attitudes toward the EU. One expression of this is the high level of support for EU membership among the Estonian people. Another aspect is that, by today, any other option or course of action has become totally unimaginable.

The efforts that were made to achieve membership have a tendency to fade over time. We are inclined to forget how Estonian society had to pull together to reclaim its rightful place in Europe. This book is all about these efforts. It tells us about the people and situations, thoughts and actions, which preceded the 1st of May 2004 when Estonia became an EU Member State. Hopefully it will help us remember and recognise that nothing is for granted and that preparing our country for EU membership was a massive joint effort on the part of Estonian society.

Hopefully our experience will also benefit those who are either at the beginning or in the middle of this journey. Estonia is not a selfish country. Our position is that all European countries who want to join the EU and are ready to do so, should be given a chance to become a member. And we are ready to help them with our experience and advice just as our friends were once willing to help us on this difficult journey.

Before our accession referendum, some people in Estonia tried to take advantage of the public’s lack of knowledge and doubts about the EU. We got out of one Union, why try to get into another, they said. Again and again, we patiently explained the differences between the Soviet Union and the European Union. Today, this sort of an attempt to compare the incomparable would appear as nothing more than a feeble and tedious joke.
An overwhelming majority of Estonians are happy to be inside the European Union. We would like the EU to be strong. We believe that the EU should not only care for all of its Member States, no matter how big or small, but also and most importantly for European Union citizens.

Today it seems natural to travel without borders and formalities, to study and work in any corner of Europe. The free movement of goods, new roads and cultural institutions built with funds allocated thanks to the solidarity principle, the support for our agriculture – all of this seems completely normal.

Thanks to our membership, Estonia's international position has also been strengthened. Our options for contributing to solving problems on the international stage have increased substantially.

But even today nothing is 100% certain. We must work every single day to retain the European values and freedoms that we have achieved. Estonia, in particular, is able to appreciate these freedoms and values because we know how easy it is to lose them.
On 17 September 1991, with the hoisting of the blue-black-and-white flag in front of the UN headquarters in New York, Estonia celebrated its return to the family of free nations. We were experiencing a freedom honeymoon. An inspiring summer was behind us, and it seemed there were no difficulties that we could not overcome. Unfortunately, reality returned to Estonia and faster than we would have wished. The struggle for freedom left us no time or opportunities to deal purposefully with serious reforms. Our friends in Central and Eastern Europe who shared our destiny, started with their reforms in 1989–1990, at a time when the collapse of their economies was not far off. We were not able to set about this work until two years later. We also did so under more difficult circumstances because the longer a Communist system lasts, the more chaos its final years create.

Against this background, it is not surprising that the first months of 1992 turned out to be truly dreadful for Estonia. Coupons that had to be cut with scissors were used to buy soap, sometimes vodka; there were long queues for gasoline, streets were devoid of cars, the rouble had lost its value – all of this formed the depressing reality at the time. Inflation exceeded 1,000%, manufacturing collapsed, social inequality increased suddenly and the overall standard of living dropped. Was this the independence that had we had dreamed about and had sought at any cost? The collapse of the economy was caused by mistakes made by the Communist system over the course of fifty years, but we could not ignore our own mistakes. Estonia lacked a clear plan on how to proceed. Some dreamed of a “third way” between a command and market economy, a solution based on increasing governmental interference, not in granting people more freedom. A typical example was an attempt made at the beginning of 1992 to solve the economic crisis by declaring a state of emergency. Fifteen years later, the same approach turned out a failure in Georgia.

Luckily this foolish plan was never implemented. The state of emergency was cancelled before it became a reality. In January 1992, a transition government led by Tiit Vähi came to power and set three goals: currency reform, the adoption of a new Constitution, and the organization of the first post-war democratic elections in the autumn of 1992. These three steps were of decisive importance for the future of Estonia and the government managed to accomplish all three. First, the new Constitution was drafted and put to a referendum. It became the basis for all
subsequent laws and gave a positive impulse to Estonia’s development. The adoption of the Constitution made possible the announcement of the presidential and parliamentary (Riigikogu) elections in September 1992. The currency reform of 20 June 1992 also marked a significant breakthrough – Estonia became the first country on the territory of the former Soviet Union to adopt its own currency. To guarantee the necessary trustworthiness of its currency, Estonia adopted a currency-board system, which, in order to function, required adherence to conservative monetary policies. The currency reform turned out to be extremely successful, creating a positive basis for subsequent reforms.

Unfortunately, initial success did not lead automatically to an overall improvement of the situation in Estonia. Inflation decreased, but was still unbearably high and the decline of manufacturing continued. The elections in the autumn of 1992 played a decisive role in shaping the future of Estonia. They provided a clear answer to three important questions: would a clear line be drawn between the existing and Communist Estonia or would the Soviet legacy continue to impact on reality; would Estonia switch to a market economy or search for a “third way” between a command and market economy; would Estonia unambiguously orient itself toward the West or follow a policy of neutrality, which had characterised pre-war Estonia. The right-wing Fatherland election coalition, who won the elections, along with its presidential candidate, Lennart Meri, provided the most radical answers to these questions. The coalition promised to make a clear break with the past, change Estonia to a market economy and unequivocally turn the country toward the West.

The first months after the government assumed office in October 1992 turned out to be extremely turbulent. It was as if the young and inexperienced government had been sent out to sea in a peanut shell to be tossed and turned by giant waves. The situation in the country was catastrophic. Manufacturing was decreasing 30% per year, agriculture had collapsed, and the birth rate had dropped by almost 50%. Crime and social problems had, on the other hand, multiplied. The government had a one-vote majority in the Riigikogu and the opposition did not grant the government the traditional 100-day grace period. While waging a heated political battle, the government had to take steps to bring Estonia out of economic crisis and stabilise the macroeconomic situation. To achieve this, a balanced state budget needed to be submitted to ensure that the Estonian kroon would be able to “survive the winter”. A balanced budget is a popular election slogan, but when it has to be realised it becomes extremely unpopular. We nevertheless managed
to accomplish this by eliminating the majority of existing supports and subsidies and abruptly reducing the size of the state apparatus. The number of ministries was reduced by one-third and a large number of Soviet-era officials were laid off. This “sweep the place clean” policy cut off the link to the Communist past and its traditions and opened the way to establishing a modern state system.

The creation of an effective civil service and state institutions specified in the Constitution became one of the new government’s most important challenges. We also succeeded in preventing the governmental sector from being politicised by implementing a system of non-political secretary-generals thereby creating a foundation for sustainable reforms despite rapidly changing governments. The government’s work was organized to make rapid decisions, while recognising that this may also result in mistakes. But it would have been even worse to have lost time.

The Estonian state had to prove itself immediately otherwise it would have rapidly failed. Problems, however, were growing. A banking crisis that had been smouldering for some time became public and threatened Estonia with total collapse. In co-operation with the Bank of Estonia, the government operated with total decisiveness to resolve it. A clear signal was sent to society, and especially the banking sector, that banking in Estonia must be based on clear and firm foundations and that no one should bother coming to Estonia with dirty money from Russia. This was even more important because organized crime was also attempting to come to power in Estonia. In the autumn of 1992, Estonia lacked the necessary police power, courts and other governmental systems to block this. Yet having seen how the organized crime’s invasion of the Russian economy and politics got its start from the takeover of banking, we chose this as the first line of defence. With harsh measures, the government made it abundantly clear that Russia’s dirty money was not welcome in Estonia. After a few attempts, this was understood. As a result, the banking sector in Estonia developed somewhat more slowly, but consistently and soon became the strongest in the region.

The next problem was the large quantity of roubles in the treasury of the Bank of Estonia. The roubles were collected in the course of the currency reform and were rapidly losing their value. Russia did not want the roubles back - apparently they hoped that galloping inflation would soon reduce the value of these roubles to zero. Yet this was Estonia’s money, which we badly needed. At the beginning of 1993, it was not at all clear whether there would be enough money for pensions. Obviously it is not necessary to describe in detail what this would have meant. Unlike others who tried to do the same, Estonia managed to cash in its Russian roubles. Only later did it become known that they were sold to Chechnya. Estonia, however, was able to survive the winter.

Although it later became the basis for toppling my first government, the rouble transaction - which I am still proud of, by the way - enabled Estonia to start solving its next problem, i.e. the creation of the Estonian Defence Forces. In the autumn of 1992, the Estonian Defence Forces virtually did not exist. When the Ministry of
Defence was created in the summer of 1992, there were fewer than 1,000 men in the army and a few hundred automatic weapons. The Defence Forces had no other equipment. Such an army could not be taken seriously. Unfortunately, at that time, neither our neighbouring countries nor larger Western countries were ready to sell us any weapons. Old uniforms - yes, please. Weapons - sorry, no! Clearly, Estonia could have bought weapons from the black market in the East, but this would not have been a solution. Estonia had to rid itself of dependence on the East, including in the field of armaments. To achieve this we had to break through the undeclared weapons blockade. The opportunity to do so was provided by a weapons deal with Israel that was secretly executed at the beginning of 1993. Naturally, we were still beginners when it came to these types of deals, but we still managed to get by without any great blunders. The Estonian Defence Forces are still using Israeli weapons today.

Although the government continued to operate in a “mine field”, we were able to work effectively. We were convinced that the only way for Estonia to advance was to rely on the power of law and thus we tried to ratify as many laws as possible. Over 300 different pieces of legislation were ratified in 1993 alone, which included several codes that usually take decades to draft, such as the first important sections of the Civil and Commercial Codes. An important role in the creation of the framework necessary for the development of enterprise was played by the adoption of an Insurance Act, a Competition Act, a European-style Accounting Act and a Consumer Protection Act.

It was not only important to ratify these laws, but also to implement them. To do this, a country needs a functioning court system. Its creation required hard work. From 1993 to 1995, nineteen laws were ratified that helped to establish a modern, three-tiered European-style court system. The poor qualifications and limited experience of the judges became a problem, which made it necessary to organize constant training and strong oversight of their qualifications. The relatively rapid development of the legal order created fertile ground for the development of a market economy and civil society in Estonia, thereby also significantly helping us become a normal European country. This also helped Estonia battle the greatest danger for any transition state - corruption. The initial secret to Estonia's success was the “sweep the place clean” policy, which severed a large number of links dating back to the Soviet era and brought a generation untouched by earlier “experiences” into government. The second reason for success was the creation of an effective civil service, and the third was general liberalisation and an abrupt reduction of all kinds of rules and regulations. Reducing the number of situations that create corruption helped reduce corruption itself. All this made
doing business in Estonia attractive to foreign investors. The results were not long in coming. By 1993, the per-capita flow of foreign capital into Estonia placed it first among Central and Eastern Europe countries.

These decisions also helped us take steps to mitigate the problems that inevitably resulted from the collapse of Soviet-era enterprises. According to various data, unemployment in 1993 rose to 30%-40% of the working-age population. The situation became especially complicated when several reforms coincided. The reduction of jobs resulting from increasing efficiency coincided with a general decline of the economy and the bankruptcy of several large enterprises. Structural changes were launched in the economy, which among other things abruptly reduced the number of people involved in agriculture and further increased the number of unemployed. In this situation, Estonia quickly needed effective labour market policies. Estonia did not have the money or the desire to implement the West's generous and relatively ineffective labour policies. We decided to implement policies that would stimulate people not to remain unemployed, but rather to take their fate into their own hands. This was a harsh policy. Namely, we froze unemployment benefits for a year at a level that preserved a strong motivation for people not to remain unemployed, but to search for other solutions. At the same time, the assistance provided to those unemployed people who wished to study or acquire a new occupation was increased. Moreover, the state granted long-term, essentially non-refundable loans to people for starting up their own businesses if they completed the corresponding training programme. Instead of benefits, the majority of people chose retraining. A large number also chose the loan programme. This helped to create tens of thousands of jobs in Estonia.

The reorientation of the Estonian economy turned out to be of decisive importance. At the beginning of 1992, over 90% of Estonia's trade was still conducted with Russia and the former Soviet Union. Redirecting the economy was a painful undertaking. Many enterprises bombarded the government with applications for concluding barter deals or other agreements with Russia, which would allow them to continue selling their cheap, but poor quality goods in the expanses of Russia. They all received the same answer: forget about Russia and orient yourself to the West! This was not the answer that they wanted to hear. The government would not have succeeded at all in explaining the inevitability of the change if reality had not made itself vividly clear. Convinced that Estonia was economically so dependent on Russia that it would not be able to cope, Russia started to put economic pressure on Estonia, hoping thereby to change Estonia into its “near abroad”, i.e. a region in Russia's sphere of influence. Russia did not ratify the free trade agreement signed in 1992 and started to restrict trade with Estonia by any means. Russia tried to redirect its transit trade around Estonia, and after a while, established double customs tariffs on goods from Estonia. Thus, Estonian entrepreneurs had no other option but to start producing goods that would be competitive on the world market. Orientation to the West forced companies to thoroughly reorganize and update their production. This, in turn, was accompanied by a
growth in productivity, which increased to 8.4% per year and equalled the productivity of Germany and Japan after the Second World War.

The structure of the economy changed. Compared to countries with market economies, Estonia was previously clearly overdeveloped in the industrial sector and underdeveloped in the services sector. In 1993-1994, however, the structure of the economy started to normalise (in 1993, the services sector constituted almost 50% of GDP) and to approach conventional European economic models.

Russia’s attempts to subordinate Estonia in the field of energy were also unsuccessful. Estonia already made a painful but necessary decision in 1992 to free the government from an obligation to pay energy bills and make consumers responsible. As soon as it became clear that the government would no longer cover consumers’ energy debts, payment discipline improved markedly and soon all large electricity and gas debts were eliminated. By the end of 1993, dependence on Russian energy carriers was a thing of the past. Of the energy consumed in Estonia, over 60% was produced in Estonia itself, almost 30% came from the West and only 10% came from the East (primarily gas).

Although changes in Estonia’s situation were not obvious, the economic situation started to improve by the summer of 1993. Inflation decreased significantly, and the decline of manufacturing was also halted. We were also able to effectively “sell” these first results, thereby increasing Estonians’ confidence in the future as well as the West’s confidence in Estonia. As U.S. Vice President Al Gore said Estonia became a country that “exported hope”. The improvement in the economic situation and the achievement of macroeconomic stability allowed Estonia to tackle the next round of reforms with the goal of carrying out structural reforms in the economy and shifting it to growth. The primary and greatest challenge for any government at this stage of reform is to change the attitudes of the people, to activate and encourage them to take care of their own futures. This required shock therapy. A declaration was made that “the government would help those who wanted to help themselves”. This was not very popular. The government was accused of disregard and it was interpreted as an appeal to those who are able to support themselves, while leaving everyone else to fend for themselves. Despite criticism and deliberate misunderstandings, the basis for Estonia’s success was established by an emphasis on the necessity of doing and wanting to do something for oneself. In practice, Estonia was able to realise this principle by relying on competition and implementing radical tax and ownership reforms.

Tax reform, or the transition to a single-rate flat income tax, has to a certain extent become a trademark of Estonia’s success. This was based on the realisation that it is impossible to make people understand that they need to rely on their own labour if every time they file their income tax returns, the government reminds them it is not beneficial or practical to work hard or to be successful – because if you are successful, the government will take a larger share of your income as “punishment”. The only way to change this situation was radical tax reform through the elimination of progressive income tax. Income tax reform in Estonia
started in 1993 with the elimination of the highest income tax rate of up to 50%, which had been established in 1992. This was followed by the establishment of a single-rate flat income tax on 1 January 1994. The transition to a flat income tax provided a strong impulse for Estonia's economic development. Economic activism increased rapidly. If only a few thousand companies operated in Estonia in 1992, by 1995 the number had increased to almost 70,000. Instead of expecting handouts from the state, people decided to take their fate into their own hands. The government had created a favourable environment for enterprise. Now this had to be exploited. Decisive ownership reform and successful privatisation, which changed people from government labourers into owners, assisted in this effort.

All of this was accompanied by Estonia's clear redirection to the West. It was clear that we were not very welcome there. The world was convinced that sooner or later Estonia and the other Baltic countries would fall back in Russia's sphere of influence. Only the Estonian government and the President's good contacts with Western leaders prevented the worst from happening. In 1993, Estonia succeeded in becoming a full member of the Council of Europe. This was followed by negotiations for concluding a free trade agreement with the European Union (see Chapter 1 - C. Kull). Wanting to move ahead as quickly as possible, Estonia decided to conclude the agreement without a transition period that would have protected the Estonian market, thereby reducing our difference with the so-called Visegrad states (Poland, the Czech Republic, Hungary) that were closer to the European Union. The free trade agreement without a transition period paved the way for more rapid accession negotiations with the European Union.

The West's confidence in Estonia also increased thanks to the resolution of the domestic political crisis that struck in 1993. By 1994, the main issue for Estonia became the withdrawal of Russian forces from the country. Russia's leadership was not in favour of withdrawing and constantly changed the conditions linked to the withdrawal of their troops. In order to force Moscow to yield, strong pressure from the West was required, which our friends in the West, especially Swedish Prime Minister Carl Bildt, helped organize. For its part, Estonia made the stay of the Russian soldiers in Estonia as unpleasant as possible, thereby making them want to return to Russia quickly. Though for a while it seemed that the negotiations would end in deadlock, President Meri was finally able to obtain a promise from President Yeltsin, who broke under Western pressure, to withdraw the troops by 31 August 1994. And this is what happened. This was an extremely important achievement. If Estonia had not freed itself of Russian military bases, then the next steps in the direction of the European Union and NATO would have been inconceivable.
All of these achievements provided a good basis for proceeding. And, although the political parties that had carried out the reforms were voted out in the democratic elections of 1995, the political parties that came to power continued to implement these policies. Governments would change in Estonia, but Estonia's course remained the same. This also brought success to Estonia. Economic growth accelerated and people’s standard of living started to improve. In 1997, Estonia was the only country from the former Soviet Union that was accepted into the first round of negotiations for accession to the European Union. This further accelerated Estonia’s economic development. Moreover, although our economy had a momentary setback, the coalition that came to power as a result of the 1999 Riigikogu elections was able to turn the Estonian economy around again.

If in 1992–1995 the objective was to redirect Estonia from the East to the West, then now the goal was to make this change irreversible. To achieve this, Estonia had to become a member of the European Union and NATO. The first aim - the EU - seemed difficult but achievable. The second - NATO - was pure utopia in 1999. And yet by exerting all of its strength, Estonia was able to achieve this by, among other things, increasing its defence expenditures from 1.4% to 2% of GDP. These steps were costly for the government from the domestic policy perspective. But Estonia achieved its aims and became a full member of the European Union and NATO in 2004.

With this step the transition period for Estonia could be declared over. Although everything could certainly have been done much better, it was clearly easier for Estonia than for any other transition country. Estonia’s GNP based on purchasing power parity has increased faster than that of any other transition country. Based on a comparison of how various countries in the world have reduced the difference with the US standard of living, Estonia is one of the leading countries. I understood the extent of what we had achieved when I recently spoke at an economic conference in Chile, one of Latin America’s leading reform countries. In 1994, the standard of living in Chile was almost three times higher than in Estonia, and by the end of 2008, Estonia’s was almost double that of Chile.

This does not mean that Estonia has reached the end of its history. Quite the opposite - we have reached the beginning, or rather the point where our development was halted in 1940. We still lag behind many countries - even those whose stage of development was on a par with ours in 1940. The success that we have achieved should not make us overly confident, but rather force us to try harder. Estonia is faced with new challenges and must seriously struggle to conquer them successfully. For this, what we really need is the same kind of audacity and initiative that we had in 1992.
1. Relations between Estonia and the European Union in the Period Leading up to the Invitation to Accession Negotiations in 1997

Clyde Kull, Estonian Ambassador to the European Union, 1992-1997

Relations between Estonia and the European Union during the pre-accession period can be divided into the following stages:

1. The establishment of diplomatic relations between Estonia and the European Communities (EC)* on 27 August 1991 until the Copenhagen Summit in June 1993, where it was decided to conclude free trade agreements with Estonia, Latvia, and Lithuania. The focus at this stage was mainly on contesting the view that the Baltic countries are part of the former Soviet Union.

2. June 1993 until the Essen Summit in December 1994 where Estonia, Latvia, and Lithuania obtained the right to start negotiations on Association Agreements (Europe Agreements). In practice, this meant that from the moment Association Agreements were signed, the three Baltic countries were set on the same peg with the Central and Eastern European countries and included in the pre-accession framework. The focus was on being associated with the Central and Eastern European countries, and linked in security aspects to the Western European Union (WEU) and the North Atlantic Treaty Organization (NATO).

3. January 1995 until December 1997. This period included preparations for accession to the EU and the adaptation of domestic laws to the internal market, i.e. the start of the harmonization process. Various enlargement scenarios were discussed within the EU. Estonia argued that EU accession should take place as soon as a country was considered ready to join. This was countered by the “bloc approach,” which called for simultaneous accession negotiations with all ten Central and Eastern European countries.

* The European Union (EU) was created by the Maastricht Treaty that came into force on 1 November 1993.
The first steps or how we got started

The Member States and the European Commission approved of and immediately supported the restoration of the independence of Estonia and the other Baltic countries. Diplomatic recognition of Estonia by the EC in August 1991 was followed by Estonia's inclusion in the PHARE aid programme for the economic restructuring of Central and Eastern Europe in January 1992. In May 1992, the EC and Estonia signed an Agreement on Trade and Economic Cooperation. And in January 1993, the General System of Preferences (GSP) was applied. At the same time, Estonia was asked to submit to the EC its structural reform plans for carrying out the transition to a market economy. Implementation of these plans was carefully scrutinised. The EC had a 60% share in an international fund that had been created as collateral for the Estonian currency - the kroon - adopted in June 1992. This fund became the basis for financial and monetary co-operation between Estonia and the EC. President Lennart Meri's visit to Brussels in November 1992, following the first democratic parliamentary and presidential elections in Estonia, marked the irreversibility of Estonia's pro-European choice.

The Agreement on Trade and Economic Cooperation that came into force in February 1993 differed in three aspects from other similar agreements. Firstly, it established the goal of further integration, provided that the necessary conditions were met. One of the agreement's interim objectives was the signing of an Association Agreement. Secondly, the Agreement created a mechanism for political dialogue at the level of Foreign Ministers and Political Directors. And thirdly, the Agreement included an obligation to protect human rights and the rights of ethnic minorities. This point was also included in subsequent Association Agreements concluded with Central and Eastern European countries.

In 1991-1992, the Estonian Government and companies essentially lacked currency reserves for trading on the world market. The EC and donor states therefore allocated emergency grain, fuel, fodder, and other humanitarian aid to Estonia on condition that the Government would only market them domestically. Most of the funds generated from the received resources were redistributed as social aid. In 1993-1994, within the framework of the PHARE programme, 12 million EUR worth of technical assistance was allocated to Estonia for the implementation of privatisation and civil service reform and the development of small- and medium-sized enterprises, agriculture, banking, and other fields of activity. Co-operation was expanded to the fields of transport, trade, customs, research, and technology.

The discussion surrounding further EC enlargement picked up at the beginning of 1993, mainly thanks to the initiative of Poland, the Czech Republic and Hungary. Estonia's main aim in this discussion was to prevent implementation of the “bloc approach” that was gaining ground in some EC circles. This would have meant the division of countries into separate groups: the European Free Trade Association (EFTA) states; the associated Central and Eastern European countries; and the former Soviet Union states. As Commission officials later admitted, the European Commission found itself in a complicated situation with respect to
the Baltic countries in the run up to the 1993 Copenhagen Summit. On the one hand, Estonia and the other Baltic countries lacked many of the necessary pre-conditions for Association Agreements - statistical economic indicators grounded on a firm basis; good results in the transition to a market economy; an analysis of the impact of EC members' industry, service and trade sectors on the Estonian market and vice versa; and the ability to guarantee control of the origin of goods delivered from Estonia to the common market. On the other hand, it was also a political question - should the Baltic countries be regarded as part of the former Soviet Union or as Central and Eastern European countries? Formally, the EC had already made its choice by agreeing to sign economic co-operation agreements with Estonia, Latvia and Lithuania. Yet prior to the Copenhagen Summit, the EC lacked a common position regarding the speed with which to develop relations with us.

A unique situation had also developed in connection with the free trade agreements signed between the three Baltic countries and EFTA. A customs union existed between EFTA and the EC. The other Central and Eastern European countries, however, had not concluded free trade agreements with EFTA. In their accession negotiations with the EU, Finland and Sweden had requested that accession to the EU should not affect their free trade agreements with the Baltic countries. We received signals from the European Commission that one solution they were willing to consider was to conclude free trade agreements between the EC and the Baltic countries.

At the beginning of May 1993, the Commission presented the Member States with a document on the future of EU enlargement containing no references to either the Baltic countries or Slovenia. The meetings between Estonian representatives and the Commission on this topic were fruitless. EU Member States decided to start free trade negotiations with Estonia, Latvia and Lithuania and confirm the prospects for concluding an Association Agreement once conditions for this were fulfilled at the Copenhagen Summit only after active lobbying in European capitals and a joint appeal of the Baltic Heads of State to the leaders of the EC in the beginning of June.

**The Free Trade Agreement**

Free trade negotiations were officially launched on 24 September 1993 with preliminary talks, which revealed differences in the initial positions held by the European Commission, on the one hand, and Estonia, on the other.

Estonia's objectives were an immediate symmetrical free trade system for industrial products, textiles and services, an extremely liberal customs system, the preservation of the free trade agreements signed with the EFTA states and the strengthening of bilateral political dialogue.

Initially, the European Commission was doubtful about the transition to immediate free trade, since this differed from the approach that had previously been applied to the Central and Eastern European states. Free trade was seen as a type
As an institution with a large and complex decision-making mechanism, the EU likes to treat countries according to a standard approach—in the case of similar situations, attempts are made to apply models that have previously been agreed upon and are being implemented.

In the months leading up to approval of the EC negotiation guidelines, Estonia lobbied actively in EU Member States’ capitals. We argued in favour of the aforementioned goals by pointing to the absurdity of establishing barriers to goods at the Estonian border in order to conclude the agreement, only to gradually dismantle them within the framework of the Free Trade Agreement. Both the free trade agreements with the EFTA states and those concluded between the Baltic countries were mentioned as well-functioning examples.

The EC negotiating mandate, approved on 7 February 1994, was more favourable for Estonia than for Latvia and Lithuania. Estonia’s request to establish a free trade relationship without any transition periods was taken into account. In the case of Latvia and Lithuania, the reduction of tariffs took place gradually. For Estonia, textiles were also included in the free trade approach, while our neighbours had this regulated by separate agreements. The fact that in their EU accession agreements, the Nordic countries agreed to unilaterally terminate their free trade agreements with the Baltic countries while emphasising the need to preserve existing trade levels, was an important factor.

Negotiations on the Free Trade Agreement between Estonia and the EU began on 23 February 1994 and ended on 18 July of the same year. The agreement entered into force on 1 January 1995. During the negotiations, the main problems stemmed from two sensitive areas of EU trade policy—agriculture and textiles. The EU was not ready for free trade in agricultural goods and therefore fixed quotas for Estonia with preferential tariffs on both processed and unprocessed agricultural products. Although the quotas were not as high as Estonia would have wanted, they did not worsen the existing exchange of trade in goods. The political argument that the Russian market was practically closed to Estonia due to double customs tariffs applied by Russia was decisive in reaching an agreement. In the field of textiles, the EU was ready to implement free trade, but initially asked for quantitative limits on Estonia’s exports and double-checking of the certification of origin. Estonia succeeded in achieving a quota- and duty-free approach, but had to agree to double-checking. The breakthrough in the negotiations was achieved
at the highest level - the Estonian Prime Minister and Foreign Minister were both actively involved in the negotiations and in constant contact with European Commission Vice President Sir Leon Brittan.

During this period, the need for high-level political contacts became particularly evident. Commission Vice-Presidents Bangemann and Christoffersen, European Parliament President Haensch and Belgian Foreign Minister van den Broek, as EU presidency, all visited Estonia. At the same time, Estonian Prime Minister Laar and Foreign Minister Luik paid visits to Brussels.

**Structural dialogue**

At the Essen Summit in 1994, under pressure from the Central and Eastern European countries that already had association agreements, the EU approved the pre-accession strategy to assist in fulfilling the criteria necessary for accession to the EU. A fundamental element of the strategy was the structural dialogue that had already started in the autumn of the same year. Structural dialogue, in addition to the mutual co-operation mechanisms created by the association agreements, was viewed as a way to gradually involve the associated countries in EU work through multilateral meetings covering all fields of activity in three pillars of the EU. The Essen Summit’s conclusions specified the following joint meetings: meetings between the Heads of State and/or Government within the framework of the European Council (the first meeting took place in Cannes in June 1995); biannual meetings between the Foreign and Interior ministers and annual meetings between the Ministers of Agriculture, Finance, Internal Market, Transport and Communications, Research and Development, Culture and Education.

The Essen Council also gave the Commission the task of compiling a White Paper to facilitate the integration of the Central and Eastern European countries into the EU internal market. The Commission was also asked to put together overviews of their agricultural sectors in order to assess the effect of enlargement on the EU budget, and specifically the Common Agricultural Policy (CAP), and propose alternative development strategies that would place less of a burden on the EU budget (for instance, the application of limited CAP supports and structural funds to the new Member States). In turn, the Central and Eastern European countries were asked to create specific programmes that included priorities and a schedule for complying with the *acquis communautaire*.

Formally, Estonia was granted the right to participate in the structural dialogue as of spring 1995, once the Association Agreement negotiations had been completed and the Commission had given the green light for it to be signed. But already in autumn 1994, Estonia along with Latvia and Lithuania, aimed to be unofficially included in the pre-accession strategy co-operation. The Foreign Ministers of the three Baltic countries, motivated by a fear of being left behind in the second or even third round of enlargement, issued a joint statement in October 1994. A discussion of various enlargement scenarios had begun among the EU Member States in the autumn of 1994. There were two decisive factors in the
During the pre-accession period, it is crucial to make the most of all offered forms of co-operation with the EU, regardless of whether they are regarded as satisfactory or not. Estonia's ambitions for closer integration were higher than the co-operation mechanisms offered by the EU at any given time.

Leading politicians in several EU Member States asserted that the process of European integration had security policy implications as new Member States had to take over the obligations of the (still emerging) European Security and Defence Policy (ESDP) and also accede to the Western European Union (WEU). It was argued that this would become a backdoor to NATO accession and would therefore be provocative considering the special relationship of the Baltic countries, as well as Bulgaria and Romania, with Russia. Debate on this issue even led to the postponement of the decision on the mandate for the Association Agreement with the Baltic countries at a meeting of EU Foreign Ministers in October 1994. Estonia, Latvia and Lithuania argued decisively, that even if this sequence of developments and link were automatic (which it was not, as the accession of Finland, Sweden and Austria to the EU had already demonstrated), this would be the acknowledgement of spheres of influence and the negation of the sovereign decisions of all countries. Our lobbying bore fruit and in Essen it was decided to begin negotiations for association agreements with the Baltic countries. We also participated, on an ad hoc basis, in a series of structural dialogue meetings that directly concerned areas related to pre-accession preparations including the Council of Finance Ministers (where the use of PHARE instruments was discussed), the Internal Market Council and Political Directors' meetings, where the coordination of positions to be jointly presented at international fora took place.

These structural dialogue meetings were useful and helped us understand the EU's operational mechanisms such as when to take the floor, when to speak and that an intervention should be as brief and precise as possible. During the first year, these joint consultations resembled “fashion shows”, where the Central and Eastern European countries competed with each other by presenting their achievements. This had an impact on the level and the number of people present from the EU side. Things improved significantly at the beginning of 1996, when the number of topics at the meetings was reduced and the focus was shifted to questions of common interest.

By the beginning of 1996, Estonia had secured its status as a candidate state (the application for accession was submitted on 24 November 1995) and equal treatment with other Central and Eastern European countries, as confirmed in the
final documents of the Madrid European Council in December 1995. The primary objective for the next two years was domestic preparatory work to achieve conformity with the *acquis communautaire*.

**Domestic preparations, governmental working group**
The first domestic steps to prepare for accession were taken in the autumn of 1993. Estonia followed the example of Sweden and Finland. Before making a decision on accession, we conducted research over the course of several years to analyse the impact that relations with the EU would have on our economy as well as our social and security policies, legal system etc. On 7 December 1993, a governmental working group was created to analyse the possible consequences of Estonia joining the EU. The task of the working group was to provide an overview of the bases for various policies in the EU and Estonia; an assessment of the compatibility of EU policies with Estonia’s strategic trends; an assessment of the changes in various fields of activity that Estonia’s accession would cause; what would need to be done to apply EU policies; an assessment of the amount of work and its costs, training needs, and timeframe. Various parliamentary factions and ministries, as well as other governmental institutions and scientific circles, were represented in the working group. In order to complete an interim report of the work, an international conference was organized in cooperation with the Friedrich Naumann Foundation, the results of which were published in a compendium. In addition, eight handbooks on Estonia and the EU topics were compiled and published. The conclusions drawn by the working group became the basis for the co-ordination structure for integration with the EU and its assignments in the beginning of 1996 (see Chapter 13 - H. Hololei).

In summary, two general observations can be made.

One of the enduring aspects of relations with the EU, which always had to be taken into account and sometimes had to be struggled with, was the inability of the EU to approach each partner individually and flexibly. As an institution with a large and complex decision-making mechanism, the EU likes to treat countries according to a standard approach - in the case of similar situations, attempts are made to apply models that have previously been agreed upon and are being implemented.

During the pre-accession period, it is crucial to make the most of all offered forms of co-operation with the EU, regardless of whether they are regarded as satisfactory or not. Estonia’s ambitions for closer integration were higher than the co-operation mechanisms offered by the EU at any given time. Each stage of pre-accession co-operation had a role in accession to the EU. Harmonization of Estonian legislation with the *acquis communautaire* took place simultaneously with the assessment of the impact of the accession process. These experiences, as well as results, could be used, in turn, as an argument to justify the transition to the next stage of co-operation.
Five plus one!” Estonian Foreign Minister Toomas Hendrik Ilves greeted me with these words on 16 July 1997, right after having heard that the European Commission had decided to give five Central and Eastern European countries and Cyprus a positive assessment, or avis. Estonia was among these countries. In retrospect, this was perhaps one of the most important milestones on our way into the European Union. Although Estonia’s inclusion in the first round of accession negotiations was officially not decided until December 1997 at the Luxembourg Summit, the news of the Commission's positive recommendation and Estonia's inclusion in the “five plus one” group was important. Perhaps it was even more important than the Luxembourg Summit when taking into account the general political mood within the European Union at the time. Today it may seem as if everything went smoothly - according to plan. But we should not forget that Estonia was not among the countries that could be certain of an accession invitation in Luxembourg. Indeed, at the time, there were more people who did not believe that Estonia would be in the first round of accession negotiations than those who believed the opposite. The decisions made by the EU in 1997 were neither predictable nor self-evident. This is precisely why the Foreign Minister’s message was all the more positive.

When Estonia submitted its application for EU members at the end of 1995, our domestic preparations for EU accession were just beginning. EU integration was treated mainly as a technical process, not a political question. Even the Ministry of Foreign Affairs, the most dedicated and well-informed government institution in EU-related matters, did not attach a great deal of importance to the European Union. The ministry expended significantly more intellectual and diplomatic resources on achieving NATO membership. Indeed, accession to the European Union was mainly treated as an economic issue, not a security policy objective. This attitude was reflected in the ministry’s structure and personnel policy. At the beginning of 1996, the Ministry of Foreign Affairs did not have a single full-sized structural unit - department or division - responsible for EU matters. There was
only a small group of 2–3 people in the political department that monitored the EU enlargement process and internal developments in the Union.

A significant change in the ministry’s and, indeed, the Estonian government’s attitude more generally toward accession to the European Union, took place in 1996. By the end of 1996, we no longer just expressed a wish to become a member of the European Union, but sincerely started to want it and to exert great efforts toward this end. Work on NATO membership went on, but a large part of our diplomatic resources were redirected to receiving an invitation for EU accession negotiations. This shift in our foreign policy occurred mainly as a result of the security policy situation in Europe in 1996. In the course of the NATO enlargement debate, it became clear that Estonia would not receive an invitation to join NATO in 1997. The breakthrough in Estonia’s foreign policy thinking was also assisted by the new Foreign Minister, Toomas Hendrik Ilves, who arrived from Washington with the clear message that NATO’s door will remain closed to Estonia for some time. At already his first meeting with the ministry’s leadership at the end of 1996, Foreign Minister Ilves argued that Estonia must reconcile itself to not being included in the first round of NATO enlargement and adopt a pragmatic attitude toward the future. Ilves reasoned that Estonia must focus on the European Union so as not to be left out of both enlargement processes. The prospects for receiving an invitation for EU negotiations were not good, but at the time, it seemed like a more realistic objective than early NATO membership.

Officially, all EU member states favoured enlargement to Central and Eastern Europe, including the Baltic states. But, in reality, Estonia had relatively few actual supporters. The general view was that the Central European countries should join the EU before the Baltic states. A number of factors worked against Estonia’s chances of receiving an invitation for EU negotiations: Estonia was not well-known, a prejudicial attitude existed towards the Baltic countries in many EU capitals where we were viewed as part of the former Soviet Union and our tense relations with Russia. We were also in a race against time - we were only twelve months away from the Luxembourg Summit and only six months away from the completion of the European Commission assessments. If we wanted to receive an invitation to the negotiations, then active and extensive lobbying in all member states had to commence immediately.

As one of our first steps, we decided to establish embassies in all European Union capitals. In the space of but a few months, we simultaneously opened Estonian missions in Dublin, Hague, Athens, Lisbon and Madrid. This bold but expensive decision proved to be useful in many ways. By opening these embassies, we
demonstrated that our desire to join the EU was serious at a political level. At the same time, our new diplomatic missions provided an opportunity to forward information about Estonia’s domestic achievements directly to member states that had previously only received information about Estonia from the European Commission or second-hand sources. If necessary, we were able to immediately react to questions from individual member states and refute misconceptions about Estonia. In turn, the feedback received from member states helped us plan our tactics and rhetoric toward the EU. Among other things, we started to work through our new and old embassies to accelerate the Europe Agreement ratification process, which had started to lag.

At the same time, Foreign Minister Ilves undertook an extensive tour of European Union capitals. It was mainly the European Commission’s task to monitor developments in candidate countries and compile opinions about them. However, Member States also kept themselves informed about developments in the candidate countries. After all, at the Luxembourg Summit in December 1997, it was the member states - not the European Commission - who would have to decide whom to invite to start accession negotiations. We therefore decided that the best way to present our case and convince sceptical Member States that Estonia was ready to start accession negotiations was through direct contacts. Thus, for example, we organized the first ever visit of an Estonian Foreign Minister to Madrid, Rome and Athens. Visits to countries located far from Estonia were particularly useful. Today high-level representatives from all EU Member States visit Estonia. But in the middle of the 90s, there were few incoming visits. Many countries - especially those furthest away - either did not wish to or did not dare to waste precious time and political capital on visiting Estonia. We took this into account and decided to visit them ourselves. As a consequence, the Foreign Minister’s travel schedule during the first half of 1997 was very busy - he visited eleven Member States in six months. It is also worth noting that all of his trips took place within the borders of Europe - yet another sign of our commitment to receiving an invitation for negotiations with the EU.

In 1996–1997, we also received many visitors from the European Union. Many European Commission delegations came to familiarise themselves with Estonia and to assess our achievements. Our aim was to leave as good an impression as possible, which is why we went out of our way to take into account every visitor’s special wishes and hobbies. We had a flexible attitude toward the rules of protocol - Foreign Minister Ilves met personally with all strategically important guests - from European Commissioners to sub-committee chairmen. A great contribution was also made by President Lennart Meri, who introduced foreign visitors to the

The principal argument was that all candidate states, including Estonia, should be assessed objectively, not subjectively, based on the accession criteria. Essentially we were asking the European Union to observe the rules they had established and to assess our efforts honestly.
idea that Estonia was part of Europe and outlined our broader strategic objectives. We were especially attentive to people who were working on enlargement in the Commission’s Directorate-General for External Affairs, members of the so-called enlargement team who were responsible for the enlargement process and had to actually write the assessment on Estonia. We tried to be as accommodating, flexible and open as possible towards them.

The principal argument that Estonian governmental leaders and diplomats introduced at meetings abroad and in Estonia was that all candidate states, including Estonia, should be assessed objectively, not subjectively, based on the accession criteria. In essence, we were asking the European Union to observe the rules they themselves had established and to assess our efforts honestly. We stressed that Estonia was ready for the accession negotiations based on the objective criteria. We asked the member states to give Estonia the same treatment it gave to the other candidates and not to treat us as a former Soviet Union republic. We asked that they compare our progress with the Central European countries, not the other Baltic countries.

A question that was often asked at that time was whether Estonia’s tactical decision to appeal to the European Union individually, not regionally, was justified. Taking into account the critical attitude of many member states towards the rapid accession of the Baltic countries, I believe that our decision was the only possible one. It is worth recalling that according to conventional wisdom at the time, the European Union was not capable of conducting accession negotiations with a large group of countries or admitting them all at once. Since the previous enlargement rounds had been small (3–4 countries), it was automatically concluded that the next enlargement round must also be small. Some policymakers even found that the first countries to receive invitations for NATO membership should also be the first to join the European Union. This viewpoint, which was known as the congruence theory or “double no”, particularly appealed to German representatives.

Estonia’s decision to move forward on its own did temporarily cause quite a lot of tensions with our southern neighbours. Latvian and Lithuanian political leaders and diplomats officially agreed with our approach that one Baltic country at the accession negotiations was better than none, but at the same time, they accused Estonia of undermining Baltic co-operation. Some politicians from our neighbouring countries reacted to Estonia’s aspirations very emotionally. Luckily, these emotions eventually subsided. If in 1996–1997 Estonia had not actively pursued joining the first group of negotiating countries, enlargement would probably have
progressed in two or three small groups according to the congruence theory. It is highly likely that Estonia and the other Baltic countries would not have joined the EU at the same time as the Central European countries but after them.

Thanks to effective diplomatic actions supported by active domestic activities in Estonia, we succeeded in changing fixed attitudes. A senior official in the European Commission who played an important role in Estonia's accession process later confirmed that Estonia’s “sales effort” in 1997 was very effective. As the year progressed, people started talking about Estonia in the corridors in Brussels. This helped increase interest in Estonia among the Member States. Countries that did not know much about us started to see that Estonia was one of the most successful candidate states. In other words, thanks to intensive and systematic activities in the foreign policy field, we were - in a very short period of time - able to markedly improve our overall position and image as an EU candidate country. This in turn helped to improve the position of the other Baltic countries in the accession process.

Work in the foreign policy field definitely helped to move the process along, but we also had to demonstrate concrete domestic progress. Estonia’s domestic preparatory work was based on the Government Activity Plan for Joining the European Union, which was first drawn up in 1996. The Activity Plan, which was amended every six months, was mainly intended as a tool for government ministries in making accession preparations and for fulfilling the so-called EU White Paper*. However, the document also had a foreign policy element – it was not a propaganda paper, but it was nevertheless a good foreign policy tool, especially in Brussels. It provided a thorough overview of our EU-related activities and thereby helped illustrate that Estonia's wish to join the EU was serious.

In 1996, in addition to the Activity Plan, we also had to compile answers to a questionnaire sent by the Commission entitled “Information requested for the

* In the beginning of 1995, the European Commission compiled a so-called White Paper for the preparation of the associated countries for integration with the EU internal market. The document dealt with the fundamental legislative acts of the Community by economic sector, explained how to implement them, and recommended which to adopt the fastest.
preparation of the opinion on the application for membership of the European Union”. The 160-page questionnaire consisted of more than a thousand detailed questions regarding Estonia’s EU integration preparations. We had three months to submit our answer. A working group was formed by the Council of Senior Officials, which included representatives from the State Chancellery and the Ministries of Foreign Affairs, Economic Affairs and Justice. The working group checked and, if necessary, amended all of the answers submitted by the ministries. We were aware of the fact that our answers would form the basis of the Commission’s assessment on Estonia. We therefore made a special effort in order to ensure that all information sent to Brussels from Estonia was comprehensive and consistent.

The most important rule that we tried to follow in editing the answers drawn up by the ministries and agencies was not to answer any questions with a simple “yes” or “no”, but rather to explain each step, decision and plan in detail. At the time, Estonia had not made much progress in harmonizing its legislation with that of the EU. Many of the laws required by the European Union had not yet been ratified. Thanks to suggestions that we received from a friendly official at the Commission, we started to include information in our answers on how far the adoption of one or another law had progressed. In our answers to the Commission, it was much better to write “the law does not yet exist, but the draft has just had its first reading in the Riigikogu” than just to say that “the law does not exist”. Later, we received feedback from the Commission that Estonia’s answers were the best of all of those submitted by the candidate states. Estonia proved to be a positive surprise!

Many of the candidate countries had a sceptical attitude towards the European Commission and its recommendations. Although we also did not like all of its recommendations, we avoided accusing, or publicly criticising, the Commission. Starting in 1997, the Commission compiled regular progress reports about the candidate countries. We considered the process to be a good opportunity for Estonia to prove its preparedness for accession. At the time, the Commission was well-informed about the political and economic situation in the Central European countries, but knew relatively little about Estonia and the other Baltic countries. We therefore counted on the fact that our information in particular could have a significant impact on the Commission’s analyses and conclusions. Keeping this aspect in mind, we placed great emphasis on polishing Estonia’s overviews and on continually supplying the Commission with information that was as up to date and user-friendly as possible.

At times, it seemed to us that more was required of us than of those countries that had joined the European Union before us. The conditions for accession
seemed to be stricter than during the last round of enlargement. Some of the member states even admitted unofficially that this was indeed the case. The need for stricter conditions was explained by the wish to avoid a repetition of the so-called Greek case – Greece was accepted as a member for political reasons despite the country’s insufficient preparedness. Our sense of injustice was intensified by the fact that the EU *acquis communautaire* was constantly being amended and new directives were continually being added. However, we knew that there was no point in asking that the process be fair. We kept reminding ourselves that we were the ones that wanted to join the European Union, not the other way around. We knew very well that, in order to get into the European Union “club”, we had to fulfil the Copenhagen accession criteria and adopt the *acquis*, which, after all, was mandatory for everyone – both member states and candidates. We also knew that the so-called objective accession criteria could be interpreted subjectively, based on whether the member states were ready to say “yes” to the accession of some country or not.

In summary, this was a stressful, but extremely interesting phase of the Estonian accession story, when diplomats spent a great deal of their time battling prejudices and subjective opinions regarding Estonia. Positive signals alternated with negative ones and vice versa. We constantly feared unpleasant news. Looking back, it is apparent that the fear of being left out of the European Union enlargement inspired us to exert ourselves in the field of European integration. However, we were not only motivated by fear, but also by hope and the belief that if we made an effort, we could achieve our objective. Irrespective of how small our chances, we thought it worth making the effort. We tried and succeeded by being included in the first group to participate in the negotiations.
3. The Europe Agreement and Relations between Estonia and the European Union

Meelike Palli, Director of the Division of General Affairs, Department of European Integration of the Ministry of Foreign Affairs, 1999-2003

Even before the Free Trade Agreement between Estonia and the European Union entered into force on 1 January 1995, the EU had decided at the Essen Summit on 15 December 1994 to start negotiations with Estonia, Latvia and Lithuania on the so-called Europe Agreement or Association Agreement - the basic document for the next stage of relations. Discussions progressed quickly - the Agreement was initialled on 12 April 1995 and signed in the summer on 12 June 1995. The Estonian Parliament (Riigikogu) unanimously ratified the document on 1 August 1995. The European Parliament granted its final approval on 15 November 1995. Denmark and Sweden were the first Member States to approve the document in autumn 1995. Completion of the ratification process by all Member States, however, took quite a long time - more than two and a half years. The Europe Agreement came into force on 1 February 1998 and became the legal basis for relations between Estonia and the European Union throughout the accession process up until it was replaced by the Accession Treaty in 2004. Accession negotiations with Estonia were launched on 31 March 1998 only two months after the Europe Agreement came into force.

The Europe Agreement differed from the Free Trade Agreement in that, in addition to trade and the economy, it also included co-operation in the fields of political affairs, environment, crime prevention and culture. The fact that the Agreement foresaw the opening of a political dialogue between Estonia and the European Union immediately upon its signature made it exceptional. As of summer 1995, Estonia was able to join the structural dialogue, i.e. to start participating in regular joint political discussions on an equal footing with those Central and Eastern European countries whose Association Agreements had already entered into force. The Europe Agreement was a big step in the further deepening of relations between Estonia and the European Union. Although it did not guarantee accession to the Union, the Europe Agreement did state that Estonia's final objective was to become a full EU member. It also provided a framework for the country's gradual integration with the European Union. The agreement promoted a systematic and comprehensive approach to preparing for membership.
Estonia was the first and only Central and Eastern European country with an Europe Agreement that did not include a transition period. Estonia did not require a transition period due to the rapid and radical economic reforms it had carried out by that time. Estonia had removed all obstacles to the free movement of capital, as well as concluded bilateral agreements for the protection and promotion of investments with most EU Member States. Many laws had also been drawn up based on European Union legislation. Since Estonia's liberal trade procedures did not include any import duties on industrial or agricultural products from any country, there was no need for a timetable to reduce customs tariffs – the main reason for a transition period with many countries.

The Europe Agreement placed great emphasis on integration with the European Union's internal market, and covered areas such as environmentally friendly industrial production, the harmonization of standards, co-operation related to customs and statistics, transit issues, integration with Trans-European Networks (TENs), the protection of intellectual property, and access to European information systems, as well as co-operation in the fields of science, education and culture and the fight against crime. In trade and economics, the Agreement specified the gradual alignment of Estonia's legislation with the European Union's. The rules of free movement were applied to capital as well as goods. The new Agreement was of great significance to Estonian manufacturers and exporters. By the time it entered into force, 60% of Estonia's trade was with the European Union. In the beginning, restrictions still remained on Estonian labour and services as well as on the right of Estonian citizens to establish businesses in the European Union Member States.

The Agreement allowed bilateral relations to develop between Estonia and the EU both at the national and sectoral levels. It supported Estonia's aspirations to develop its economy and carry out reforms. It also created the conditions for the further expansion of trade relations. The opportunity opened up to join the European Union's co-operation programmes. And the Agreement also constituted the legal basis for the European Union to provide technical and financial assistance to Estonia.

**Institutional structure established by the Europe Agreement**

When the Europe Agreement entered into force, a new structure in the relations between Estonia and the European Union - the Association Council - was set up. Its primary purpose was to review the implementation of the Agreement and progress of reforms in Estonia, to discuss issues arising from the Agreement and exchange views on bilateral or international issues of mutual interest. In the
following years, the Association Council and the accession negotiations were the two primary institutional frameworks that dealt with membership preparations and criteria. The Association Council – a structure at ministerial level – was assisted by the Association Committee at the level of senior officials. The work of the Committee, in turn, was supported by sub-committees at the expert level.

At the Association Council, the Member States were represented by the Foreign Minister of the country holding the Presidency, the European Commission by the Commissioner responsible for enlargement and Estonia by its Foreign Minister. The Council met once a year, usually in the spring and was timed to coincide with the dates for the meeting of the General Affairs and External Relations Council. The Association Council meetings were short, lasting for about an hour. About two-thirds of the time was spent on the pre-accession strategy and bilateral co-operation, while one-third was spent on international issues of mutual interest. The Estonian delegation consisted of up to ten persons.

The agenda was limited to as few of the most urgent items as possible. Only issues that had been agreed upon in advance and resolved were included in the agenda so that they could be formally agreed. At the same time, the Council was the forum where Estonia could raise politically significant matters that had not been resolved at the lower level, i.e. in the Association Committee.

The Association Committee, which helped the Association Council perform its duties, consisted of representatives of the European Union Member States, members of the European Commission and representatives of the Estonian Government at the highest level of the civil service. The Committee prepared the meetings of the Council, applied the resolutions of the Council if necessary and looked after the overall continuity of the association relationship and the functioning of the Europe Agreement. The Committee meetings were usually held in June and due to their timing and comprehensive agenda, gave a good opportunity to review progress in the full spectrum of integration prior to the regular Progress Reports issued by the European Commission in the autumn.

Sub-committees were established to ensure detailed technical discussions in all spheres of association. They were set up in nine areas: agriculture and fisheries; harmonization of legislation, competition and Community programmes; trade, industry and consumer protection; economy; human resources, science and research, development of technology and social policy; transport and Trans-European Networks, the environment, energy and regional development; customs, statistics, combating drugs and crime; financial services, the right of establishment, and the free movement of capital.
Discussions in the Association Council and committees were mainly focused on the Accession Partnership - a country-specific document based on the decision of the Luxembourg European Council, which listed the candidate's most important pre-accession tasks, the European Union assistance for their implementation, the Estonian National Programme for the Adoption of the Acquis and the regular Progress Report of the Commission.

In order to intensify political dialogue at the parliamentary level, the Europe Agreement foresaw the creation of a Joint Parliamentary Committee. As good contacts already existed between parliamentarians, a meeting was held in October 1997, before the Europe Agreement formally came into force, to establish a committee comprising members of the Estonian Riigikogu and the European Parliament. Its early establishment was intended as an important political signal in the general enlargement discussion prior to the decisive Luxembourg Summit in December of the same year. The meetings of the Joint Parliamentary Committee usually took place twice a year, alternately in Brussels and Tallinn (for a total of 12 meetings). The Joint Committee proved a very valuable forum for exchanging experiences and holding discussions. With its recommendations and pro-active stance, it exerted positive political pressure on the enlargement process. The work done by the Committee emphasised the substantial role of a candidate country's legislative body in achieving accession preparedness (see Chapter 17 - T. Kelam).

As the accession process advanced, another useful body was set up under the Europe Agreement: the Joint Consultative Committee between the European Economic and Social Committee and Estonia's Social Partners. The Joint Committee, which first met in April 2002, provided social partners with the opportunity to be involved in EU integration-related discussions and activities and prepare for participation as full members in the future work of the European Economic and Social Committee.

A similar consultative committee between the Committee of the Regions and Estonia's Regional and Local Governments convened at the beginning of 2003.

**Examples of issues under discussion**

Bilateral relations between Estonia and the EU were discussed on the basis of the Europe Agreement. From the very beginning, Estonia, aspiring toward a more balanced development of relations and complete implementation of contractual provisions, raised the topic of the continued liberalisation of trade in the Association Council. Thus, freer trading conditions were gradually achieved for agricultural products, processed agricultural products and fish products. By 2002, the European Union became the largest export market for Estonia's agricultural products. Estonia also pushed for the elimination of subsidies for European Union agricultural exports, as well as for ending the practice of unfair anti-dumping procedures. The signing of a protocol to the Europe Agreement establishing an Association on conformity assessment and acceptance of industrial products was
especially important for Estonian entrepreneurs. One problem that Estonia raised repeatedly over the years was shipping competition in the Baltic Sea. Estonia asked the Commission to take steps to end the boycott against Estonian ships by some Member States. In connection with shipping competition, Estonia also drew attention to issues related to customs and duty-free services and the sometimes unfair application of port fees. In connection with trade restrictions, we sought to have the obstacles placed on the marketing of log houses produced in Estonia removed in a certain Member State.

Estonia was very interested in the opportunities for participating in joint European Union programmes created by the Europe Agreement. We quickly joined the 5th Framework Programme for Research and Technological Development, as well as Socrates and Leonardo da Vinci training and education programmes, which provided very positive experiences. These were followed by programmes in the fields of culture, the environment, media and customs. To make the most of joint programmes, Estonia repeatedly drew attention to the need for accelerating the preliminary work for adopting resolutions by the Association Council and resolving technical issues that formed the basis for participation.

For its part, the European Union raised the necessity of adapting provisions of the Estonian Language and Election Laws to meet the principle of equal treatment and the accession criteria. It also raised issues related to the integration of minorities and European Union assistance for the financing of the Estonian Government’s integration programme. Close attention was paid to the improvement of the rules for the registration and reporting of Estonian state aid; the pace of implementing land reform; the privatisation of the energy sector, which should guarantee equal conditions to all interested parties; and the ability to guarantee protection for intellectual property. Attention was also constantly paid to the efficiency of national institutions and the development of administrative and implementation capacities in almost all sectors, with particular focus on the environment, agriculture, fisheries and customs, as well as in the structures administrating community aid. Special emphasis was put on the importance of reorganizing the court system, training judges and reducing their workloads.

Assessments and experiences
Work in the dialogue structures established by the Europe Agreement was generally intensive and productive. Estonia successfully used the opportunities provided by the Agreement to promote its interests, guarantee fair rules for competition, eliminate trade barriers and achieve a more equal partnership. However, the nature of the relationship at the time was certainly affected by the fact that we were still a candidate state, not yet a member of the “club”.
Operation of the Association Council and committees was not limited to the monitoring of obligations under the Europe Agreement. They became a forum for the comprehensive monitoring and discussion of our preparations for accession. The closer we got to accession, the more the overall preparations for membership and the accession negotiations process merged. Since association dialogue was an instrument for achieving and monitoring accession compliance, the basic rule was that the better the “homework”, the better the result. The more successfully the pre-accession reforms progressed and the faster the obligations were fulfilled the more positive the feedback and the stronger Estonia’s position in presenting its ambitions to its European partners.

At meetings, when raising issues, the manner and tone of presentation was often important. Addressing problematic issues diplomatically could be more useful than approaching them with impatience and direct pressure, as proven by the shipping boycott case.

On the technical side of the meetings, the thorough and timely preparation of agenda points and written materials was very important, along with good domestic co-ordination among the ministries and other administrative institutions. The regular meetings of the Council of Senior Officials that took place at the State Chancellery were well suited for handing out assignments and responsibilities, agreeing on timetables and monitoring adherence to deadlines (see Chapter 13 – H. Hololei). In the preparatory phase it was also crucial to have good co-operation with the European Commission Directorate-General for Enlargement, the General Secretariat of the Council of the European Union and Presidency representatives. On a critical note, it should be mentioned that Association Committee meetings, which aimed to be as comprehensive as possible, tended to be drawn out and too detailed. In the case of written materials, the precision, specificity and timeliness of the presented information was decisive, as was linguistic correctness and cohesiveness. To a great extent, these technical skills were only acquired over a period of time.
Accession negotiations between Estonia and the EU started on 31 March 1998 with the opening of the Accession Conference in Brussels. The general principles for the negotiations and rules of procedure were agreed upon at the conference. In his presentation, Foreign Minister of the United Kingdom Robin Cook as the EU Presidency emphasised the importance of complying with the pre-accession strategy and the need for rapid adoption and implementation of the EU *acquis communautaire*. Estonian Foreign Minister Toomas Hendrik Ilves stressed that accession and the preceding period should not slow down Estonia’s economic development and that the results of the negotiations must above all be acceptable to the Estonian people. Estonia’s goal was to achieve as favourable terms as possible for accession. Inspired by the beginning of the accession talks, Member States agreed to provide Estonian citizens with visa-free travel to the EU, something which they had previously lacked.

The opening of negotiations with Estonia brought about enormous changes including immense media attention both at home and abroad and a huge amount of extra work that had to be done with very limited resources.

* Information contained in A. Streimann’s article “The Accession of Estonia to the EU” (published in the compendium entitled “The Accession Story: The EU from Fifteen to Twenty-Five Countries”, edited by G. Vassiliou, © Oxford University Press 2007, pp. 157-188) has been used in this article with the permission of the Oxford University Press.
Structures

On 3 February 1998, in order to conduct accession negotiations with the EU, the Government formed a delegation headed by the Foreign Minister. The Undersecretary for European Union Affairs was appointed as his deputy (the so-called chief negotiator). The delegation consisted of a main delegation and 34 heads of working groups. The delegation included representatives of all ministries (except for the Ministry of Defence, since, at that time, the EU lacked a defence dimension), the Head of the Office of European Integration of the State Chancellery and the Head of the Estonian Mission to the European Union.

The delegation had to ensure that Estonia’s positions were prepared on time and that the Riigikogu and public were informed about progress being made in the negotiations. Draft Estonian negotiating positions were submitted for approval to the Government, after having been presented, both in writing and orally, to the Parliament’s European Affairs Committee. The Riigikogu’s Rural Affairs Committee was informed about agricultural issues and the Finance Committee about financial ones. The Foreign Minister informed the Government once a month on the current state and prospects of the negotiations. Members of the main delegation, the majority of whom were undersecretaries from the ministries, directed and co-ordinated the activities of the working groups in their respective areas.

Informing the public about the negotiations and receiving feedback on what had been done was one of the Estonian negotiating delegation’s most important tasks. Information on the negotiations was regularly published on the Foreign Ministry’s website. Due to the large amount of media interest – European and Estonian – in progress being made domestically and in the accession negotiations, regular press conferences were held in both Tallinn and Brussels after screening

At the same time, accession to the EU was not a goal in and of itself, but a means of guaranteeing the country’s stability, security and economic growth, improving the welfare of the population and raising the overall standard of living. On an emotional level, people wanted to, once again, be part of Europe, where we had been for centuries.
meetings and accession conferences. Delegation members gave numerous interviews, participated in information days, spoke at seminars, etc.

The working groups’ fields of activity basically coincided with the negotiating chapters. The working groups’ task was to conduct a thorough analysis (a so-called screening) of the EU *acquis* and Estonian legislation, which enabled them to then formulate Estonia’s positions. Consultations were also held with non-governmental institutions (companies, professional associations, social partners, etc.). The working groups also composed other documents (additional information, financial tables, plans for increasing administrative capacity, etc.) necessary for the negotiations. In addition, the working groups were responsible for implementing the commitments taken during the negotiations and preparing or amending new Estonian legislation in order to bring it into conformity with the *acquis*.

It was essential to bring “draft” decision-making as close to actual experts as possible. Every expert had to be involved from a very early stage and to develop his or her skills in the course of events. This meant sending as many people as possible to screening meetings in Brussels. Experts made regular study-visits to Member States and EU institutions with the same aim in mind. Obviously, the cost of this approach was the weakening of political participation, but it was made up for by the establishment of a regular and close working relationship between experts and parliamentary committees.

An Accession Negotiations Task Force of 5–6 members was set up in the European Integration Department of the Ministry of Foreign Affairs. This task force was charged with co-ordinating and organizing the work of the negotiating delegation and, in cooperation with the working groups, preparing Estonia’s draft positions and information on the progress of the negotiations to be submitted to the Government. A small secretariat was also located in the same department, which provided the delegation with logistical assistance (documentation, archives, travel arrangements, etc.)

On 29 November 1999, the Foreign Minister’s Consultative Committee was formed in order to help formulate Estonia’s positions, analyse the effects of the EU accession on Estonia and explain them to the public (see Chapter 18 – L. Teras).

The Office of European Integration at the State Chancellery was responsible for domestic co-ordination of EU accession. It co-ordinated the harmonization of Estonian legislation with the EU *acquis* and helped the Prime Minister “direct” members of the Government to create and implement new legislation (see Chapter 13 - H. Hololei).

The European Union Information Secretariat (ELIS) operating in the State Chancellery also played an important role in helping to explain the results of the negotiations more broadly (see Chapter 24 – P. Palk).
Approximately 700 people in Estonia dealt with EU related questions on a daily basis.

Throughout the negotiation period, close co-operation existed among the six candidates who were first invited to start negotiations (the so-called Luxembourg group). During the last year, this co-operation was extended to ten countries. It was motivated primarily by the so-called horizontal approach related to financial issues that involved all negotiating countries, and which was agreed upon as a uniform package. The aim of the meetings was to exchange opinions and experiences and co-ordinate positions. The Estonian delegation also frequently exchanged information with their Latvian and Lithuanian colleagues. Naturally, throughout the negotiations, frequent consultations took place with the Commission and the Member States in order to introduce and justify Estonia’s positions (see Chapter 20 – M. Rahuoja and Chapter 21 – R. Kionka).

**Substance of the negotiations**
The basis for the negotiations was the EU *acquis*. To make the process easier, the acquis was divided into 31 chapters according to fields of activity. Throughout the negotiations, an assessment was carried out of Estonia’s ability and opportunities to adopt the *acquis* and implement it upon accession. For this purpose, the EU legislation was divided into three groups: legislation that would be adopted by amending or adopting Estonian legislation; the EU requirements that would need more time for adoption and implementation (in which case we applied for a transition period); and the requirements that were not acceptable to Estonia (in which case we requested a permanent derogation from implementing the *acquis*). Requests for transition periods or derogations were submitted mostly in areas that required large investments or were either politically, economically or socially complicated. Naturally, requesting an unlimited number of exceptions was out of the question. Exceptions could only be requested in justified cases. The basic rule remained that the *acquis* would be adopted and enforced upon accession. Yet not only candidate countries but also Member States requested transition periods in areas that were problematic for them (i.e. temporary restrictions on the free movement of labour, road haulage operations, and the phasing in of direct payments in agriculture).

**Organization of the negotiations**
On the procedural side, screening was the first phase of the negotiations, and this was conducted in several stages. The EU *acquis* formed the basis of the screening. The EU submitted an A-list (mandatory legal acts) and a B-list (recommended legal acts) to Estonia. Technically, the screening meetings were divided into 2 sections: multilateral meetings, where the European Commission introduced the specific section of the *acquis* to all candidate states and bilateral meetings, where Estonia introduced its plans for harmonizing and implementing the *acquis* in the corresponding sector to the Commission.
The first and most large-scale screening lasted from 27 April 1998 to November 1999. An analysis was carried out of the conformity of Estonian legislation with the acquis in force as of 1 March 1998. As a result of the screening meetings, the EU in turn acquired an overview of Estonia’s legislation and its plans to amend it. The first screening was followed by four further screening rounds. In these rounds, an analysis of the acquis communautaire that came into effect between 1 March 1998 and 11 November 2002 and an assessment of Estonia’s ability to implement it upon accession was carried out. For the acquis that was adopted in the period from 1 November 2002 to the signing of the Accession Treaty, Estonia was given the right to make a reasoned request for adaptations or temporary measures that would have been decided upon at a later date. After signing the Accession Treaty in April 2003, all new Member States acquired the status of “active observers.” An information and consultation procedure was established to guarantee that the positions of new Member States were taken into account with respect to the acquis adopted after the signing of the Treaty.

Based on the results of the first screening round, Estonia formulated its initial positions in all chapters (except “Institutions” and “Other issues”) and presented them to the EU. In response to Estonia’s position, the EU presented its common position, which was followed by bilateral negotiations. On 24 April 1998, at the first Accession Conference at the chief negotiators’ level, it was agreed that the positions and negotiations in different chapters would not be linked and that agreements achieved in individual areas and chapters would not become final until agreement was reached on all issues.

European Commission and Estonian experts held consultations in order to clarify and resolve technical questions. Depending on the progress of the negotiations, the EU could ask Estonia for additional information on specific issues. Depending on the content, this information could either be submitted by Estonia as technical information or as an addendum to its position. As a result, the EU would in turn amend its common position if necessary.

The chief negotiators and Foreign Ministers approved the agreements reached in each chapter at Accession Conferences. The Estonian and EU delegations participated at the Accession Conferences. The 15 EU Member States were represented by the Presidency. Commission representatives also participated at the meetings. Generally, the Accession Conference meetings took place biannually at the Foreign Minister level. Generally they took place twice every six months at the chief negotiator level, or more if necessary. Final agreement on all issues covered by the accession negotiations was reached on 13 December 2002 at the Copenhagen European Council. Over the course of five years, a total of 37 Accession Conference meetings were held – 13 at the Foreign Minister level and 24 at the chief negotiator level.

Summary of the results of the negotiations
In summary, the following transition periods and derogations to the implementation of the acquis were included in Estonia’s Accession Treaty:
free movement of goods - in respect to the maximum levels of dioxins in fish and fish products;
free movement of persons - in respect to the free movement of labour, the recognition of diplomas and professional certificates issued by third countries, and the co-ordination of social insurance systems;
free movement of services - in respect to the guarantee of deposits and investment compensation;
free movement of capital - in respect to the establishment of the cessation date for restrictions on the free movement of capital and the ownership of agricultural land and forests by the citizens and companies of the EU Member States;
company law - in respect to the Community trademarks, and patents for medical products and plant protection products;
agriculture - in respect to direct payments, afforestation support, restructuring support for semi-subsistence farms, support to assist farmers in meeting EU standards, definition of suckler cows, organic farming, veterinary and phytosanitary issues;
fisheries - in respect to supplemental size categories for the Baltic herring caught in the Baltic Sea;
transport - in respect to road haulage operations;
taxation - in respect to excise duty on cigarettes and smoking tobacco, VAT for supply of heating and international passengers’ transport, the taxation of parent companies and their subsidiaries, the limits for the registration of compulsory VAT payers;
energy - in respect to the opening of the electricity market, the creation of the minimum stocks of liquid fuel, and the financing of scientific oil shale research;
environment - in respect to the construction and renovation of water supply systems and water purification plants, the construction of regeneration systems for gasoline fumes, the development and implementation of updated landfill systems for oil shale ash, the monitoring of hazardous agents being directed into surface water, implementation of protection measures for groundwater, implementation of action plan for nitrate-sensitive areas, and the fulfilment of maximum tolerances for air pollution from power stations operating on oil shale.

The accession to the common currency dealt with in the Economic and Monetary Union chapter and the accession to the Schengen acquis discussed in the chapter on justice and home affairs did not come into effect as of the accession to the EU, but would come into force later, after the necessary conditions for accession were fulfilled. In all the remaining chapters, Estonia was ready to implement the entire EU acquis as of the accession and did not require transition measures.

During five years, the progress and speed of the negotiations depended to a great extent on the size of the EU acquis communautaire. It also depended on other factors such as Estonia’s own domestic work, readiness to adopt EU legislation, the political situation, the problems of the other candidate and Member States and negotiating tactics.
Assessments and comments

For Estonia, four topics stood out as the most important and, indeed, also the most complicated topics in the negotiations. Energy required a special solution due to the oil shale energy industry that is unique in Europe. It was complicated to achieve agreement on taxation due to the political problems that arose during the negotiations. The environmental chapter included numerous obligations that required large investments (i.e. the construction and updating of local waste water systems or the development and implementation of updated landfill procedures for oil shale ash). Agriculture contained various areas in which many technical details had to be negotiated but included also, as the final topic of the negotiations, strongly political elements (milk quotas, implementation of direct payments, etc.).

During five years, the progress and speed of the negotiations depended to a great extent on the size of the EU *acquis communautaire*. It also depended on other factors such as Estonia’s own domestic work, readiness to adopt EU legislation, the political situation, the problems of the other candidate and Member States and negotiating tactics. The negotiations started from the “simpler” chapters, where Estonia did not request derogations since it was able to adopt and implement the *acquis* upon accession to the EU. The first transition periods were agreed upon in the free movement of services chapter in the spring of 2001. As expected, the last issues to be negotiated were financial matters that were sensitive for the EU as well as several individual issues unique to Estonia (the right to hunt bear and lynx and issues related to the size of the Baltic herring caught in the Baltic Sea).

Maintaining the intensity and momentum of the negotiations over the course of five years was a challenge in its own right. The momentum was influenced by the varied stages of development of the candidate states and their readiness to move forward. The fact that candidates had different interests as well as the seriousness and number of problems that arose during the negotiations had an effect on momentum. The negotiations turned into an even more wide-ranging process at the beginning of 2000 with the inclusion of six additional candidate states (Latvia, Lithuania, Slovakia, Malta, Bulgaria, Romania). The general progress of the negotiations slowed down to a certain extent as they “caught up” to the countries that had started negotiations earlier. On the other hand, they also provided Estonia with a good opportunity to analyse its needs and positions and to carefully weigh its negotiating tactics.

The saying goes “all’s well that ends well”. Nevertheless, it is possible and, from the future perspective, even useful to highlight some of the problems that
Estonia encountered during the course of the negotiations. Already mentioned was the general lack of resources that resulted from being a small country. This impacted on almost all fields of activity, levels and issues. In some sectors, there was only one expert in Estonia for the entire EU field of activity. An additional problem was poor language skills that often did not enable experts to communicate with their EU colleagues on an equal footing. The lack of translators for the (rapid) translation of the EU *acquis* was also acutely felt, especially during the first years of the negotiations. Serious difficulties in creating and implementing legislation on the “domestic front” appeared simultaneously with the negotiations progressing on the “foreign front”. Likewise, promises were made to the EU that we were unable to fulfil due to limited financial, time and other resources. In many important fields of activity, there was insufficient administrative capacity to implement the EU standards and requirements (i.e. the customs union, since Estonia had almost no import restrictions before accession to the EU*; fisheries, where proper catch statistics and a fishing ship register were lacking). Overall, administrative capacity was our greatest stumbling block. The European Commission criticized Estonia for this up until the end of the negotiations.

The negotiations and formation of Estonia’s positions was sometimes made more difficult by a lack of academic research and opinion polling. Also by politicians’ apathetic attitude towards EU issues, the sporadic ill-informed criticism of the media, and to top it off, the low level of public opinion regarding EU accession.

Despite all of these difficulties and problems, Estonia was able to obtain good results at the accession negotiations. The results met the requirement mentioned by Foreign Minister Ilves in his opening speech to the Accession Conference – the results of the negotiations must first and foremost be accepted by the Estonian people. The Estonian people voted in favour of accession to the European Union in a referendum on 14 September 2003. Estonia became a European Union Member State on 1 May 2004.

Estonia’s chief negotiator Alar Streimann has summarised the accession negotiations as follows: During the five years of accession negotiations, Estonia went through immense changes. Perhaps these changes would have taken place anyway, but the accession gave a powerful impulse and it was easier to stay on track. Perhaps the biggest of all the changes was the feeling that the country was for the first time coming out of mental seclusion. Estonia came out of these negotiations as a totally different country, with a European legal system and a modern and efficient administration. In the course of the negotiations, mistakes were obviously made, but I do not think things could have been done much differently. Our red line was that we must do our homework as best as we can and that accession should not be stopped by our own shortcomings.

* Largely under pressure from the EU, the first import restrictions in respect to the so-called third countries were established in 2001.
5. The Rocky Path of the Taxation Chapter in Accession to the European Union

Lemmi Oro, Director of the Tax Policy Department of the Ministry of Finance since 1998, Head of the Working Group on Taxation of the negotiating delegation

The following article consists of the personal experiences and impressions of an official who participated in the EU accession process from beginning to end.

It was quite interesting, not to say funny, to rummage through old files and come across terms and abbreviations for institutions that are, by now, so familiar, but at the end of the 1990s were truly mystifying.

On 21 April 1997, a meeting took place at the Ministry of Finance, which was chaired by the Minister and attended by the directors of departments in charge of creating legislation and managers of institutions within the Ministry’s jurisdiction. The meeting’s goal was to evaluate the state of EU integration in the Ministry of Finance’s area of competence and to determine an action plan for the future. Among the most important decisions made at the meeting were the compilation of a list of EU legislation in the field, the determination of the level of harmonization and organization of the implementation of EU legal acts. The tasks were complicated and there was a lack of money. But we mainly suffered from a lack of competent officials. An entire avalanche of new assignments descended on people who already had lots of work.

In his letter of 10 September 1997, the Undersecretary of the Ministry of Finance announced proudly to the Director of the Tax Policy Department that Estonia had been included in the group of countries that would start accession negotiations with the EU in the first round. He added that in five years time Estonia would have to conform to the accession criteria and pointed out that this was a serious challenge that required each dedicated government official to exhibit a great sense of responsibility toward fulfilling his or her work assignments.

What exactly were these assignments that had to be completed quickly and properly by the Tax Policy Department, which, at the time, had 12 employees and was given the task of transposing the acquis in both the taxation and customs fields?

All the planning was carried out under the assumption that Estonia would become an EU member in 2002. This resulted in an extremely intensive action
plan for harmonizing legislation in the years 1998–1999. This was a very important plan because its fulfilment was not just being monitored by the Office of European Integration that had been specially formed for the EU accession, but also by the European Commission.

A working group was set up for negotiating the taxation chapter led by the Director of the Tax Policy Department. The task of this group was to work through all the EU directives, regulations and decisions related to taxation and to identify the requirements that Estonia would not be able to fulfil as of the accession. In other words, pinpoint where we would need a transition period based on economic, cultural or other circumstances. There were few people and even less time as the working group had to present clear and sound positions for negotiations by as early as the middle of November 1997.

Approximately 200,000 EEK (about 13,000 EUR) was given to the Department for the fulfilment of its new assignments. This sum could be used for translating legislation, purchasing reference books and databases and compensating for European integration related work.

We were lucky that in 1992–1993, when Estonia implemented its first tax reform after the restoration of independence, we, along with our advisors, had the sense and long-term vision to use EU tax law principles for drafting our legislation, especially the Excise duties' and Value Added Tax (VAT) Acts. Moreover, in respect to direct taxes and international taxation, we had had close contacts with the Organization for Economic Co-operation and Development (OECD) since 1991. Thanks to training organized by the OECD, the necessary know-how already existed. However, what was almost totally lacking was an understanding of EU institutions (Commission, Council, Court, etc.) and the relationship between EU law, the taxation agreements concluded by Estonia and Estonian laws. To clarify matters, numerous discussions regarding direct taxes had to be conducted with the Commission. Yet we still did not develop a common understanding. We just could not understand why Commission officials were not satisfied, while our income taxation principles conformed totally to international principles of taxation. To enlighten us, reference literature (e.g. IBFD Guides to European Taxation) was purchased in 1998 with money appropriated for European integration (for a total of almost 52,000 EEK [about 3,300 EUR]). A working group was also formed that was assigned the task of drafting an Income Tax Act that would conform to the EU’s Parent-Subsidiary Directive (90/435/EEC).

I was responsible for direct taxes and the exchange of tax-related information. In my 1998 report, I declared that I had acquired and analysed the EU directives regulating direct taxes and come to the conclusion that it was not necessary to make fundamental changes to Estonian laws, but that certain rights granted to Estonia is today the only Member State that does not impose a single harmful measure included in the Code of Conduct for Business Taxation as for taxing companies.
Estonian residents should be expanded to include the taxpayers of the EU Member States. I had in mind the taxation of parent companies and their subsidiaries and the taxation resulting from the merger, division and exchange of shares of cross-border companies. It should be said that even today, we still do not have total clarity about the Parent-Subsidiary Directive.

In 1999, diligent translation work continued. EU legislation was translated into Estonian and our legislation was translated into English in order to prove the compliance of our tax laws with the European law.

My first trips to Brussels, together with the negotiating delegation’s working group for taxation, took place in 1999. The screening of the taxation acquis was underway. A multilateral meeting was held in March 1999 in which the Commission officials introduced the EU tax-related acquis to the officials of the future Member States dealing with the harmonization of the taxation field. I remember that for some reason the beginning of the event was delayed. Finally, it turned out that everybody was waiting for the Estonian delegation. The Commission officials could not believe that the Estonian delegation was comprised of only six members (unlike, for instance, the 38-member Polish delegation). So the necessary number of strangers was “procured” to fill up our rows and the meeting could start.

In April 1999, a bilateral screening meeting took place between the Commission and Estonian officials, where we had to explain what had been achieved and which legislation Estonia would not be able to adopt upon accession. I still remember my explanations to the Commission official responsible for the data processing of tax-related information. It seemed that the official had a great desire to demonstrate his superiority and the discussion was reduced to ‘bits and bytes’. Despite the fact that I have studied information technology and written computer programs for 17 years of my life, I did not know the technology of our Tax Board in such detail. However, within the framework of the in-service training I had attended in Germany, I had acquainted myself with the work and ideology of the Dusseldorf data processing centre and therefore no question was left unanswered. This “report” was ended by the Danish representative of the Commission, who said that she, meaning me, must be right, because they have some kind of “Tiger’s Leap”* in Estonia.

With respect to excises and VAT, the accession talks progressed quite smoothly since similar transition periods related to the minimum rates for fuels and tobacco had been requested by almost all the future Member States. The only exemption that Estonia sought from the beginning, and which was agreed upon, dealt with

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* The “Tiger’s Leap” was a program initiated by the Estonian Government with the goal of modernising the information and communications technology infrastructure in schools from 1997-2000.

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tobacco excise. Initially, we also applied for a transition period for fuel excises, but later we withdrew the request and accepted the obligation to establish the minimum rates for fuel excises as of Estonia’s accession to the EU. However, during the accession process the directives were changed and in 2004 a new energy taxation directive came into force which again lifted the minimum rates for fuel excises out of reach for us. Today it can be stated that despite the right to use lower-than-minimum rates until 2010, we have introduced them two years earlier, i.e. in 2008. As for VAT, Estonia applied for several exemptions: the preservation of tax-free sales on ships and a zero tax rate for wind energy, for which an agreement was not reached. Finally, Estonia retained the right to tax heating at a lower rate until 1 July 2007, which we used.

Things did not go as smoothly with corporate income tax. The problem developed with the Income Tax Act that came into force in 2000, pursuant to which Estonia started to tax only distributed, not earned profits. The Commission asserted that, based on the European Court decision (Athinaiki Zithopiia court case C-294/99 of 8 June 2000) and the Parent-Subsidiary Directive, the Estonian Income Tax Act was not in conformity with the given Directive. Estonia has never agreed with this claim, but, motivated by a desire to reach an overall agreement in the accession negotiations, a transition period is in force until 2009 regarding the Parent-Subsidiary Directive. Thereby, as an exemption until January 2009,
Estonia has the right to impose income tax on distributed profits pursuant to Article 5 of the Parent-Subsidiary Directive, without taxing retained earnings. Simply put, the dispute is about whether Estonia’s income tax is a withholding tax, which should not be imposed upon the distribution of profits according to the Parent-Subsidiary Directive.*

In addition, it must be stated that Estonia is today the only Member State that does not impose a single harmful measure included in the Code of Conduct for Business Taxation as for taxing companies.

What to say in conclusion and suggest to others? One thing is clear: just being familiar with the directives is not enough. One must also become familiar with all the court decisions related to the directives. In the case of indirect taxes, these decisions are understandable to not only experts but also laymen. In contrast, the decisions on direct taxes, to a great extent, come down to EU fundamental freedoms and this becomes highly complicated.

With respect to indirect taxes and especially the principal VAT Directive (the 6th Directive at that time), contradicting opinions and many questions emerge. Despite the talk about harmonization, common rules and fair competition, if we delve deeper it turns out that the “founding members” have a number of permanent exemptions that the “new ones” are not granted. One must simply take this into account. There is no sense in wasting time on arguing. Since Estonia’s general taxation principle is to tax earnings less and consumption more, this has not distressed us very much.

In summary, one can say that the task of harmonizing Estonia’s tax law with the EU acquis within five years, which seemed impossible at first, was more than fulfilled and, by today, incompetent specialists have become recognised experts.

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* By 2009, certain court cases have provided support to the Estonian interpretation of law.
6. Complicated Negotiations in the Energy Chapter

Einari Kisel, Director of the Energy Department of the Ministry of Economic Affairs and Communications, Head of the Working Group on Energy of the negotiating delegation 2002–2004

Energy was one of Estonia’s most complicated and stressful chapters in the accession negotiations. Intensive negotiations continued up until the chapter was closed. In hindsight, the solution that was achieved was a good compromise for both the European Union and Estonia.

A number of important agreements were concluded in the energy chapter. Estonia was given until 2010 to create a 90-day stock of liquid fuel. Estonia committed itself to increasing the target for electricity output from renewable energy sources from 0.1% in 2001 to 5.1% in 2010. And Estonia secured the possibility to support research in oil shale – an unknown fuel in the European Union – from the Research Fund for Coal and Steel. The most important and complicated agreement for Estonia, however, was related to the opening of the electricity market.

A different kind of electricity sector
In order to understand the complexity of the energy chapter, we must first take a look at Estonia’s electricity sector. This sector differs from electricity sectors in other countries due to several specific features:

1. At the time of the accession negotiations, Estonia was the only place in the world where almost 90% of electricity was produced from oil shale. The Narva Power Plants (NPP), situated in the north-eastern part of Estonia, were constructed primarily in the 1960s to guarantee the electricity supply in the north-western region of the Soviet Union. They had a capacity of almost 3,000 MW but were largely obsolete and did not comply with EU environmental standards.

2. In the north-eastern region of Estonia, almost 15,000 people (almost 1% of Estonia’s population) were directly involved in the mining of oil shale and the generation of power. In addition to a supply problem, the rapid abandonment of oil shale as a fuel would have created social tensions in a region, where more than 80% of the population is non-Estonian (speaking) and where the unemployment rate is one of Estonia’s highest.
3. On the European scale, the Estonian electricity market is very small (the maximum consumption is about 1,400 MW and the annual sales volume close to 7 TWh); this demand can be met by NPP alone. Together with the other Baltic countries, the sales volume of the electricity market is about 23 TWh. In comparison, the sales volume of the Nordic electricity market is close to 400 TWh and there exist about ten sizable competing electricity generators.

4. Estonia does not have any noteworthy alternative energy sources - there are practically no hydro resources, establishing a nuclear power plant in the short term is not realistic, research of wind resources at that time was inconclusive and too expensive as an alternative and the widespread use of natural gas was not acceptable due to security considerations.

5. Estonia’s power grid is very strongly connected to the neighbouring power grids in Russia and Latvia (today also Finland). Technically, it would be possible to import all the electricity Estonia requires, which means the electricity sector is extremely open to international competition (also from third countries).

Thus Estonia faced a complicated situation: according to the EU Directive on Internal Electricity Market, Estonia should have opened at least 35% of its electricity market upon accession to the European Union. By 1 July 2004, the electricity market in the EU was to be opened for all business consumers and by mid-2007 for all consumers. At the same time, it was clear that Estonia must update its entire electricity production in order to bring it into conformity with EU environmental requirements. No one had invested in power plants operating with fossil fuels in any open electricity market in the world – the financial risk is too great. A reminder - the crisis in California had taken place only a year earlier in 2001 and this had seriously worsened the attitude of financial institutions toward investing in power generation.

For energy security reasons, it was extremely important for Estonia to possess an energy supply based on domestic energy resources, which is why the use of oil shale was the only possible solution.

For energy security reasons, it was extremely important for Estonia to possess an energy supply based on domestic energy resources, which is why the use of oil shale was the only possible solution. By that time, several experiments had been conducted with oil shale, based on which scientists claimed that using fluidised-bed boilers for burning oil shale would solve the environmental problems with emissions. At the same time, in a totally liberalised electricity market, no company would have dared to invest in such a new technology. Therefore, the NPP wanted to get guarantees that the new boilers would be able to work as long as possible in order to recoup the large investments.

The Narva Power Plants are 100% owned by the Eesti Energia trust, which in turn is 100% owned by the Government. The situation was made more complicated
by negotiations with the U.S. energy company *NRG Energy* for a minority share of NPP that had been taking place since 1996. Several Estonian governments had held these negotiations, but an agreement had not been reached. For the European Commission, this was an impossible situation for considering any kind of derogation: providing support to a U.S. company in the EU electricity market was essentially impossible.

**What should the solution be?**

In Estonia, the liberalisation of the electricity market would have meant one of two possibilities. If all the requirements of fair competition had been applied to the import of electricity, the NPP would have been in an extremely powerful position in the market and would have essentially dictated the price of the electricity, which would have resulted in an uncontrolled price increase. If unfair competition in the European Union context had been allowed in the Estonian market, consumers would have been able to buy all their electrical power cheaper from Russia or Lithuania, where the Ignalina nuclear power station would be operating until 2009 pursuant to the Accession Treaty with the EU. As a result of the import of electricity, the NPP would have been closed quite quickly and thereafter the price of electricity would already have been dictated by the Russian electricity monopoly, since after the closing of Ignalina in 2009 Lithuania would no longer be able to export large volumes of electricity. Therefore, the Estonian Government thought it rational to open only a certain part of the electricity market to competition, to restrict unfair competition and to preserve control over the NPP electricity prices in the closed part of the market.
During the accession negotiations, very long discussions were held about what to do about this situation. Even within Estonia there was no unanimity about how to resolve the situation. The Government, together with Eesti Energia, decided to hire consultants who would suggest various solutions for organizing the electricity market and specify the future development of the oil shale sector.

The Government drew up an action plan for the oil shale sector for 2001-2005, which fixed both the investment plans for the power plants as well as measures to increase efficiency in the mining and transport of oil shale. Along with international consulting firms, the Government and Eesti Energia analysed the possibilities for managing the market. For this, information was gathered on the organization of electricity markets in various countries around the world and their suitability to Estonian conditions was analysed. A perfect solution was not found, although the results of these analyses created an understanding for politicians about what an electricity market represents and what kind of risks it conceals.

Finally, governmental institutions, Eesti Energia and the consulting firms arrived at a common position. In order to manage the technology and market risks of NPP’s investments – approximately 3.9 billion EEK (almost 250 million EUR) for the 430 MW boilers with new technology – it was decided to guarantee a fixed price for the electricity produced by these boilers, by keeping part of the electricity market closed and directing all the boilers’ production to the closed part of the market. The period that the market was to be closed was to be connected to the repayment of the loan package.

How to explain the need for a derogation?
At first, it took several months to explain the peculiarities of the Estonian electricity sector to European Commission officials in the Directorates for Energy and Environment, as well as to the officials and politicians of the Member States. The use of oil shale to generate electricity and the ultra-strong connection of the electricity grid to Russia made the conditions for opening the electricity market totally different than in any other Member State. Thereafter, Estonia started conducting negotiations with the European Commission Directorate-General for Energy regarding a potential model for the market management.

At the beginning of 2002, the Estonian Government decided to end its negotiations with NRGEnergy regarding the sale of a minority share of the NPP without concluding an agreement. This enabled the European Commission to
view the derogation as being enacted only in the interests of Estonia. During the simultaneous negotiations in the environment chapter, it was agreed that Estonia would bring its technology for generating electricity from oil shale into compliance with the European Union environmental standards by the end of 2015. In order to make the first investment that was also accompanied by new technology risks, an agreement had to be concluded with the European Commission regarding keeping the electricity market partially closed and this had to be approved by the Member States.

Estonian accession negotiations with the European Union in the energy chapter produced an unprecedented result – Estonia was the only candidate state that concluded an agreement on a transition period for the opening of its electricity generation market. According to the agreement, by the end of 2008, at least 35% of the Estonian electricity market must be opened (pursuant to the Internal Electricity Market Directive, this should have happened by the beginning of 2003). By accepting the transition period, the European Commission and the Member States confirmed that the situation in the Estonian electricity market was so different from other countries that normal solutions for organizing the electricity market would not work. In an Annex to the Accession Treaty, Estonia declared its desire to open the electricity market for all business consumers by the end of 2012 at the latest.

It would not have been possible to reach a solution without intensive and effective domestic inter-departmental co-operation. Estonia managed to create an understanding with the EU Member States that, in our case, the traditional opening of the electricity market would not work.

**Lessons learned from the negotiations**

In hindsight, several important aspects of the accession negotiation process can be highlighted. Firstly, it is important that all the representatives of a country speak “the same language”. For this, a clear vision of the solution is needed, which should be drawn up in writing and distributed to politicians, officials, diplomats and supportive domestic interest groups.

The second lesson is that, when requesting a derogation, the potential solution must be found by the country itself. There is no use in waiting for the European Commission to offer a great deal of help with formulating derogations, because its assignment is to blend the Member States into the existing legal framework. If the government has no clear vision for the solution of the problem, high level consultants must be involved – inexperienced consultants are of no use.

Looking back, one can say that the established transition period worked very well for Estonia. In 2005, two new blocks with fluidised-bed boilers were
completed, which have worked without a hitch and fulfilled all the EU environmental standards. Currently the construction of additional blocks is being planned, and by 2015, Estonia will fulfil all the EU environmental standards.

The formalisation of the transition period created legal problems, as the European Commission formulated it as a directive without the co-decision procedure. As a result, the European Parliament brought a court action against the European Commission and won. Therefore the transition period for opening the Estonian electricity market was formalised as a directive again in 2008 (with directive 2008/3/EC).

The second legal dispute that developed for Estonia with the European Commission was related to the legal solution, which allowed eligible consumers to buy electricity at regulated closed-market prices in the open market. Since the price for electricity in the surrounding electricity markets is higher than in Estonia (except in Russia, from which import is not allowed in Estonia), then all eligible consumers in Estonia have tied themselves with regulated prices. In 2007, this dispute reached a happy ending when the Commission agreed that this is the most sensible solution for Estonia at this time.

The third dispute between Estonia and the European Commission that continued after accession was related to fact that before Estonia’s accession in May 2004, the EU Directive on Internal Electricity Market was amended. The accession negotiations ended in 2002, but in 2003, a new directive on the electricity market was approved that prescribed an obligation for the Member States to open their electricity markets for all business consumers by the middle of 2004 and for all consumers by the middle of 2007. Although, being aware of the draft for the new directive, Estonia had declared in an Annex to the Accession Treaty its wish to open the electricity market for business consumers in 2013, the European Commission imposed an agreement on Estonia to open the entire electricity market by that year.

One important aspect is that Estonia as a Member State has continued to search for a solution to the need to regulate the import of electricity from third countries. Since electricity producers in Russia do not need to observe equivalent environmental requirements – the prices for fuel on their domestic market are many times cheaper than in the European Union countries and waste management restrictions do not apply to them – the electricity producers in Russia have a clear competitive advantage over the electricity producers in the European Union. Estonia’s goal is to resolve this problem before the total opening of the electricity market in 2013.
On 7 December 1999, when the environment chapter was opened in our accession negotiations, Estonian officials and experts had, largely thanks to the EU’s pre-accession policy, already completed a lot of the required homework in this field. The EU had allocated large amounts of money for training through the PHARE programme (see Chapter 11 – R. Mändmets). Through specific projects, this money could be used by candidate countries for organizing “catch-up courses” on European history, natural history, accounting and other necessary areas aimed at helping us successfully complete the EU’s entrance examinations. Estonia did well and made effective use of the tens of millions of euros for increasing its competence and intellectual potential.

In the European history classes, we learned that, despite the efforts of “superstars” such as Caesar, Charlemagne, Napoleon and Bismarck, no one had succeeded in uniting Europe with fire and sword. In music class, we found out that the beautiful melody “Ode to Joy”, which is the final chorus of Beethoven's Symphony No. 9 and the EU’s anthem, can be and often is played by chamber ensembles and, if necessary, can be sung as a solo.

In natural history classes – of particular importance to the Ministry of the Environment – we realised what an important field this is for EU citizens. In a survey carried out in 1995, 82% of EU citizens thought protecting environment was a complex challenge and it required urgent solutions. We also found out how voluminous (over 500 environment-related regulations), complicated, and even contradictory the environmental field is – over 1/3 of procedural acts in the European Court of Justice are related to environmental problems in Member States. The problems start from the questionable transposition of directives into laws of one or another Member State and end with the non-fulfilment of some specific regulations or resolutions by, for example, a local government in one of the Member States.
We also found out that the European Commission does not have a monopoly on the absolute truth. Rather, it is the verdicts of the European Court of Justice that are final and not subject to appeal. Each of the Court’s decisions creates a precedent. We learned quite quickly that the countries applying for accession do not have the right or opportunity to change existing European Union laws – the right and obligation to create EU laws belongs only to the Member States.

It also became clear to us that environmental protection involved a code of regulations for communal life in the EU. Just imagine that after years of struggling and saving, you succeed in acquiring a new home in a beautiful neighborhood and you happily move in with your family. However, you bring some bad habits with you - you can’t be bothered to mow the lawn and your fence is broken. Even worse, you have a habit of dumping your trash on your neighbour’s lot, you refuse to pay for the establishment of a common waterworks and you continue to secretly channel your wastewater into a nearby bubbling brook. This won’t do! Your neighbours reprimand you, if necessary with the help of the police. In summary, it also became clear to us that negotiating basically means that both parties share a common understanding and, supported by sound arguments, agree on specific temporary derogations and transition periods. This understanding greatly facilitated the organization of the accession process in our own agency.

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A diversity of flora and fauna and, as irony would have it, beaches, islands and islets that were kept well-protected by Soviet border guards. (In the Soviet Union, these areas were border zones or restricted areas that ordinary citizens were prohibited from entering.) On the other hand, we also brought with us industrial enterprises that seriously polluted the environment such as the Maardu chemical company and the Kunda cement factory. We inherited an environmental protection infrastructure that was practically non-existent or in a poor shape (i.e. wastewater purification facilities, waste dumps). A separate and especially sensitive topic was our oil-shale-based energy and chemistry. On the one hand, this was a great burden on the environment. Yet on the other hand, even during the most difficult periods, Estonia always had electricity, which in turn provided good preconditions for economic growth and stability of electricity supplies.

Another task was the comparative analysis of Estonia’s existing and planned legislation with the EU **acquis**. Within the framework of the PHARE project, officials completed hundreds of tables of conformity, in the course of which non-conformities and gaps became clear. This task was simplified by the Commission guidelines, which established the “minimum requirements” in the form of
As a final result, the transition periods and technical specifications were fixed for nine environment-related directives for the period 2003–2015.

70 directives and 21 regulations that were especially important. This was a very sizable, time-consuming and unpopular job, which robbed many officials of their sleep. On the other hand, without running this gauntlet, it would have been impossible to enter into dialogue with Commission and Member States’ representatives at the screening meetings. Most importantly, thanks to this difficult process and co-operation with consultants, Commission representatives and colleagues, primarily from our sister ministries in Finland, Sweden and Denmark, we developed the necessary competence and network of expert contacts. In the end, they helped guarantee our success at the negotiations and became the foundation for our administrative capacity as a future Member State.

The third task was assessment of financial needs. As mentioned above, the only way to get grace or transition periods for the implementation of legislation was by presenting reasoned arguments. Calculations of investment needs in both the public and private sectors in various branches of the economy were also made in the framework of the PHARE project. As a result of these calculations, Estonia’s investment needs were assessed at over 20 billion EEK (about 1.3 billion EUR).
On 28 July 1999, as a result of this difficult job, Estonia submitted its initial positions for the environment chapter. We made eight applications for transition periods related to the implementation of directives addressing water, air, waste and nature conservation. Estonia applied primarily for transition periods required for the overhaul of the energy sector, the construction of wastewater purification and sewerage systems that guarantee the supply of clean water, and for developing a waste management system.

Approximately a year and a half later, on 1 June 2001, Estonia and the EU agreed that the environment chapter could be temporarily closed. Meanwhile, as a result of many meetings with Commission officials and Member State representatives, Estonia’s positions had been amended three times. As a final result, the transition periods and technical specifications were fixed for nine environment-related directives for the period 2003–2015. Agreements on transition periods for the implementation of directives requiring large investments were particularly important. They included a transition period until 2009 for the waste dump directive, a transition period until 2010 for the wastewater directive, a transition period until 2013 for the drinking water directive and a transition period until 2015 for the combustion equipment directive. We were also granted a derogation for the directive on the very sensitive topic of bird and wildlife habitats, which deals with the hunting of bears, wolves, lynxes and beavers in Estonia. Everything that was agreed upon became legally binding through the corresponding provisions of the Accession Treaty.

Today, having been a Member State for several years now, it is in retrospect obvious that Estonia made an effort that stretched its capabilities. It is also evident that foreign experts and help from our colleagues in the environmental protection institutions of the Member States played a necessary and constructive role during the preparations for the accession negotiations.

The accession negotiations were a great challenge for our officials and experts. Diligent “schoolwork in the catch-up classes” provided us with new knowledge and lessons in history, accounting, natural history and other fields. Debates increased our self-confidence and skills of expression. And since the teamwork in Estonia was also well-organized at all levels, our cooperation with our partners at the Commission and in the Member States seemed effortless – which meant that we had already acceded to the European Union for all intents and purposes.
Accession negotiations with the European Union included EU Common Agricultural Policy as well veterinary, phytosanitary and animal welfare issues. The following is a short overview of the various stages of the negotiations and practical experiences, without delving into country-specific technical details.

As an introduction, it is important to note that accession negotiations with the EU in the agricultural sector were not negotiations in the strictest sense, but rather a wide preparatory process for the transposition of the EU acquis. Figuratively, we could say that new Member States had to implement 99.9% of the current EU legislation in agriculture leaving only a few specific questions for negotiations, which was, of course, completely understandable. If the EU, which has 27 Member States today, had allowed a large number of exemptions for each Member State, then the Community today would be practically unmanageable and there would be no normal free movement of trade, people and capital within the common market.

Ideas of EU membership had started to take root in Estonia as early as 1992 with the signing of an economic cooperation agreement between Estonia and the EU. An understanding of the agricultural sector and the principles of EU law, however, only started to develop after ratification of a Free Trade Agreement in 1995. The EU expects that the food industries of third countries that want to export their products to the EU common market fulfil the relevant veterinary and food hygiene requirements. Corresponding competence is also demanded of inspection bodies, or in this case, from veterinary services. Active preparations in the agricultural sector to become a full member of the EU were launched by the Association Agreement between Estonia and the EU (Europe Agreement) that came into force in 1998.
Harmonization and implementation of the acquis and the monitoring system

One of the greatest pre-accession challenges was the harmonization of Estonian legislation with the EU *acquis*. It was crucial to form a common approach to the transposition of EU law into domestic legislation. Taking into account the enormity of agricultural law, the Ministry of Agriculture had to break new ground, since the harmonization process for legislation in many other fields of activity started substantially later. As the harmonization process involved all agricultural issues at the same time, the role of the Ministry’s Legal Department as central co-ordinator was extremely important in this period (as it still is now). Already during the first stages of harmonization, it was crucial that the people drafting the laws developed an understanding of what an EU Council directive, Council or Commission regulation, etc. means. In addition to the central co-ordination of the legislative process, another decisive aspect was co-operation between a sufficient number of experts and lawyers.

The creation of a central database of terms in the native language was of great help. In addition, we used an electronic database, where all important EU legislation was catalogued along with a reference to the Estonian expert in charge, the implementing Estonian institution, the relationship to domestic law, etc. During later stages of negotiation, an electronic database was made available by the Commission.

In order to complete the legislative procedures needed for harmonization, it was without a doubt very important to have a determined Government and Parliament (*Riigikogu*). One must acknowledge that the speed with which new laws were passed was certainly faster than normal. This meant that, in several cases, standards set by the legislation were established ahead of their time. Typically a social need develops before corresponding new requirements are implemented, not vice versa, as it often happened during the harmonization process. An example is the legislation on animal welfare or the exact regulation of the production of fodder, which were thoroughly mocked by the press.

Implementation of the *acquis* meant preparing the agricultural sector and food industry to fulfil all legal requirements. Often, it was simply necessary to change some practices, although more frequently there was a need to invest in new technology and buildings in order to meet the required hygiene standards. The food processing industry (food of animal origin) and dairy farms required very large investments. The EU’s pre-accession programme SAPARD (see Chapter 11 – R. Mändmets) was a great help.
In addition to the harmonization of legislation, it was also very important to prepare a schedule for the implementation of laws. Here two main principles should be kept in mind: new requirements have to be implemented gradually, in order not to crowd them all into the pre-accession years. There must also be sufficient time between the adoption of a law and its enforcement (unsurprisingly, there is never enough time) so that a monitoring system can be prepared and the private sector can adapt.

**Monitoring system.** If the harmonization of legislation was mostly the task of the Ministry, with the experts from various agencies involved, the huge challenge of developing a monitoring system fell to the agencies including various boards and inspectorates. The key issues could be divided as follows:

- The training of inspectors;
- The development of a technical base, including the laboratory base, and of monitoring equipment;
- The development of inspection procedures.

The expenditures for the development of a monitoring system were very large. Substantial help was provided by the EU pre-accession PHARE programme. One of the important factors, which led to success in the development of a monitoring system, was the reorganization of the structure for monitoring institutions in the veterinary, phytosanitary, and food hygiene fields in the end of 1990s. It was also important to have a competent, motivated and established team in each institution. The pre-accession Commission Progress Reports and the results of inspection missions are rarely excellent, especially when the implementation of the EU *acquis* is still in its first stages. However, rushing to change the management team can have a negative effect instead.

The greatest challenge for Estonia in the agricultural administration was undoubtedly the creation of a payment agency to administer the post-accession EU financial aid. It had to be done during the first years of the negotiations, when we implemented only a few and financially very limited agricultural subsidies. We also did not have practical experience in regulating the market, since Estonia essentially lacked import restrictions.

One of the most costly lessons became the so-called sugar penalty. There were mostly two reasons for this: various agencies lacked experience in regulating the market and, at the same time, did not understand the corresponding EU law. Estonia accepted the obligation to not bring along so-called excessive stocks upon the change in its trade policy (Estonia went from being a country with practically no import duties to a member of a common market that was extremely protected).
From the EU’s standpoint, the existence of excessive stocks in acceding countries at the time of accession meant the need to use additional export subsidies for the export of these “stocks” to third countries. In order to avoid this situation, Estonia should have started to regulate import before accession. Since this did not happen, after accession the European Commission determined the size of the “excessive stocks” in each new Member State and the resulting additional burden on the EU budget. This cost of export supports had to be offset by the new Member States. In turn, the latter were obliged to claim the relevant amount in from the importers, whose actions immediately before the accession had created this situation. However, since the price of sugar in the EU internal market at the time of Estonia’s accession was almost three times higher than the world market price, the temptation facing importers to buy cheap is quite understandable.

**Accession negotiations**

Issues requiring negotiation were determined during the course of the screening process. As an illustration of the amount of work involved – in 1999, over 30 full-day meetings took place within the framework of the agricultural chapter. A lot of time was also required for the preparation of the meetings, since most of the materials for the bilateral screening had to be submitted to the Commission in writing.
The topics in the negotiations can be divided into three parts:

- **Technical derogations** – if the adoption of a provision of the EU *acquis* in Estonia was difficult or impossible, we applied for specific derogations (for example, the addition of the names of protected alcohol to the corresponding EU list, the name of the organic farming label in the native language, etc. Estonia also applied for the right to use peat in horticulture, since Estonia has very large reserves of peat);

- **Transition periods** were agreed for the postponement of the implementation of some requirements based on EU law. As a precondition for a transition period, the candidate country had to submit a special action plan for the implementation of the relevant requirement. Transition periods were made possible, for instance, regarding some veterinary requirements, which were very costly. At the same time, one must take into account that the establishment of a transition period for an important requirement may be accompanied by the EU internal market temporarily remaining closed for the respective products. In addition, transition periods were available for some support schemes for the candidate countries that were not allowed in EU Member States. As a general rule, these had to end three years after accession (in Estonia’s case such an agreement was made for support for liming fields.)

- **Issues of agricultural policy** – these included adding indicators of a new Member State related to the implementation of various common agricultural policy measures to the relevant EU legislation (i.e. milk quotas, the area of agricultural land eligible for support, etc.). However, after accession these indicators start to change along with the development of agricultural policy.

Estonia generally had no problem with technical derogations. As to transition periods, our position was that as few as possible should be requested and there should be really good grounds for them. The issues of agricultural policy were the most complicated in the negotiations since this is truly politics and purely agricultural argumentation did not always suffice. In all cases, proper preparation of the corresponding background materials was important.

Some basic concepts that should be considered when preparing positions:

- Too many requests for derogations should be avoided. When there are many, they must be prioritized, because all them will never be achieved in the negotiations;

- Requests must be well founded with relevant statistics, technical background materials and other proof;
The viewpoints of the Member States must be taken into account – for example, requesting a transition period for the elementary requirements of animal welfare may have a negative effect on the image of the acceding country in many Member States.

Domestic preparatory work with the media and public was very important. As a rule, any Government concession regarding strongly expressed positions is treated as a defeat, even if the result is relatively good. For example, Estonia applied for a milk quota – as did many other candidate countries at the time. Our request was not based on current production indicators, but on a forecast predicting significant growth for milk production in the protected EU internal market, where prices are relatively high. Domestically, the Government “juggled” with potential production levels, which were many times higher than the actual volumes. At the same time, it was not understood that the milk production quota is fixed in order to hinder overproduction, which allows for a relatively high price on the EU market. Thus it happened that the result reached in the negotiations was much lower than it was hoped for. While still providing ample room for production to grow, it was interpreted as a loss (at the same time, Estonia has still yet to reach the agreed-upon quota). We also found out that using domestic political promises as an argument during the negotiations with the EU does not work. Rather, results are produced by analytical arguments that have been developed after detailed study of relevant EU policies and their background. For example, since milk quotas were originally created by assigning each Member State a quota that equalled its production at the time, it could not be expected that the new States would be assigned quotas with large reserves so they could expand their production.

But it is also true that the general climate of the agricultural negotiations for Estonia was shaped by the fact that the number of acceding countries was large. Since the Commission held the view that granting exemptions to one candidate country would cause a “chain reaction” of similar demands, the Directorate-General for Enlargement of the Commission was very cautious about differential treatment. However, if interests exist that do not automatically apply to the other countries negotiating at the same time, the “cost” for the EU is smaller in making the concession.
Some suggestions
In conclusion, a few words about some of the methods we used to prepare for the negotiations.

For the agricultural negotiations, an advisory committee to the Minister of Agriculture was founded. This committee was comprised of opinion leaders, representatives of agricultural organizations and scientists, who received information on the progress of the negotiations along with background information. The committee, with whom we discussed fallback positions, helped take the edge off from the sharp focus of responsibility. It helped ensure that agricultural organizations were more involved in the entire process. Of course, much of what was discussed by the committee could not be disclosed.

Secondly, we organized an “agricultural tour” of the Member States. We formed two teams of two members each that travelled to all EU Member States to introduce Estonia’s specific problems to agricultural ministry officials. It is difficult to evaluate the direct benefit of this, but it was certainly useful to get direct feedback regarding our problems from the Member States and especially to see how the problems were interpreted. This also helped in preparing our argumentation for the corresponding requests.

It was very important to constantly keep the parliamentary Rural Affairs Committee updated on the state of the negotiations and get a mandate from them for the discussions. Obviously the results of the negotiations could very easily be used in power games between the opposition and coalition parties, especially if the opposition can claim that they had not been informed of what was happening and thereby are able to say “that things should have been done differently and better”.

I wish all new candidate countries success in their negotiations!
9. Preparation of the Accession Treaty with the European Union


The Accession Treaty was completed as a result of negotiations conducted with the EU and was put together by a European Union working group consisting of representatives of the Member States and the European Commission. The group was assisted by the General Secretariat of the Council of the European Union. On the Estonian side, preparations for the treaty were co-ordinated by a working group formed on 26 February 2002, which was led by the Undersecretary for Legal Affairs (Legal Adviser) at the Ministry of Foreign Affairs. The working group included representatives from the State Chancellery, all the ministries except the Ministry of Defence and other institutions. The core of the working group was comprised of lawyers from the EU Law Division of the Legal Department of the Foreign Ministry and language experts.

The EU Accession Treaty Working Group started its actual work in March 2002. By then, the negotiations had already lasted four years and were coming to an end. Final agreement on all issues related to the accession negotiations was achieved on 13 December 2002 at the Copenhagen Summit. The Estonian Government approved the Accession Treaty on 15 April 2003 and it was signed in Athens on the next day (16 April 2003).

The Working Group’s main task was to ensure that the agreements reached during the negotiations were written down in the Accession Treaty in a legally correct manner. The working group did not participate in the negotiations, but was given the agreements and had to make sure they were stipulated accordingly in the Accession Treaty.

It is well known that an international agreement’s wording can be endlessly improved. It is also obvious that at some point work on the text must be concluded and it must be accepted that the text is legally correct, logical and comprehensive. The actual drafting of the Accession Treaty lasted for about one year. Taking into account the extensiveness and volume of the work, the entire process was very intensive. During a very short period of time, the text of the Accession Treaty and an explanatory note had to be prepared. The fact that the necessary domestic legal procedures were completed but one day before the Treaty was signed illustrates the time pressure that we were under.
According to Estonian law, an explanatory note had to be drafted to accompany the Accession Treaty and submitted for Governmental approval. The explanatory note was up-dated after signing and before ratification of the Accession Treaty. It was published in printed form in 2004 to be used as a practical guide for the application and interpretation of the Treaty. It is a document with both tutorial and historical importance, because in addition to an explanation of the provisions of the Accession Treaty and all its integral parts, the explanatory note also included the following chapters:

- the formation of the EU;
- EU law, Treaty on European Union, and the Treaty establishing the European Community;
- the costs and anticipated revenues related to the EU accession and
- the impact on society and sociological studies.

The text of the Accession Treaty was prepared article by article (i.e. the entire text was not sent out at once) by the Legal Service of the Council of the European Union. The Estonian Working Group verified and confirmed the provisions it received. Essentially, this meant systematic and often technical work with legal texts. Smooth co-operation between the experts from Estonia and the Council of the European Union was very important as it enabled us to discuss details as they came up in an informal way and to approve the results later at the Working Group level. Estonian and EU specialists met when necessary - either at the level of EU legal experts or the level of lawyer-linguists. The majority of the work was done by exchange of e-mails.

The timely preparation of the Treaty text was possible thanks to good co-ordination. Co-operation with EU institutions was led by the Estonian Mission to the EU. Domestic co-operation was led by the Ministry of Foreign Affairs. The Estonian Working Group used the same co-ordination mechanism that had developed during the accession negotiations. Daily technical work was done in co-operation with the legal departments of the ministries. It was crucial that they had competent experts. To a greater or lesser degree, all the ministries except the Ministry of Defence and the State Chancellery, were involved in the drafting process.

In order to make sure that the agreements of the negotiations were noted down correctly, the Estonian and English version of the draft Treaty was submitted for approval to all the members of the negotiating delegation before being forwarded for approval to the EU. The members of the main delegation responsible for various negotiations’ chapters and the heads of the working groups approved the Estonian and English language texts of the draft Treaty.

Structurally, the Accession Treaty is not a conventional international agreement. It exceeds 5,000 A4 pages and consists of several documents that are integral parts of the Accession Treaty:

- Act of Accession;
- Treaty on European Union;
- Treaties establishing European Communities and the Treaties amending them;
- Final Act;
- Annexes;
- Protocols, and
- Declarations.

The Accession Treaty consists of three articles, which stipulate the Parties to the Treaty, the procedure for concluding and enforcing the Treaty and the languages in which the Treaty is concluded. These are legal formalities.

The conditions for accession to the EU are established by the Act of Accession, which consists of five sections and 62 articles. The Act of Accession specifies the principles of accession, the amendments to the founding Treaties resulting from the accession, adjustments that are made in institutional acts and temporary provisions, i.e. transition periods and application provisions of the Act of Accession.

The Annexes and Protocols make up integral parts of the Act of Accession. The Annexes establish the technical adjustments and amendments to the EU acquis, as well as the conditions for their application, which derive from the accession of new states. The transition measures for the acceding states are also established in the Annexes. The Protocols regulate countries’ individual issues. Protocol no. 1 deals with Estonia - it amends the statute of the European Investment Bank. The remaining Protocols do not directly concern Estonia. Among other things, they regulate the reorganization of the Czech steel industry, the Ignalina nuclear power station in Lithuania and mainland transit between Kaliningrad and the other parts of Russia.

Considering the fact that the Accession Treaty was concluded in all the official EU languages and in the languages of the acceding countries - a total of 21 languages - and that all the texts are equally authentic, the Accession Treaty’s Estonian language text was very important. The texts of the Treaty were translated and linguistically edited by the Estonian Legal Language Centre and the lawyer-linguists of the Council of the European Union. It was difficult finding competent and experienced lawyer-linguists, because many specialists had already gone to work in EU institutions. Some definitions and concepts were discussed and debated at length, because EU terminology in the Estonian language was still developing. An electronic dictionary that was updated in the course of the work was most useful.

Some advice or aspects to bear in mind during the preparation of an Accession Treaty:
1. Time. The EU Accession Treaty working group for preparation of the Treaty must be created on time in order to enable it to start working as soon as circumstances allow. The principles agreed upon during the negotiations should be established and formulated as soon as possible. This is not simple,
because according to negotiating practice, “nothing is agreed until everything is agreed”. A start can be made with the provisions which presumably will not be changed at later stages of the negotiations. This, in turn, is possible due to the logic of the negotiations - they start with simpler chapters and continue with more complicated topics.

2. Personnel. It is important to identify the people who will start working with the text of the Accession Treaty at the Foreign Ministry and all other ministries. It would be good to involve them early in the negotiations’ process, in order to provide them with as broad as possible exposure to EU law and practices. Special attention should be paid to finding lawyers and lawyer-linguists that are familiar with specific areas. One must take into account that inevitably some experts will leave for the EU institutions during the drafting period. One must also be prepared for the fact that at the last minute, the work with the Treaty will become very intensive and stressful. If necessary, the working group must be expanded, in order to avoid errors that may result from overwork.

3. Since the Accession Treaty is extremely bulky, and most of the work must be done electronically, sufficient technical support must be provided, like secretaries and IT specialists.

4. Co-ordination. A co-ordination system should be created for communicating with EU institutions and domestically. The same system established or developed during the accession negotiations can be used.

5. Internal legal procedures. The domestic approval procedures need to be specified in detail, including practical questions - for instance, whether the Treaty can be sent electronically for internal approval or to the Government, or whether it has to be printed out on paper, etc.

6. Along with the drafting process of the Treaty, a comprehensive explanatory note should also be drafted, explaining the provisions and application of the Treaty. This will be a practical guide for officials in implementing the Treaty after it has come into force.
Drafting of the Estonian Accession Treaty as Viewed from the Estonian Mission to the EU

Kristina Meius, Co-ordinator for the Accession Treaty at the Estonian Mission to the EU 2003-2004

Drafting of the Treaty of Accession to the EU started in 2002 during the Spanish Presidency. The process was intensified during the Danish Presidency and concluded during the Greek Presidency in 2003. The drafting exercise was led by the Accession Treaty Working Group of the Council, i.e. by the Member States. The European Commission’s main task was to produce legally correct draft texts outlining the agreements reached during the negotiations. Assistance was also provided by the Secretariat of the Council of the European Union, in particularly by its Legal Service. The Working Group of the Accession Treaty was guided by the same principles and rules as all other Council working groups – the acceding countries were not allowed to attend their meetings. After the texts were examined and discussed in the Council Working Group, the completed parts were forwarded to the acceding countries for review and approval.

The Treaty covered all 10 new Member States and it was a great challenge for everybody to be successful. Close and everyday contacts between the Working Group, contact persons of the acceding countries’ Missions to the EU, the Commission and the Council Secretariat helped avoid many problems and long discussions during actual meetings. Indeed, a good deal of work was done outside of the meeting room.

At the Estonian Mission to the EU, diplomats who were directly involved in the accession negotiations were also responsible for co-ordinating the drafting of the Treaty. Their responsibilities included exchanging and sharing information, mediating information flows between Tallinn and Brussels and consulting with the European Commission and the Council Secretariat regarding Estonia’s views. The draft texts forwarded by EU institutions for approval were, in co-operation with Foreign Ministry lawyers and experts from different ministries who were responsible for specific negotiating chapters, reviewed and amended according to the agreements reached at the negotiations. On a practical level, it made sense to take advantage of the direct experience acquired by those people who had first-hand knowledge about what had been agreed at the negotiations.
Drafting of the Accession Treaty was not about reopening or continuing negotiations. Yet agreements reached at the negotiations could be understood differently by different parties. From a legal point of view, they could be interpreted in a variety of different ways. Each acceding country, therefore, had to make sure that the Treaty and its Annexes reflected correctly, clearly and explicitly the agreements reached during the negotiations. The more clearly agreements were recorded in accession conference documents, the less time was later spent on technical issues and clarifications. New meetings with the European Commission took place if something was open to different interpretations. The Working Group for Accession Negotiations also had to be provided with additional explanations, with the help of the Council Secretariat. During the drafting process, most acceding countries were confronted with the task of “filling up the gaps” that had been left open during the negotiations and where the accession conference papers did not give any clear guidance.

The Treaty included all transitional measures agreed upon for the acceding country during the negotiations as well as numerous technical adaptations. The latter were not part of the negotiations’ process, but the *acquis* needed to be up-dated with new information including: the names of responsible authorities, samples of ID cards, product labels of refrigerators and washing machines, lists of mutually recognised professional qualifications of the acceding country, etc. Each acceding country, therefore, had to present many technical samples and prepare for translating the technical information into their own language.

The entire text of the completed Treaty was sent to the acceding countries on a CD-ROM. Since the annexes to the Treaty are huge (because of the aforementioned ID card samples and the included graphic presentations), it would be wise to invest into up-to-date IT-capabilities that can support and enable the exchange of voluminous technical amendments between the capital and Brussels.
10. Estonia’s Accession to the European Economic Area


Estonia undertook to join the European Economic Area (EEA) as part of the external relations chapter of the EU accession negotiations. This was a standard obligation for all acceding countries. Accession to the EEA, however, was not automatic. In order to accede to the EEA, which included the EU Member States, Norway, Iceland and Liechtenstein, separate negotiations had to be held.

Negotiations on enlargement of the EEA started on 9 January 2003, basically a month after the end of the accession negotiations with the EU and only three months before the signing of the Accession Treaty. Norway, Iceland and Liechtenstein had asked for the negotiations to begin earlier, but the EU and the acceding countries were not ready. For tactical reasons, the EU wanted to first complete the accession negotiations. The EU did not want the EEA negotiations to disrupt this process. On the other hand, the acceding countries, including Estonia, were so occupied with the EU accession negotiations that they would not have been able to pay much attention to EEA enlargement any earlier. Norway, Iceland and Liechtenstein supported the EU enlargement process, which created a positive atmosphere at the EEA negotiations.

On the procedural side, Estonia used its domestic external relations working group to carry out the EEA enlargement negotiations. This was logical because many of the issues related to the EEA enlargement were similar to the problems encountered in the external affairs chapter – accession to international conventions, foreign trade issues, etc.

The format of the negotiations was multilateral. The participants included the EU, which was represented by the European Commission, the European Free Trade Association (EFTA) countries of Norway, Iceland and Liechtenstein*, which acted as a uniform bloc regarding some issues and as separate countries on others and the acceding countries, who all negotiated on their own behalf. The acceding countries and the Commission tried to co-operate as much as possible during the negotiating process – a co-ordination meeting took place before each round of

* The fourth EFTA member state – Switzerland – is not an EEA member.
negotiations. Yet, at the end of the day, discussions with the Commission turned out to be the most complicated for Estonia.

The two most difficult topics for Estonia in the negotiations were trade in fish products and financial provisions.

In terms of trade in fish products, Estonia faced quite a unique problem. Owing to Estonia’s liberal foreign trade regime and the Free Trade Agreement between Estonia and the EFTA, Estonia did not apply any customs barriers to the import of fish products. Estonia, however, was required to implement the EU common customs system, i.e. to accept the customs barriers applied to fish products from Norway and Iceland as of accession. The Estonian Association of Fishery – a specialised association uniting Estonia’s largest fishery industries – found that since Norwegian and Icelandic fish were important raw materials for the Estonian fishery industry, the establishment of customs barriers would cause an increase in input prices and a drop in competitiveness. Estonia raised this problem at the EEA enlargement negotiations.

Naturally, Norway and Iceland wanted to continue the export of fish products with as few restrictions as possible. Their interests coincided to a large extent with Estonia’s interests. Trade in fish products, however, is a very sensitive topic within the European Union. This meant that Estonia had practically no allies among the EU Member States. Moreover, not all of the acceding countries supported Estonia’s position.
Difficult negotiations led to an agreement whereby the EU agreed to increase the import quotas for fish products from Norway and Iceland as of the moment of enlargement, taking into account the import needs of the acceding countries. This was a compromise solution that was acceptable to the Estonian fishery industry. At the same time, we succeeded in significantly increasing the EU import quotas and since these quotas apply to all EU Member States, all EU companies (not only those of the acceding countries) could apply for the right to import fish products from Norway and Iceland.

With regard to the financial provisions, the question was to what extent the three EFTA countries should support the less developed members of the EU and how this support should be divided among the beneficiaries.

The EEA Financial Mechanism was created as part of the EEA Treaty as early as 1994. According to this mechanism, Norway, Iceland, and Liechtenstein agreed to financially assist the less developed EU Member States. Until 2003, aid from the Financial Mechanism was provided to Greece, Ireland, the United Kingdom (Northern Ireland), Portugal and Spain. During the EEA enlargement discussions, the Commission took the position that the Financial Mechanism should also continue in the enlarged EU. There was no particular opposition from the three EFTA countries. Their contributions were agreed largely in negotiations held between the Commission and the three EFTA States. The acceding countries were left in the background during this process.

The Commission requested that not only the 10 acceding countries be able to receive aid from the Financial Mechanism, but that some of the “old” EU members also continue to receive support. This position was a surprise to the acceding countries. Finally a compromise was reached, according to which the Financial Mechanism was divided in two – one part was the continuation of the EEA Financial Mechanism in the amount of 9.4 billion EEK (600 million EUR) for the period of 2004-2009, the beneficiaries of which included Spain, Greece and Portugal in addition to the 10 “new” members. The other part was a new Norwegian Financial Mechanism, created in the amount of 8.9 billion EEK (567 million EUR) for the same period, the beneficiaries of which included only the “new” Member States and was financed only by Norway.

The issue of how the aid from these mechanisms would be distributed among the acceding countries turned out to be a difficult question. The Commission made its proposals based on economic development levels and populations of the acceding countries, although naturally each country wanted to maximise its portion. Agreement on the distribution key was achieved after difficult negotiations. Estonia received the right to apply for up to 1.68% of the EEA Financial Mechanism and up to 4% of the Norwegian Financial Mechanism.

The negotiations regarding trade in agricultural products were not quite as complicated. They resulted in Norway increasing the import quotas for some food products originating from the EU. Prior to accession to the EEA, customs barriers existed for Estonian food products in Norway. After accession, access of Estonian producers to the Norwegian market improved.
No particular difficulties emerged with the termination of the Free Trade Agreement between Estonia and the EFTA. In principle, this was replaced by the provision for the free movement of goods established by the EEA Treaty. The only changes concerned the conditions for trading in fish products and agricultural produce, which were mentioned above.

In general, the results of the EEA accession negotiations were successful for Estonia. An acceptable compromise was achieved in the trade of fish products. The financial support of Norway, Iceland and Liechtenstein for the acceding countries, including Estonia was also an important agreement. The EFTA countries have traditionally been very important economic and trade partners for Estonia. The EEA enlargement, including the agreements achieved during the negotiations, created a stable framework for the development of relations with these countries.
11. The Impact of European Union Financial Assistance on Estonia’s Accession and the Lessons Learned

Renaldo Mändmets, Undersecretary for External Affairs at the Ministry of Finance 2000–2007, Member of the Main Delegation for the Accession Negotiations

From 1992–2004, assistance and support totalling about 8.1 billion EEK (517 million EUR) were allocated to Estonia from the EU budget, being divided between various programmes as follows:

- 5.37 billion EEK (343 million EUR) from PHARE*
- 1.931 billion EEK (123 million EUR) from ISPA** and
- 797 million EEK (51 million EUR) from SAPARD***

Was this too little or too much? Considering that Estonia’s state budget in 1995 totalled 8.9 billion EEK (570 million EUR), this is certainly a significant amount.

**PHARE**
Initially, at the beginning of the 1990s, the PHARE programme was intended to support the transition processes in Poland and Hungary, but they were later joined by almost all the other candidate states. Up until then the European Commission only had dealt with development aid programmes and therefore PHARE was primarily based on the same principles and experiences, i.e. it was centrally planned and implemented. As the support did not differ much at the beginning, it suited the beneficiary countries. PHARE turned into pre-accession aid in the middle of the 1990s without any specific planning. Until that time, pre-accession aid had not existed in the European Union.

Preparations for accession to the EU actually started before they were officially “tabled”. When I started work at the Ministry of Agriculture in the autumn of 1993 as the first local long-term PHARE expert, the main emphasis was on strengthening domestic structures and monitoring, as well as the implementation capacity for EU aid. However, in the autumn of 1995, quite a lot of work was

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* PHARE – Poland and Hungary: Assistance for Restructuring their Economies
** ISPA – Instrument for Structural Policies for Pre-Accession
*** SAPARD – Special Accession Programme for Agriculture and Rural Development
already dedicated to learning about EU policies and taking onboard their principles.

PHARE developed and changed a lot through the years in order to better accommodate the needs of the beneficiary countries. However, not all the changes were successful.

Initially the PHARE programme only foresaw hiring private sector experts, as well as investments into office equipment necessary for project management. Investments into infrastructure and technology were almost out of the question. Toward the end of the accession negotiations, it became quite clear for the European Commission that without large-scale investments, the accession readiness of the candidate countries could never be guaranteed - the size of their needs clearly exceeded the budgetary resources of the countries.

Since the European Commission itself suffered a sharp shortage of personnel, national experts or temporary experts from consultation companies were recruited for the PHARE programme. I remember a story from 1995 when we tried to explain to a Commission official that the Estonian Ministry of Agriculture needed a permanent Internet connection with a server and the necessary software. The answer was why do you need that when even we don’t have it?

As the accession came closer, it became clear that the know-how provided by private sector experts was no longer sufficient for the acceding countries. Then the pendulum suddenly swung back to the other extreme - only government officials of the Member States were allowed to be recruited (as a result, a new instrument - twinning - was born). It took a few years before the Commission reached the understanding that both options need to be used. For the people involved, this cost a considerable amount of time, money and nerves.

The next important step was the extended decentralised implementation system (EDIS) that was supposed to result in the transfer of all responsibility to the candidate country. In the second half of the 1990s, the creation and development of the corresponding system and units in the acceding countries was started, although no one actually had any idea of where this system should end up. Before the accession, the situation was made even more complicated for us by the Commission initiative to change the procurement procedures, which resulted in us having to conduct procurements according to three different procedures within one year (in the end, though, we were able to follow our national Public Procurement Act and procedures).

The PHARE programme in Estonia has greatly contributed to the creation and development of a system for EU Structural Funds and agricultural direct payments (including IT systems in this field), increasing the efficiency of the environmental sector, better integrating non-Estonians and the reorganization and development of vocational education. The financial and internal audit system of Estonia’s public sector have been built up and developed with the help of PHARE experts from various countries.
Despite the problems, the PHARE programme in Estonia has greatly contributed to the creation and development of a system for EU Structural Funds and agricultural direct payments (including IT systems in this field), increasing the efficiency of the environmental sector, better integrating non-Estonians and the reorganization and development of vocational education. The financial and internal audit system of Estonia’s public sector have been built up and developed with the help of PHARE experts from various countries. PHARE projects have played an important role in developing many information systems and registers (from customs to the Register of Fishing Vessels, from the systems for the automatic monitoring of the state of the environment to the information system of the Structural Funds). Also, during the final period of the PHARE programme, considerable investments were made in the development of the water and sewerage systems of various cities (Valga, Kuressaare, Tartu, Rakvere and others), a plant for processing animal waste, a sarcophagus for the Paldiski nuclear reactor, the renovation of the Kuressaare Castle and many other places.

If we were to ask now whether Estonia would have been able to accede to the EU without PHARE, then my answer is: yes, we would have, but later and with many complications (court cases, penalties, etc.). In addition, our administrative capacity would have been much lower. On the other hand, if we ask whether PHARE projects could have been applied more effectively, then I would say: yes, they could have been.

Pre-accession instruments ISPA and SAPARD

When the future accession started to take shape, the European Commission came out with a new approach – the pre-structural funds. SAPARD was created for the development of rural life, and ISPA for major infrastructural projects in transport and environment sectors. Their main goal was to prepare the acceding countries for the implementation of Structural Funds.

Creating the necessary structures and procedures for the implementation of these two instruments can be considered a new stage of the accession. One had to learn and adopt many new principles and methods. The entire financial and internal audit system as such was born out of the need to control the implementation of the EU funds. The workload for the development of the systems was sometimes close to the limit of what was humanly possible. For months, people worked 12 to 15 hours a day and often on weekends.
During this period, it was crucial to find good experts as consultants for various phases and auditors with good potential who could be trained. It was also very important to work closely with the Commission. The professional advice and support of the officials from the Commission’s Directorate-General for Agriculture and Regional Policy and the auditors was strong indeed. We sometimes had to explain ourselves in great detail. If our arguments held and we were interpreting the regulations correctly, our proposals and solutions were accepted.

When developing our systems and procedures, we tried not to copy the system of one single country, but to use the experiences of several countries (Finland, Ireland, Scotland, Germany, and Denmark). The general recommendation of the Commission was to try and keep it simple and “lean”. Therefore, a relatively centralized system was chosen for the first programming period (2004–2006) with few intermediate stages, which proved totally right. Thanks to the serious attitude toward the implementation of the pre-structural funds and the centralized implementation system, Estonia was one of the fastest users of the Structural Funds in 2004–2006.

Unfortunately, for some reason similar instruments were not created for the European Regional Development Fund (ERDF) and the European Social Fund (ESF), which clearly affected the countries’ absorption capacity after accession. To simulate these funds, attempts were made to adapt the PHARE programme by initiating several projects and sub-programmes that were intended for all the candidate countries, but this experience caused frustration and worries rather than success. The PHARE rules did not allow for sufficient flexibility or responsiveness.

Estonia was one of the few countries that used almost 100% of the SAPARD funds and received ISPA accreditation from the European Commission before accession. Thanks to the serious attitude toward the implementation of the pre-structural funds and the centralized implementation system, Estonia was one of the fastest users of the Structural Funds in 2004–2006.

The pre-structural funds had two main functions – they provided the opportunity to test implementation systems and procedures (procurements, tenders, audits) and, at the same time, taught beneficiaries how to compile project applications and implement them.
The role of the European Commission Delegation

We certainly cannot underestimate the role of the European Commission Delegation in the pre-accession assistance process - first, in implementing PHARE, then in supervising and approving PHARE and ISPA projects, and finally in monitoring them. The Delegation’s contribution and advice during the programming phase and in the setting of priorities was of great help and added value. Since the Delegation also compiled the basis for the Commission’s Progress Reports, collecting and analysing information about Estonia’s accession readiness, their generally neutral critical comments were most useful and to the point.

Co-operation in the implementation of PHARE and ISPA passed through various highs and lows, depending on the situation in the corresponding sector or ministry, individual abilities and personal relations. Estonia’s administrative capacity certainly posed one of the biggest problems; however, since many of the rules were recommendations rather than laws, they could have been interpreted more flexibly and operationally. As the Delegation officials often did not have any experience in the transport or environmental sector, the experts in the corresponding fields were hired from the outside. This took time and quite often the opinions of the experts diverged.

The implementation of ISPA projects would have progressed faster and more effectively if the Delegation had not been directly involved or if the Delegation had had only a monitoring function, since Estonia did not have difficulties in following the proper procedures for procurements.

Lessons learned

- In negotiations, the European Commission is a partner that needs to be won over, a partner who can be trusted and who usually always provides assistance. The Commission’s advice during the development of systems must always be taken seriously, since they have comprehensive comparative experience. In small countries, a simple and centralized system works better and is more effective.
- It is important to find the most efficient way to communicate with the European Commission, because different Directorates-General often do not share information among themselves or take each others’ interests or priorities into account. For various reasons, the officials that work at the European Commission are not always experts in the field. Sometimes we could have had more impact through different Heads of Unit.
- The Commission’s local Delegations “pump information”, act as supervisors and advisors.
- Within the course of the negotiations, an understanding of the European Union acquis is important, especially from the implementation aspect. Complicated texts that are compiled as a compromise between the Member States are not always unequivocal. It is important to understand what lies behind one or another paragraph. In this respect, it is good to rely on the historical memory of longer serving officials.
- Domestic consensus - all partners should share roughly the same information as well as an understanding of the basic principles and alternatives.
- The use of pre-structural funds before accession justifies itself in every way - these experiences have also been used in the creation of the new Instrument for Pre-Accession Assistance - IPA.
12. Preparations for Accession to the European Union at the Foreign Ministry

Katrin Saarsalu-Layachi, Director General of the Department for European Integration 1999–2003, Head of the Working Group on Institutions at the Accession Negotiations

Fairly soon after the restoration of national independence, the Estonian Government set a course for integration with the European Union. Based on this, concrete steps had to be taken in order to prepare for accession, including creating the necessary structures. At the beginning of the 1990s, the Ministry of Foreign Affairs started to create a network of foreign representations. In 1992, an ambassador was posted to Brussels, who, among other tasks, was charged with co-ordinating relations with the European Community.

On 1 January 1995, a European Union Group was created as an independent unit within the Political Department of the Foreign Ministry. Its task was co-ordinating relations between the EU and Estonia at the foreign policy level. At the same time, the European Union Group was also the contact body for co-operation with other ministries and agencies involved in EU integration. The group also co-ordinated the Foreign Ministry’s internal work towards EU integration and developed the necessary positions. During the first half of 1995, the group's main task was to prepare the Estonian delegation’s positions for negotiations with the EU on the Association Agreement (Europe Agreement). Negotiations were concluded on 12 June 1995. After the signing of the Agreement, it fell upon the EU Group to monitor the ratification procedures. The group’s assignments also included informational tasks in connection with Estonia’s participation in the structural dialogue that the EU held with the associated Central and East European countries, as well as monitoring the European Union Intergovernmental Conference.

Within the Ministry, the European Union Group’s main partners were the Political Department, the Department for Foreign Economy, which had an important role in the integration process and the Estonian Embassy in Brussels. The EU Group maintained close contact with other ministries and agencies including the Office of the Minister for European Affairs. There was also regular communication with EU Member States and their embassies in Estonia. The Head of the EU Group became an associated European correspondent, whose task was to maintain contacts with the Foreign Ministries of EU Member States and associated
countries through a special network and present Estonia’s positions on EU issues. In 1996, the EU Group became an independent EU Office under the jurisdiction of the Undersecretary for Economic Affairs.

The Policy Planning Group, which at that time was part of the Political Department, was tasked with compiling analyses and projecting trends on topics of special interest for Estonia’s foreign policy. As of 1996, the Policy Planning Group started paying more attention to EU integration. Also, it prepared answers on the political issues raised in the European Union questionnaire. The Department of Economic Affairs worked on trade agreements, while also being closely involved in the preparations and negotiations for the Europe Agreement.

At the end of 1996, Toomas Hendrik Ilves became Estonia’s Minister of Foreign Affairs and declared that accession to the EU was Estonia’s most important foreign policy priority. This prioritisation made rapid progress in the integration process possible. Estonia’s most important goal became accession to the EU in the first round of enlargement. On the basis of our efforts and success to date, we ambitiously felt that we were capable of achieving this. Today, we can only speculate whether Estonia would have been able to achieve this goal in the given timeframe without this prioritisation of foreign policy, as well as this ambition and political support.

Considering the European Union’s enlargement schedule and Estonia’s ambitions, it was very important to continue efforts at the domestic level. In 1996, special Euro-integration structures were created that formed the basis for the preparatory work for Estonia to become a full member of the European Union. Domestic co-operation was primarily conducted through the Council of Senior Officials that operated under the jurisdiction of the State Chancellery. The Council oversaw the coordination of European integration issues among the ministries, including the Foreign Ministry (see Chapter 13 - H. Hololei).

At the end of 1996, the Estonian Embassy in Brussels was divided in two and a separate Mission to the European Union was created. This was also a significant development. It demonstrated that the EU was becoming increasingly important and that the workload was growing. The Mission has since continued to expand. At the end of 1996, a representative of the Ministry of Culture came to work at the Mission. In 1997, representatives were sent by the Ministries of Agriculture, Finance and Justice. And in 1998, representatives from the Ministries of the Interior and Economic Affairs were added. This was a very important new trend, since the work related to European integration increasingly changed from traditional foreign policy into domestic development issues closely connected with the everyday work of the ministries.

1996 was a year of important debates. A number of different strategies and visions for EU enlargement arose. Estonia, together with the Nordic countries,
made serious efforts in order to ensure that enlargement take place based on clear and measurable criteria. As an associated country, Estonia used the opportunity to participate in the structural dialogue, as well as in the European Union Summits in Florence and Dublin. While we were developing relations with the EU institutions, we also worked actively on a bilateral basis with the Member States. This aspect in our integration process should also not be underestimated.

The most important objectives of 1997 became the continuation of effective co-operation with the EU and the intensification of integration-related work. At the very beginning of the year, Foreign Minister Ilves defined the Government's priority - active work toward EU accession - and set tasks deriving from this goal for the Ministry of Foreign Affairs. One of these assignments was the creation of representations in all EU Member States. Despite budgetary difficulties, “one-man” embassies were opened during the year in Athens, Lisbon, Madrid, Hague and Dublin.

Larger changes in the structure of the Ministry of Foreign Affairs also occurred due to EU integration. The position of Undersecretary for European Union Affairs was created and a Department for European Integration consisting of three divisions under the Undersecretary for European Union Affairs was formed to replace the EU Office. Two of the three divisions were responsible for the contents of and technical support for the accession negotiations, while the third dealt with general EU policy issues. The Department was staffed according to the principle that the personnel must have had previous work experience with EU topics and/or must have received the corresponding training.

In the first half of 1997, work on the “Euro-front” was focused on receiving a positive avis from the European Commission, while in the second half of the year it concentrated on receiving an invitation from the Member States for starting accession negotiations. This meant that after the positive avis was received in July, a new action plan for foreign and domestic policy had to immediately be developed. The avis was thoroughly analysed and Estonia’s plan for further integration with the EU was compiled based on this analysis. It was introduced to the Member States as the Roadmap to Reform. In the autumn, the Commission, in co-operation with Estonia, started to compile the program for the Accession Partnership. At the same time, in Estonia, preparation of the Government’s plan for EU accession began. At the Luxembourg Summit in December 1997, Estonia’s efforts were crowned with an invitation to start negotiations (see Chapter 2 - K. Sillaste-Elling).

In 1997, the last Member States ratified the Association Agreement between Estonia and the EU (Europe Agreement). The Agreement came into force on 1 February 1998 and remained the legal basis for relations between Estonia and the
EU until accession. Until that time, relations between Estonia and the EU were coordinated by the Department for European Integration at the Ministry of Foreign Affairs.

On 31 March 1998, Estonia started accession negotiations with the EU. Work on the opening position for the negotiations was started immediately after the delegation and working groups were formed. Almost every word was discussed by the Government and the Parliament (Riigikogu). Inevitably, with the beginning of the accession negotiations, Estonia’s foreign policy also changed. On 31 March 1998, accession to the European Union ceased to be a foreign policy issue. It started to concern all branches of government, as well as the private sector and the wider public. Negotiations with the EU, although definitely one of Estonia’s foreign policy priorities, also called for domestic policy decisions and developments.

In the course of the screening process and accession negotiations, a great workload was borne by the Division of Accession Negotiations in the Department of European Integration. Its main task was to co-ordinate and link the working groups created for the negotiations of various chapters. One of the Division’s most important tasks in the initial phase of the negotiations was compiling a handbook for experts that were to be involved in the negotiations.

At the same time, the daily work of communicating with the European Union and monitoring the EU’s internal developments continued. With the Europe Agreement coming into force, a totally new structure was introduced into the relations between the parties - the Association Council at the ministerial level, which was supported by the Association Committee at the senior official level. The Chairperson on the European Union side in the Association Committee was the Director of the Commission’s Directorate General for External Relations, and on the Estonian side, the Foreign Ministry’s Undersecretary for EU Affairs, while the Department for European Integration was responsible for the day-to-day work (see Chapter 3 - M. Palli).

At the Foreign Ministry, the Political Department and the Department of Economic Affairs were increasingly the ones that dealt with EU related questions. The former continued to act as the advisory, analytical and support unit. Taking into account the constantly changing international context, the Department tried to predict possible risks and opportunities arising in the new period following the 1997 Luxembourg Summit. As the European Union had become Estonia’s largest trading partner, it was natural that the Department of Economic Affairs also had to increasingly deal with issues that arose between Estonia and the EU. One of the Department’s assignments was the screening of the foreign relations chapter for starting the negotiations with the EU.

The Legal Department also had an increasing number of contacts with the EU. An EU Law Division was created within the Department in 1998.

In 1999, the most important question was how quickly can we adopt - and even more crucially - fully implement the Community’s acquis or the acquis communautaire. The Government decided to be ready for accession by 1 January 2003.
During the same year, Estonia initiated the “5+1” or “Luxembourg 6” process. Within this framework the six states that started accession negotiations in 1998 met regularly at the Foreign Minister and chief negotiator levels. The goal of the “5+1” process was to promote co-operation in formulating positions and strategies and, as such, it was one of the most productive forms of pre-accession diplomacy.

A Consultative Committee for the Foreign Minister was created, which was comprised of well-known Estonian opinion leaders. The Department of European Integration helped to co-ordinate and link the work of the Committee to rest of the negotiation process (see Chapter 18 – L. Teras).

As for the accession talks themselves, 1999 saw the tabling of more serious and complicated chapters and the presentation of all of Estonia’s positions to the European Union by the end of that year.

As a result of internal developments and decisions within the EU, issues related to European security and defence policy started to play an increasingly important role. As a result, a Division for the EU Common Foreign and Security Policy whose Director was also the European correspondent, was created at the Ministry of Foreign Affairs.

In 2000, Estonia’s goal continued to be being ready for accession by 1 January 2003, which meant completing the negotiations by the end of 2001, or at the latest by the beginning of 2002. At the accession negotiations that year, all the negotiation chapters were opened with Estonia, except for “Institutions” and “Other issues”. Estonia presented its position for all the opened chapters. One can say that in 2000 the accession negotiations reached their decisive phase, whereby it was necessary to make important political decisions regarding the transition periods. The EU Member States and the Commission formed the following position: the transition periods were to be restricted in time and scope, had to include a clear schedule for the gradual adoption of the acquis, and could not hinder the functioning of the common market. By the end of the year, of the 29 chapters that had been opened with Estonia, 16 had been temporarily closed – therefore, it was a generally successful negotiating year.

In 2000, a new screening was carried out regarding the acquis that had meanwhile been updated. At the same time, the Commission started monitoring the fulfilment of the obligations that we had already accepted.

The Commission paid special attention to the accession negotiations in its Progress Reports. The priorities of the negotiations were scheduled in the enlargement strategy. A timeframe was set with the opportunity for the more successful acceding countries to complete their negotiations by June 2002. The Commission highlighted Estonia, along with Poland and Hungary, as those candidate countries that would soon be able to cope with the competitive conditions of the common market.

Work continued in the structures of the Europe Agreement – the Association Council and the Association Committee. Contacts also increased between the
European Economic and Social Committee and Estonian social partners. These later became the basis for the joint Consultative Committee.

In 2000, the European Union started a regular dialogue on security and defence policy with so-called third countries.

2001 was the year of the European Council meeting at Laeken, where, on 15 December, it was decided that it would be possible to accept 10 new countries, including Estonia, into the Union in 2004. In relations with the European Union, the Foreign Ministry remained responsible for monitoring the Europe Agreement (including the monitoring of the EU Common Foreign and Security Policy and the co-ordination of foreign trade relations) and the co-ordination of the accession negotiations. By this time, almost every Estonian agency and local government had developed contacts with the EU. Domestic Euro-integration work was co-ordinated by the European Integration Office at the State Chancellery. Gradually, Euro-integration had switched from being foreign policy to domestic policy.

On 28 February 2002, the Convention on the Future of Europe was launched. The candidate countries were represented alongside the Member States. The Convention’s aim was to find an answer to the question of what direction the European Union’s development should take in order for it to function efficiently after the enlargement, to better correspond to the expectations of its citizens and to perform its task as a guarantor of stability, well-being and democratic values in Europe and throughout the world. Domestic advisory structures were created in Estonia in order to co-ordinate Convention related activities. Personnel from the Foreign Ministry’s Department of European Integration and the Department of Policy Planning participated in these structures.

In December 2002 the accession negotiations, which had lasted almost five years, came to an end. The accession agreement was signed at the European Union Copenhagen Summit.

The preparation and signing of the Accession Treaty took place in 2003. This created a lot of work for the Legal Department of the Foreign Ministry, which had to polish the text of more than 5,000 pages (see Chapter 9 – M. Kaljurand).

On 14 September 2003, a referendum on accession to the EU was held in Estonia. To achieve a positive result, all pro-Europeans in Estonia had to contribute. Although the main burden in the referendum-related information campaign was borne by the State Chancellery, the Foreign Ministry and the Foreign Minister in particular also had an important role to play. The Foreign Minister participated in numerous campaign events. The Foreign Minister’s Consultative Committee initiated an analysis of the impact on Estonia in the event of a negative referendum result. This was compiled by the Estonian Institute for Future Studies. Prior to and

Inevitably, with the beginning of the accession negotiations, Estonia’s foreign policy also changed. The accession to the European Union ceased to be a foreign policy issue. It started to concern all branches of government, as well as the private sector and the wider public.
on the day of the referendum, an international press centre operated at the Foreign Ministry, which provided information about the progress and results of the referendum to the entire world.

In 2003, the European Commission published the last pre-accession Progress Report on Estonia, which stipulated that monitoring of accession readiness would continue until actual accession on 1 May 2004.

With the signing of the Accession Treaty on 16 April 2003, the so-called observer period in the European Union began. Estonia started to participate in all EU structures. This was a kind of apprenticeship, meant as preparation for becoming a full member. The totally new situation understandably required major changes in the structure and activities of the Estonian Mission to the EU, as well as in the entire co-ordination and decision-making process.

The areas of responsibility for the Foreign Ministry were confirmed as follows: Common Foreign and Security Policy (followed by the Political Departments); foreign trade policy and development assistance (followed by the Department of Foreign Economy); visa policy (followed by the Consular Department); representation of the country at the European Court of Justice and the Court of First Instance (followed by the Legal Department). In the changed circumstances, almost all the structural units of the Foreign Ministry were involved in activities related to the EU. The Department for European Integration became the Department for European Union Affairs, with a new additional role: the co-ordination of the preparatory work for the Committee of Permanent Representatives (COREPER).

**In summary**

The decisive factors of Estonia’s success in its European Union accession process were political priorities, realistic ambitions, the commitment of the entire civil service, the timely creation of adequate structures and the personal contribution of each and every man and woman, as well as active foreign policy.

Throughout the entire accession process, Estonia tried to remain realistic and present honest, but ambitious work schedules. Throughout the accession process, Estonia also stressed the need to assess individual achievements – so that each aspiring country would be evaluated based on its own work and be allowed to choose the appropriate tempo for moving ahead.

The main difficulties in pre-accession work (maybe due to the national character of the Estonians) were related to domestic co-ordination and information exchange, a certain power play and the small size of Estonia's administration.
In summary, one must conclude that the domestic pre-accession structures in the Foreign Ministry, as well as elsewhere, were successful, justified and worked appropriately. The position of a Minister for Europe did not fit into the Estonian context and quickly disappeared from the Government. It was necessary to take charge at the highest political level - by the Prime Minister. However, the Foreign Ministry played the leading role in relations with the European Commission, the Council of the European Union and the Member States.

At the Foreign Ministry itself, the main workload before the accession tended to rest on the shoulders of one department only - the Department of European Integration. Yet this situation was altered by life itself and changed after the accession.

Estonia started the accession negotiations in the first round of enlargement, but acceded in a larger group. The reason for this was not a reduction in ambition or a deceleration in the tempo of our preparations. It was the EU’s policy to help the second group catch up instead of appreciating individual success and carry out the enlargement with a larger group. Although at the time this may have caused some bitterness among Estonian politicians and officials, looking back, one can no longer assess this as wrong or bad. It helped to prevent numerous potential problems.

Henrik Hololei, Head of the Office of European Integration at the State Chancellery and the Council of Senior Officials 1996–2003, Director for European Union Affairs for the Government 2003–2004, Member of the Main Delegation for the Accession Negotiations

Estonia’s co-ordinated preparations for accession to the European Union were launched in the summer of 1995 with the signing of the Association Agreement, and in June of the same year with the approval of the White Paper for Integration into the EU Internal Market*, which was intended as a handbook for making accession preparations in the candidate countries. These two events pushed Estonia into creating domestic co-ordination structures and created the conditions for a joint and focused effort toward EU accession.

Following parliamentary elections in spring 1995, the Government created the position of a Minister without Portfolio for European Affairs to demonstrate to the outside Estonia’s commitment to European integration. This was also intended as a domestic signal that greater importance would be placed on EU topics. However, the Minister’s functions and relations with other ministries were not well thought through. More about this below.

As one of the first steps, in August 1995, work started on developing a co-ordination scheme for Estonia’s accession to the EU. This was a serious challenge since, at that time, one could not foresee the importance, the wide range of the process nor how long would it take. As a goal, accession to the EU was too far off and too vague. Nation building, on the other hand, seemed much more urgent. Therefore, the first significant objective was to make politicians and the entire civil service understand the need to prioritize this process and create the pre-conditions for it to succeed. This, however, was not so easy. At times like these, success depends on the ability of the Prime Minister to successfully launch processes at the governmental level, and it must be said that Estonia was lucky in this

* White Paper: Preparation of the Associated Countries of Central and Eastern Europe for Integration into the Internal Market of the Union, COM(95) 163, May 1995.
regard. In January 1996, the Government decided to create an EU co-ordination system. Basically the same system operated, with only small changes, up until EU accession in 2004.

An important conclusion can be drawn from this as well as a piece of advice - the less the domestic EU co-ordination system is changed, the more successful it is. There is no need to create a complicated mechanism and try to anticipate all possible solutions at the beginning. It is much better to create a system that establishes the general principles and enables things to “settle into place” over time. Such flexibility helps to avoid many conflicts in the future and guarantees better performance for a longer period of time. In turn, stability is very important both domestically, because constant changes in the system undermine its credibility, as well as externally, because partners prefer established and long-term co-operation contacts. This also demonstrates political commitment to the EU process and that one is above daily political infighting.

Below, I will briefly discuss the institutions that participated in Estonia’s accession to the EU and their role in this process.

**Minister for European Affairs in the State Chancellery**

Whether to create a ministerial position for EU affairs or not is, of course, an issue for every Government to decide for itself and depends on the country’s political and administrative structure. In Estonia, the need to create this position derived from the wish to demonstrate our commitment to EU topics both at home and abroad. In 1995, it was probably the right decision, since it helped to create a co-ordination system for EU issues. Yet this political position never found its proper place in the Estonian political system, and after a two-year existence, it was consigned to the waste bin of history. The position of the Minister for European Affairs was eliminated, and responsibility for EU affairs was taken up by the Prime Minister.

This does not mean that such a position could not be useful in a system with a different administrative culture. In this case, one would expect a greater degree of centralization and more clout for the Prime Minister with regard to the Ministers and agencies. In the case of Estonia’s decentralized administration, this did not work, but rather made relations between the State Chancellery and the Foreign Ministry more difficult, which is why it was sensible to eliminate the position. This also demonstrated that the Government regarded effective co-ordination of EU
issues as more important than political deals and was able to “correct the mistakes”. I must also admit that I do not know of any EU candidate country where such a position has been a full success.

**Office of European Integration (OEI)**

In January 1996, the Office of European Integration was created in the State Chancellery for the domestic co-ordination of preparations for EU accession. Work started with three people and it finally grew to be a unit with 20 employees. I believe that about 15-20 people is the optimal size, because it should not become a large institution that duplicates the work of the ministries. The OEI worked for nine years with five Prime Ministers and eight different Governments that all supported accession to the EU as an important priority. It was the strong political support that provided the OEI with the necessary clout and efficiency. One example of this was the fact that the Head of the OEI participated with the right to intervene in Government meetings. This provided him with ample status in relations with his colleagues and for chairing the Council of Senior Officials (CSO, see below).

It was also extremely important to have a good working relationship with the Foreign Ministry. This acquired a new dimension in the course of the accession negotiations. At the same time, a certain rivalry was also inevitable. This has manifested itself in all accession countries where domestic co-ordination of EU topics has been transferred from the Foreign Ministry to the Prime Minister. The arrangement itself is justified because the Foreign Ministry, as opposed to the Prime Minister, can have a harder time imposing its positions on the political level as it is just one many ministries. The Foreign Ministry, like other ministries, may also have its own “independent agenda”, especially if there is a coalition government and the Foreign Minister comes from a different political party than the Prime Minister.

The co-operation scheme during the accession negotiations can be described as a system of parallel and integrated structures. The accession talks were led by the Foreign Ministry and the OEI was involved, while the OEI directed the domestic preparatory work. Input for the negotiations came from the domestic preparatory work of the ministries and the obligations taken during the negotiations reached the ministries through the domestic co-ordination system. The fulfilment of commitments was monitored by the OEI. The Head of the OEI was a member of the negotiating delegation, while the chief negotiator was a member of the CSO. This arrangement guaranteed active participation of both key persons in both processes. As with every system, this too had its shortcomings and some things

The preparatory work was not done “for someone else”, but rather, because it was necessary for the country. The message was simple – since we were part of Europe and wanted to become a successful country, these things would have to be done anyway, not only because we wished to accede to the European Union.
could have been done better, although in retrospect it must be acknowledged that the mechanism worked and served us well throughout the complicated accession period.

The main task of the OEI was to organize the work of the Council of Senior Officials and guarantee the compilation and implementation of the annual National Programme for the Adoption of the Acquis (NPAA, see below). This required good co-operation with all ministries, because only they could guarantee that the obligations taken would also actually be implemented. It was important for the ministries to understand that the preparatory work was not done “for someone else”, but rather, because it was necessary for their country. The message was simple - since we were part of Europe and wanted to become a successful country, these things would have to be done anyway, not only because we want to accede to the European Union. All the institutions had to understand that efforts made in the name of EU accession were not something extra, but part of the entire civil service’s general aim of working for the welfare of the country. The role of the OEI was to constantly remind others of these two facts. Things that seem self-evident today did not always seem so in the midst of hard work.

In addition, the OEI compiled EU-related training plans for government officials, commissioned research and analyses and established priorities for external financing. It was important to guarantee the consistency of the OEI’s work and we were lucky to find motivated people that worked at the OEI for almost the entire pre-accession period.

Currently the OEI has become the EU Secretariat, which is still located in the State Chancellery. The EU Secretariat, along with the Ministry of Foreign Affairs, co-ordinates Estonia’s positions as an EU member.

In summary, Estonia’s experience was that the creation of an OEI-type co-ordination unit to support the Prime Minister gave the EU accession process more political weight, guaranteed better co-ordination of EU-related work and the exchange of information with other agencies.

**Council of Senior Officials (CSO)**

An important role in Estonia’s accession to the European Union was played by the Council of Senior Officials, which developed into the actual “spearhead” for EU preparatory work. The CSO’s official members were representatives from ministries (except for the Ministry of Defence), usually Undersecretaries responsible for European Union issues. It was led by the Head of the OEI. CSO meetings were prepared by the OEI. The CSO “team” received training and developed into a kind of a centre of excellence for EU issues in Estonia. CSO meetings took place fortnightly (sometimes more often). During the meetings, information was exchanged that enabled the members to have an overview of the current state of EU affairs. EU topics are so wide-ranging that in order to get a complete picture, it was necessary to know what was happening at other ministries and agencies. The CSO was an excellent forum for this.
In addition to dealing with current issues, the main task of the CSO was to guarantee the implementation of the NPAA and identify potential problems as early as possible. Some of these problems needed political solutions and had to be resolved at a political level. The task of the Head of the CSO was to try to find agreement among the ministries or, if necessary, to take the question to the Government. Naturally, the goal was not to overburden the political level with technical problems, but to screen out political problems and individual technical problems that could not be agreed upon between the agencies. There were not many of them, but some actually needed years to solve (e.g. the passage of some laws, like the Law of Obligations Act, the Financial Supervision Act, etc.).

The CSO also had an important role to play in preparing the work of the institutions that monitored the implementation of Europe Agreement – the Association Council, the Association Committee and sub-committees. The CSO guaranteed the consistency and unity of Estonia’s positions.

I firmly believe that Estonia’s EU co-ordination system would not have functioned without the CSO. Thanks to the CSO, ministries learned about problems that arose in the EU accession process. The CSO ensured that there was constant monitoring of the fulfilment of obligations as well as exchange of information. In addition, the CSO helped create a network of people who were familiar with the EU in all the ministries. By communicating and exchanging information, these people helped support the EU accession process in all agencies. It has to be kept in mind that in 1996–1997 working with EU issues did not seem as natural as it does today, and at this phase, everything about the EU needed explaining. In the course of the accession process, the people involved with the CSO were the best “EU ambassadors” in the Estonian administration as well as in its relations with the public.

Today the CSO has become the Co-ordination Council. It still continues to provide an excellent forum for the exchange of information and prepares Estonia’s positions for the Councils of the European Union. Many former CSO members are working in EU institutions today, several in high positions.

**Ministers’ Committee on EU Affairs**
The initial Estonian co-ordination system for EU affairs foresaw an additional level between the CSO and the Government in the form of a Ministers’ Committee. This was to be a place where unresolved problems in the CSO moved up to the political level. One of the reasons for the creation of the Committee was the view that since EU issues might not necessarily involve all the members of the Government (e.g. the Minister of Defence, the Minister of Culture), it would be easier to process these issues outside of the regular session of the Government. Actually, this Committee never started to work properly. It was somewhat naïve to think that there are ministers that are not affected by EU issues. Therefore, already at the end of 1990s, the Ministers’ Committee no longer convened. EU issues were discussed at cabinet meetings, where no official decisions were made.
Based on Estonia’s experience, it can be said that the need for such a committee once again depends on the political and administrative system of the country. There are countries where this system works (e.g. Finland), but in Estonia’s simple and clear governance model, there was no real place for this Committee in the EU accession process.

**The National Programme for the Adoption of the Acquis (NPAA)**

The first National Programme for the Adoption of the Acquis was completed as early as 1996, and after that a new and amended action plan was compiled every year. Its basic goal was to set out the plans for the harmonization of Estonian legislation with the EU acquis, although later it also included activities for increasing administrative capacity (strengthening institutions, staffing, etc.). The idea of the NPAA was to make activities related to EU accession preparations a part of the Government’s action plan; later the NPAA was fully integrated into this.

Through the NPAA mainly ministers, but also the ministries, made political commitments. They were required to report about the implementation of these commitments to the Government, Riigikogu and the electorate. The NPAA took into account the assessment and conclusions of the annual Progress Report by the European Commission. Usually the Progress Report was published in the autumn and the NPAA was approved just before the end of the year.

The NPAA provided a clear and measurable overview of planned activities as well as enabled monitoring of their implementation. At a later stage, the NPAA...
also became the basis for planning EU multilateral and bilateral aid programmes (e.g. PHARE etc.). For Estonia’s co-operation partners, this was a clear and understandable compendium of actions, which presented our plans for the EU accession preparations for the coming year.

The NPAA strengthened Estonia’s planning capacities and provided a clear understanding of the tasks ahead. In the end, it became a very good “tool” in our accession process. I believe that accession to the EU cannot be successful without an NPAA. Naturally, every country has its own traditions for compiling such action plans, but the existence of some sort of a plan is entirely inevitable.

**European Union Information Secretariat (EUIS)**

A few years after the creation of the OEI, an EU Information Secretariat was created under its jurisdiction. Later, when more serious preparations started for the referendum on EU accession, it became an independent unit of the State Chancellery. The EUIS’s task was to explain details of the accession process to the Estonian people. Initially, general information on the EU was needed. Later, the work became area-specific, in which various agencies (agricultural agencies on agricultural topics, environmental agencies on environmental topics, etc.) had a greater role to play.

The pre-referendum period was undoubtedly the busiest and most work-intensive for the EUIS. Accession to the EU was not presented as a solution to all problems, but rather regarded as a natural stage in Estonia’s transformation into a wealthy and successful country. Therefore, the EU was not “oversold”. As a result of this approach, the “yes” votes in the referendum on the EU accession totalled 67%. By the beginning of 2008, this support had risen to over 80%, while in all other countries that joined in 2004 support had fallen below referendum levels. Thus, Estonia’s approach provided fewer “yes” votes at the time of accession, but guaranteed sustainable and increasing support after accession, which I believe is much more important. The people also feel that they were not “sold” any myths about EU accession, but were provided with a realistic picture of the future.

In summary, it can be said that the EU has to be “talked through” to the citizens, and this can never be started too soon. This task must be taken very seriously. At the same time, political support must be secured, which means that Members of the Government (especially the Prime Minister, Ministers for Foreign Affairs, Agriculture, Finance, and Economy) have a large role to play in informing the people. This task has to be clearly understood and carried out by them (see Chapter 24 - P. Palk).

**Co-ordination of EU aid programmes**

EU and bilateral aid programmes had a very important role to play in the EU accession process. In Estonia, the original co-ordinator was the Ministry of Finance, as it should be in everything related to financial calculations and financial auditing. At the same time, it is clear that the Ministry of Finance cannot establish
the priorities for EU accession. That is why this work was transferred after a few years to the OEI and CSO.

Ideally, the aid programmes should be an integral part of the implementation of the NPAA. Estonia incorporated them into the NPAA after the setting of priorities was directly linked to the EU accession priorities. This should definitely have been done earlier. The entire EU accession process requires great financial and human resources, which are always in short supply. External aid programmes help to relieve these problems. At the same time, this process must be firmly led by the candidate countries, otherwise national priorities are determined by partners instead of the country itself and the aid programmes may not produce the desired results. Our partners were happy that we were able to present them with clear priorities and did not accept everything that was offered to us (see Chapter 11 - R. Mändmets).

Relations with the European Commission Delegation

For a candidate country, good relations with the European Commission and especially with the local Commission Delegation are of utmost importance. The European Commission is the “best partner” for a candidate country in the accession process – demanding, sometimes frustrating, from time to time even de-motivating, but nevertheless the best and most impartial. This makes it crucial to be on good terms with the Commission. The candidate country must be open, honest, and also know how to draw correct and necessary conclusions from the Commission's recommendations.

In the annual Progress Report, the European Commission presented its assessment on the preparedness of the candidate country for accession, as well as on its shortcomings. The information on which this view was based came predominantly from the candidate country. The local EC delegation was the place where the initial information on the country was collected and presented to Brussels along with the initial analysis. Therefore, the collected information had to be correct and precise, which in turn assumed openness in the relations with the EC delegation. Estonia gained a great deal from its good relations with the Commission Delegation in Tallinn, but also with the Commission in Brussels, especially with those officials that worked with Estonian topics. This is a partnership that is worth investing in.

Riigikogu European Affairs Committee

The entire EU accession process must be balanced and must involve all key institutions. The Parliament plays a great role. In order to better guarantee the monitoring of EU affairs, a European Affairs Committee (EAC) was created in the
Riigikogu. The Riigikogu helped to implement the NPAA through the constant reporting of Government members to the European Affairs Committee. The EAC was a partner for communicating with the national parliaments of the Member States, which was a very important supplemental channel and opportunity for presenting Estonia's preparations for accession.

During the accession process, a parliament that is well-informed on EU issues, which monitors the obligations taken by the Government, as well as stimulates the debate related to the EU in the whole society can be most helpful (see Chapter 17 – T. Kelam).

In summary
Estonia's accession to the EU was a successful process. Estonia's domestic co-ordination mechanism was considered to be one of the most effective and simplest. Estonia's small size was certainly an advantage, as it was possible to have an effective, flexible, and transparent administrative system that created good preconditions for the functioning of such a co-ordination model.

At the same time, the greatest guarantee for success was the fact that Estonia had a cross-party agreement regarding EU accession and this was supported by all respectable political forces. Strong political support for everything related to the EU accession ensured that the process was a top political priority and significantly simplified all the preparatory work.

The EU accession process was truly a “graduation test” for the civil service as a whole and interagency co-operation. I have said repeatedly that, in addition to political support, success depends on co-ordination and planning. The exchange of information, active co-operation between various ministries and agencies, constant training and increasing of competence are also integral parts of this process. Preparations for accession create the preconditions for the public administration to be able to cope in the EU as a full member. But of course, it is even more important that the civil service will become more effective in serving the people.
14. Harmonization of Estonian Law with European Union Law

Julia (Vahing) Laffranque, Dr iur, EU law expert, Director of EU Law Division and Undersecretary for Legislative Drafting at the Ministry of Justice 1996–2004

The importance and goal of harmonizing legislation
The European Union is based on legal foundations and the principle of rule of law. When a new country accedes to the European Union, the Union’s *acquis* becomes an integral part of the everyday work of many government officials and the private sector. Thus, the importance of the European Union *acquis* should not be underestimated.

Only a country where democracy, the rule of law, and human rights are respected can become a member of the European Union. These principles are guaranteed by a functioning system of law and order that corresponds to European standards, in the best sense. One of the conditions for accession to the European Union, among the so-called Copenhagen criteria, is the legal “yardstick”, which requires the transposition of the entire *acquis communautaire* - the European Union’s current code of law. However, the EU *acquis* is not a goal in and of itself. Similarly to EU economic policy, law is a means for the EU to develop legitimately, protect the interests of its citizens and guarantee the best and most peaceful living conditions for them.

The goal of harmonizing legislation paved the way for Estonia’s accession to the EU, and brought our legislation up to the standards of a democratic European country based on the rule of law.

The harmonization of law as part of Estonia’s legal reform and the legal policy for accession to the European Union. The elements of the harmonization of law.
The harmonization of Estonian law with the EU *acquis*, as part of the legal policy for accession to the European Union, was an integral part of Estonia’s entire legal policy. This was not viewed separately from general legal policy and legislative drafting. Reforms of the legal system took place in Estonia as a transition
country in the 1990s at a frantic pace. There was certainly a price to be paid for the large-scale and rapid reforms - many of the laws passed at that time had to be amended later or sometimes even corrected. However, the achievement was still remarkable - in the course of 10 years we reached the stage that had taken stable democratic countries several decades, even centuries, to achieve. One of Estonia's advantages was definitely the fact that it basically started from nothing, thus making it easier to create a modern state built upon the principles of EU law and the experiences of other countries.

In addition to the harmonization of law, the legal policy for accession to the European Union included the following elements:

- Guaranteeing the implementation of harmonized legislation;
- Creating the institutions necessary for harmonization and implementation, including making the work of the courts more effective;
- Taking the EU *acquis*, including the judicial practice, into account in Estonia's legislative drafting;
- Monitoring the development of EU *acquis* and estimating its impact on Estonian law;
- Training experts on the EU *acquis*;
- Collecting, systematizing and publishing materials related to EU law;
- Informing the public about the EU *acquis* and the harmonization of law;
- Translating the EU *acquis* into Estonian and translating Estonian legislation into English;
- Co-operating with EU Member States and institutions, and
- Co-ordinating foreign aid in the field of legislative drafting.

Those who drafted, implemented and interpreted Estonian law dealt with the EU *acquis* in three stages: adaptation to the EU *acquis* and learning to know it; working with the EU *acquis*, as a result of which an abstract idea turns into practice, and participation in the development of the EU *acquis*, which opened up to us to the full extent after the accession to the European Union.

Before joining the European Union, Estonia, to a large extent, voluntarily transposed the EU *acquis*. Gradually this became compulsory, based on the agreements concluded between Estonia and the European Communities and its Member States. Essentially, Estonia had to harmonize its legislation with the *acquis* which was approved without Estonia's participation.

During the harmonization of legislation, both the structural element (organization of and responsibility for the harmonization), as well as the substance (professional training of the harmonizers, the methodology employed and the materials) were important.
The institutions responsible for legal harmonization: the role and composition of the EU Law Division of the Ministry of Justice

The Estonian Government approved the organization of EU integration, the necessary institutions and their assignments on 30 January 1996. The Ministry of Justice was responsible for the harmonization of legislation. The topic was also discussed by the Council of Senior Officials (CSO) that was comprised of senior officials from the Ministries.

A unit dealing with EU law - the EU Law Division - was created at the Ministry of Justice already in 1995, initially in the International Law Department and later in the Department for Legislative Drafting Methodology. As of the second half of 2001, the competence of the division was expanded to include all international relations of the Ministry and the co-ordination of EU support programmes.

The responsibilities of the Ministry of Justice with regard to EU law were established by the Government of the Republic Act, the statutes of the Ministry, and the Department for Legislative Drafting Methodology of the time (currently the Legal Policy Department). According to these documents, the Ministry of Justice was responsible for, among other things, the harmonization of Estonian law with the EU *acquis*, drafting the methodology for it, and checking the conformity of the Government’s draft acts with the EU *acquis*. All the draft laws and regulations prepared by the Government passed through the EU Law Division. The EU Law Division also had other important functions, such as disseminating information on EU law; participating in the work of the CSO and compiling the Government’s action plan. In the accession negotiations, the Division approved training programmes related to the EU *acquis*; communicated with foreign countries and the corresponding institutions of the EU; and assisted the other ministries on questions related to the EU *acquis*. During the first years, the Division issued the *Reporter of the EU Law Division of the Ministry of Justice*, which published information related to EU law.

The EU divisions created in other ministries often dealt with international relations in general, while the legislative drafting departments had to guarantee that drafts prepared by the ministry corresponded with the EU *acquis*. Later these drafts were checked by the EU Law Division of the Ministry of Justice.

As a small country, Estonia had a limited resource of officials. It was, therefore, even more important to find highly qualified experts in order to compensate for the lack of quantity with quality. In time, the EU Law Division became a respected...
centre of competence. In addition to one professor of international private law, the division was mostly staffed by young lawyers that had studied at foreign universities, because the EU *acquis* was not systematically taught in Estonia in the 1990s. The staff of the division included a maximum of five officials, who acquired experience by practicing in the Justice Ministries of France and Sweden and in the Legal Service of the European Commission, and who communicated with their colleagues abroad, participated at international conferences, and trained officials in Estonia and elsewhere.

As of 1997, the Ministry of Justice sent its own representative (later even two) to the Estonian Mission to the EU in Brussels, whose main task was to forward information and later also represent Estonia in the working groups of EU institutions, primarily in those of the Council of the European Union.

**Materials and support used in legal harmonization**

The legal foundation and recommendations for harmonization were established in the agreements concluded between Estonia and the EU, specifically in the Europe Agreement, and in a detailed form in the Government of the Republic regulation on technical rules for drafts of legislative acts. We also followed the European Commission’s so-called White Paper of 1995 and its recommendations, the Estonian National Programme for the Adoption of the *acquis*, as well as the screening results of the accession negotiations’ chapters. The methodology for harmonizing Estonian law with European Union law was drawn up in 1997. Due to major changes in the European Union as well as acquired experience in the approximation process, the methodology was updated in the end of 2000. It was also translated into English and published on the Ministry’s website. For practical reasons, the Ministry of Justice compiled memoranda which presented recommendations to the other ministries. For instance, the memoranda dealt with the harmonization of Estonian legislation with the regulations of the European Community (1999), the implementation of regulations, and the usage of the names of various EU institutions (2000). From year to year, IT-solutions were increasingly implemented: databases, electronic communications, the draft legislation portal *e-law*, etc. Useful support for guaranteeing common practices in legal harmonization was provided by roundtables attended by those heading the legislative drafting process in different ministries. These roundtables were organized by the EU Law Division of the Ministry of Justice. Sometimes foreign experts (e.g. from Sweden, the Netherlands, France, Germany, and Finland) also participated. The ministries sent their questions or a problematic draft to the Ministry of Justice in advance. They were then analysed by the EU Law Division and foreign experts. And joint solutions were sought together at a roundtable session. The results of the discussions were recorded, and if necessary, a memorandum was drawn up. In addition to the representatives of the ministries and agencies,
the roundtables were also attended by officials from the Offices of the Chancellor of Justice and the President, officials from the Parliament and the Bank of Estonia, as well as members of some interest groups and the Estonian Legal Language Centre. In 2003, a handbook of technical rules for legislative acts for Government officials was compiled, and after the accession, in co-operation with the State Chancellery, an EU handbook for officials was published, which both provided a summary of legal harmonization.

The character and methodology of legal harmonization

According to the Government regulation on technical rules for drafts of legislative acts, the explanatory note accompanying a draft act which harmonized Estonian law with the EU acquis, had to include a comparative table of EU and Estonian legislation, as well as an explanation of why, how, and how much is being transposed. Later a requirement was established that a footnote had to be made in the text of the act itself to the name, number and publication citation of the corresponding EU Directive.

The European Union acquis communautaire, which had to be transposed to Estonian law (almost 80,000 pages of legal texts!), was comprised of the following: the general principles of the EU acquis; EU primary law – Treaties establishing European Communities, Treaty on European Union, and their protocols and annexes; EU secondary law – Regulations, Directives, Decisions; Case Law of the European Court of Justice; and to some extent EU future law – objectives, drafts. The Estonian legislative instruments that were used to transpose the EU acquis included laws and the regulations of the Government and Ministers (administrative measures did not suffice). If the EU acquis, e.g. a Directive, dealt with person’s fundamental rights, this legislation was harmonized with an Estonian law passed by the Parliament. The end result had to be clear, understandable, and provide legal certainty.

In order to help officials, the methodology developed by the Ministry of Justice posed the following questions, which had to be answered in the course of harmonization:

- Does the regulatory area of the domestic legislation fall under EU competence?
- Do provisions of the EU acquis exist; if yes, which ones?
- What are the EU’s principal objectives and general principles in the given field of activity?
- What does the Europe Agreement say?
- What obligations has Estonia undertaken in the Government action plan and at the accession negotiations?
- What is the practice of the European Court of Justice?
- Has the EU legislation been amended or are there plans to amend it?

As a small country, Estonia had a limited resource of officials. It was, therefore, even more important to find highly qualified experts in order to compensate for the lack of quantity with quality. Successful legal harmonization assumes high-level training in the EU acquis.
- Does the domestic law already conform to the EU *acquis*?
- Which other laws or drafts harmonize this EU legislation (Directive)?
- Does the Directive need to be harmonized with one or several domestic legal acts?
- Should one or several Directives be covered in the new law?
- Is a law necessary for harmonization or is a Government or Minister’s regulation enough?
- What is the impact of the planned legislation on the economy, environment, and social policy?
- How have the Member States harmonized the EU legislation?
- Does the specific provision of the EU legislation apply only to Member States or can candidate countries also fulfil it?
- Which provisions do not need harmonization?
- Is there any reason to deviate from the terminology of the Directive?
- Is the Directive unclear and needs to be clarified?
- Which recommendations, explanations has the European Commission provided in respect to the EU legislation?
- Has the Government regulation on technical rules for drafts of legislative acts been taken into consideration?
- Are the references to EU institutions correct; does a normative reference (footnote) exist?
- Which implementing legislation will be needed?

**Communication regarding legal harmonization: training, informing the public, communicating with European Union institutions and Member States**

Successful legal harmonization assumes high-level training in the EU *acquis*. Often basic principles had to be explained because the officials dealing with the specific sections of the EU *acquis* had not completed the relevant introductory courses at university or elsewhere. The public also needed to be informed, so that false ideas about strict euro-requirements that would turn Estonia’s life “upside down” would not develop. In addition, active communication with EU institutions, primarily with the European Commission, took place (lobbying, clarifying Estonia’s legal system and background, presenting objective and precise information related to harmonization, etc.). It was important to have well-functioning co-operation with the EU Member States (foreign experts, co-operation agreements, aid programmes) and the candidate countries (primarily the other Baltic countries, whose representatives also participated from time to time in the EU law roundtables).

**Amending the Constitution**

Before accession, amendment of the Constitution became very important in order for Estonia to accede to the European Union in a legally correct way. This also needed explaining: roundtables were held with lawyers and other experts and the
The public was briefed (lectures to local population throughout Estonia). The Constitution of the Republic of Estonia Amendment Act was approved by referendum on 14 September 2003.

**Problems that arose during legal harmonization and lessons learned.**

**Assessment with hindsight**

The progress of legal harmonization was not problem-free. Sometimes, the quality of Estonia’s legislation left something to be desired, e.g. the wording could have been clearer. Due to rushing, the approval of legislation was often not preceded by a thorough analysis of its impact. Even the officials were not always aware of the long-term objectives of the EU legislation. Involving the Parliament was also difficult. In the course of the processing of drafts in the *Riigikogu*, references to EU Directives were often removed. Later, relations between the Parliament and Government were regulated by legislation, which helped to improve the organization of work. At the same time, the Supreme Court played a modest role: the court did not have an opportunity to present its position regarding the interpretation or application of the Europe Agreement. Raising the awareness of the Estonian population regarding EU law should have been more intensive.
Also, the private sector should have been better trained. While the EU’s financial support focused on the training of the public sector, private lawyers, for instance, were left out.

The need for legal harmonization will not disappear even after accession to the European Union, although the amount of work will be less, since most of the necessary laws will be in place. It is mostly Directives that will need to be harmonized, because regulations will be directly applicable. Life has shown that practice does not always correspond to harmonized law; it is easier to harmonize than to implement the law. Court cases have arisen from disputes in which the Government is claimed to have provided too short a time for adapting to the new legal situation.

Generally, legal harmonization was a success. Estonia was able to transpose all the necessary legislation and also amend the Constitution. The work was well organized and progressed smoothly. Despite some disagreements that developed, legal harmonization increased co-operation between the ministries. Harmonization definitely helped to organize and systematize legal terminology and domestic law as a whole.

Suggestions and recommendations for legal harmonization
1. The legal policy for accession to the European Union, including legal harmonization, must be a part of the country’s legal policy and of the country’s policy as a whole. This presumes that a strategy should be developed.
2. The impulse for harmonization should not come only from officials. The executive power, which predominates in the EU legislative drafting, also should not attain a monopoly position. Officials must be competent and prepare alternatives along with the explanations. Politicians, however, must make political choices by taking into account the country’s international obligations and promises made to the European Union. It is important for the Government to co-operate with the Parliament. The latter must also initiate draft legislation related to the EU acquis.
3. The Government should not blame unpopular legislation on the European Union and Brussels. Decision makers must not risk losing the trust of the people nor pass laws immediately before accession to the European Union that may come in conflict with the EU acquis and need to be amended upon accession.
4. It is important that harmonization is systematic, which presumes the existence of the necessary structure, personnel, and methodology.
5. When tallying up the harmonized legal instruments, the quality is more important than the exact amount. The pace of harmonization should not endanger the quality of the legislative drafting.
6. A system should be created where it is possible to establish which EU legislative act has been harmonized with domestic legal instruments, so that it is easy to track development and implementation practices in the future.
7. Copying laws from other countries should be avoided. A characteristic of harmonization is that the EU acquis already takes into account the experiences of different countries and it must be adjusted to one’s own legal culture. At the same time, the comparative aspect is important.

8. It is desirable to refrain from the transposition of the EU acquis according to the principle that one Directive is equal to one Law. One must consider the codification processes that are ongoing in the European Union.

9. Even in the case of laws that have been transposed from European Union law, the general principles of legislative drafting should apply. Legislation should be clear, understandable, simple, and unequivocal.

10. Legal harmonization should take the practise of the European Court of Justice into account along with written EU law.

11. Interest groups should be involved in the legal harmonization process as early as possible. Harmonization must be accompanied by impact analysis.

12. Legal harmonization should take into account various EU policies and general principles, not only the norms of the specific field of activity.

13. Co-operation between various institutions, including governmental institutions, is very important for legal harmonization.

14. One should not forget that sometimes, the “devil” can hide itself in the details, which is why high-quality legislative drafting is essential.

15. European Union regulations should not be copied into one’s own law, although this may be necessary before accession. Therefore, it should be guaranteed that redundant duplications and copied regulations are declared invalid upon accession. At the same time, the implementation acts for EU regulations should not consist of mere references to the respective paragraphs of the regulations, but, if necessary, use the wording of the EU regulations within the limits of reason, while providing concordance with EU law.

16. One cannot refer to EU law before accession if it has not been published in one’s own language, especially if the EU legislation concerns possible restriction of people’s individual rights.

17. Officials must be constantly trained during the harmonization of law, and the private sector should not be forgotten. It is also important that those who deal with specific technical fields possess general knowledge and an overview of European Union law as a whole.

18. Officials and politicians must themselves be able to inform the public and explain the background of the harmonization, make clear the need for this. People must be informed as early as possible of changes in their rights and obligations after the country’s accession to the European Union.

19. In the field of legal harmonization, constructive dialogue and co-operation with EU institutions and Member States is very useful.

20. Simultaneously with harmonization, one must also think about follow-up monitoring, i.e. how to execute supervision over whether the harmonized law is being implemented in reality and how it is being done, as well as whether the law is updated based on the developments in the European Union acquis.
As the Europe Agreement came into force on 1 February 1998 and Estonia’s accession negotiations with the EU started in March 1998, the need for people in the Foreign Ministry who were familiar with the EU law increased. It was no longer enough to have one or two people in the Legal Department who, in addition to their main work, dealt with EU law. As this was a somewhat specific field of activity, it was necessary to find lawyers with the relevant academic education to deal with issues related to the EU law on a daily basis. As a result, in the second half of 1998, a Division of EU Law was created in the Legal Department. Its employees had to be well-informed about daily developments in EU law. Initially four diplomats were intended to work in the Division, later two more diplomats and two experts were added.

The role of the Division in concluding international agreements of the Republic of Estonia
One of the assignments of the EU Law Division was the analysis of Estonia’s international agreements in order to assess their accordance with the EU law. At the time of accession, all international agreements had to be in accordance with EU law and any agreements in conflict with the EU acquis had to be terminated by that time.

In Estonia’s case, the termination or amendment of agreements primarily affected international trade agreements. The obligation to terminate agreements resulted from the common trade policy of the European Community, according to which changing customs tariff rates, concluding customs and trade agreements, initiating liberalization measures, shaping export policy, and establishing market protection measures are based on common principles. In these fields of activity, the common trade policy is exclusively in the competence of the European Community. Member States lack the authority to conclude international agreements related to trade policy. Changes had to mainly be made to agreements that dealt with international co-operation in the field of trade.
The termination of these agreements had no negative effects on Estonia’s trade relations with the third countries concerned, because, as of accession, similar agreements concluded between the relevant countries and the European Community came into force. To guarantee continuity, it was important that the termination of the agreements came into force on the day Estonia acceded to the EU. In other fields, the accordance of bilateral agreements with EU law was analysed before they were concluded and EU accession did not result in their termination or amendment. At the same time, Estonia had to withdraw from several international conventions, primarily from the ones where the European Community was a party and had the sole authority to participate on behalf of its Member States. For instance, Estonia had to withdraw from the Northwest Atlantic Fisheries Organization (NAFO) and the Northeast Atlantic Fisheries Commission (NEAFC), because after Estonia’s accession to the EU, the European Commission would represent all of the European Community (including Estonia) in these organizations.

The role of the Division in concluding agreements of the Republic of Estonia with the European Communities

The Division of EU Law prepared and analysed agreements amending the Europe Agreement (Association Council Decisions and Europe Agreement Protocols) and Estonia’s other international agreements in which the second party was the European Community, European Communities or the European Union. The Division was also responsible for initiating domestic legislative procedures that were necessary in Estonia in order to conclude any international agreements. As a rule, the negotiations themselves were led by the relevant ministry. However, as the legal opinion regarding these agreements had to also be given by the Ministry of Foreign Affairs, officials from the EU Law Division were also involved in the first stages of the negotiations. Legal analysis of these agreements meant analysing both EU and domestic law.

Usually, in the case of such agreements, the draft presented to Estonia by the European Commission was in conflict with the Estonian Constitution and therefore needed to be amended. One of the main stumbling blocks were the provisions that assumed that EU law was directly applicable in Estonia even before Estonia’s accession to the EU. As a rule, it was not possible to resolve such problems by negotiating with the Directorate of the Commission leading the negotiations. Co-operation with the Commission’s Legal Service became crucial, because often only lawyers could understand the nature of the problem. In order for the drafters of agreements at the Commission and the Council to understand the
legal nuances resulting from the Estonian Constitution and to make sure that Estonia’s wish to conclude the relevant agreements would not come into doubt, explanatory meetings were organized with the personnel of the Legal Services of both the Commission and the Council. As a result of such co-operation, unclear legal questions were resolved.

The role of the Division in EU accession
During the accession negotiations with the EU, all the negotiating positions and other issues had to be approved by the Government before they were presented to the European Union. In the preparation of these materials, the relevant ministries were responsible for the substance while the Department of European Integration at the Ministry of Foreign Affairs had a co-ordinating role. The task of the EU Law Division was to clarify, often in a very limited timeframe, any final unresolved issues before the materials were submitted to the Government. This was done either in co-operation with the Department of the European Integration or by communicating directly with the relevant ministries.

Later, when the EU Law Division led the drafting of the Accession Treaty and its explanatory note was being compiled, it turned out that the legal assessments given by the ministries were often somewhat broad and needed to be specified more. This was probably because the ministries either had not involved their legal services at an earlier stage or were not sufficiently involved in the process. This was completely understandable considering the intensity of the preparations of Estonia’s positions, the tight schedule and shortage of human resources. In hindsight, it is clear that the EU Law Division could have been more involved in the negotiations and provided legal opinions at an earlier time when the initial positions were being worked out. After all, in the course of the negotiations, issues were often related more to the general principles of EU law than to specific areas of activity. Also, lawyers working in other ministries should have been more involved and more attention should have been paid to recruiting and training EU law experts as early as possible. This approach would have significantly simplified the work of public authorities both during the negotiations and while the Accession Treaty was being drawn up, as well as their daily work with the EU institutions immediately after accession.

As already mentioned, the process of putting together the Accession Treaty was led by the Division of EU Law, which domestically had a co-ordinating role in drafting the Estonian positions for the text of the draft of the Treaty, as well as for the explanatory note (see Chapter 9 - M. Kaljurand).

The role of the Division in advising governmental agencies
In order to transpose the EU acquis, domestic legislation was changed to guarantee the accordance of Estonian law with EU law. All governmental agencies
participated in this work. The assignment of the ministries was to guarantee the preparation and amendment of Estonia’s legislation on issues related to their area of governance. Since the Foreign Ministry’s area of governance did not include any legislation that required the transposition of the *acquis communautaire*, the EU Law Division had no direct assignments in this regard. However, the Division issued opinions regarding the legislation worked out by other ministries, which were forwarded to the Foreign Ministry for approval according to the consultation procedures required for the drafting of legislation.

Experts from other ministries also often approached the Division directly to get advice on various questions related to EU law, including on issues not even remotely connected to the Foreign Ministry’s area of governance. This unofficial consulting developed out of the personal contacts that had formed from official co-operation and due to the fact that the ministries had few lawyers specialized in EU law.

In addition to advising government agencies regarding the conclusion of international agreements and the adaptation of the *acquis communautaire*, the EU Law Division also had to issue positions in cases where the Europe Agreement was thought to be violated, which required a thorough analysis of EU law and domestic law. Positions had to be developed in various fields of activity, e.g. taxation, transport, competition, fisheries, the free movement of people and services, etc.

**The role of the Division in joining EU declarations and common positions**

The Europe Agreement established the principles for conducting political dialogue between Estonia and the EU and the principles for co-operation on issues related to the EU’s common foreign and security policy. Within the framework of political dialogue, the Council called upon the associated countries to join EU declarations, common positions and common measures. Estonia had to decide whether to join the given instruments, and if it was considered necessary, to guarantee their implementation. In cases where Estonia was asked to join a certain legal instrument, the position had to typically be prepared within only a few hours.

Deciding on all declarations, common positions and common measures was within the competence of the Government, and in order for Estonia to be able to join the given legal instrument; the EU Presidency forwarded the corresponding invitation to the Political Department of the Foreign Ministry. After an initial Estonian position was developed, the Division of EU Law was responsible for the required domestic procedures for the Government to make the decision. Since the relevant system in Estonia was time-consuming, it had to be changed in order to enable the Government to act more quickly. Therefore, the Division worked out the
International Sanctions Act, which in turn had to be amended after accession to the EU because of Estonia’s changed status.

Preparations for representing Estonia at the European Court of Justice and the Court of First Instance
Already during the EU accession negotiations, the EU Law Division made preparations to make sure that the Foreign Ministry would be ready to represent the country’s interests at the European Court of Justice and the Court of First Instance. For this purpose, the Division studied thoroughly the work of the courts. Domestic procedures were developed for the approval of Estonia’s positions in cases concerning Estonia or regarding other matters of interest being processed at the European Court of Justice and the Court of First Instance. To ensure the fulfilment of this assignment, a parallel division – the Division of the European Court of Justice – grew out of the Division of EU Law in the autumn of 2006.

After the EU Accession Treaty was signed in April 2003, the EU Law Division established procedures for appointing judges for these courts and assisted communication between the judges and the courts before they started their work in Luxembourg.

Some recommendations
In order for a country to cope successfully with EU related issues (be they strictly legal or purely political), government agencies should prepare their employees and recruit people with basic know-how of the EU. Even more importantly, there should be enough of these people so that no one is overburdened. Since a large number of experts on EU topics are involved in the negotiations, it should be guaranteed that there are other experts to deal with other EU topics, which are not directly related to the accession negotiations. Taking into account the particular way in which the Foreign Ministry’s work and rotation is organized, people should educate their employees on EU issues early to prevent a gap in know-how when staff members change.

Specialists on EU law in all ministries should be involved in the negotiations and all other EU related issues. Since after accession EU law will take precedence over national law, it is necessary to train all lawyers in EU law, so that they develop the skills to see the EU connection even in cases where it is not immediately evident. Lawyers working for a public authority of an EU Member State cannot successfully fulfil their tasks without knowing EU law, because, to a greater or lesser degree, it is related to almost every field of activity.

For a country striving to accede to the EU, it would be wise to organize basic EU training, as well as training on EU and domestic legal procedures in small and specific target audiences (the same goes for internal training), so that the employees can start to understand the nature and functioning of the EU without seeing the EU as something that is far removed from their own work, even if they initially lack any direct contact with the EU institutions.
16. Domestic Preparations for the Utilization of European Union Structural Funds

Priidu Ristkok, Adviser to the Minister for Regional Affairs 1997–1999, Director of the Regional Development Department of the Ministry of the Interior 2000–, Head of the Working Group on Regional Policy and Structural Instruments for the Negotiating Delegation

**Course of the preparations**

Preparations for the use of European Union structural funds in Estonia began in 1998 and continued until accession to the European Union in 2004. The accession negotiations turned out to be just one stage of the preparatory process, which ran from 1999 to 2002 parallel with other domestic preparatory activities.

Estonian authorities were first informed about EU structural funds by experts working in Estonia in 1996–1997 within the framework of the pre-accession EU PHARE aid programme. According to unofficial preliminary information the PHARE programme was, among other things, supposed to start providing financial and technical help so that the Central and Eastern European countries that wished to join the EU would be ready to participate in the EU cohesion policy.

At that time, knowledge about EU structural instruments was very limited in the Estonian civil service. People were aware that a regional policy existed in the European Union along with other policies, and they had heard the term “structural funds”, but not much more. As a first step, fact-finding visits were organized in 1997 to our close neighbours – Sweden and Finland. The main objective of these visits was to find out more about structural funds and to study the preparations these countries had carried out before accession. Since there had previously been contacts with Swedish and Finnish ministry officials these two visits turned out to be extremely useful. We got the chance to be openly and informally briefed about many processes and positions and had the opportunity to observe with our own eyes the nuances of administering structural funds in the regions of these countries. The detailed overviews of Finnish and Swedish experiences were later very useful.

The role of the accession negotiations throughout the course of the preparations was primarily to bring domestic legislation into accordance with EU law and prove that the Estonian State was administratively capable of properly implementing the support instruments.
In 1998, initial preparations for the accession negotiations were launched, but the work was not yet very intensive. More serious preparations were launched a year later, when, within the framework of the regional policy chapter, screening of legislation took place and compilation of the preliminary National Development Plan for utilizing the pre-accession EU support programmes (PHARE, ISPA, and SAPARD) was launched.

Preparatory work geared up in 2000, when the accession negotiations started with an exchange of positions between Estonia and the EU and the preliminary National Development Plan was completed. In 2001, serious work began on the administrative mechanisms for structural funds and on determining the fields of utilization for the aid. As of 2001, it was possible to use financial and technical aid from the PHARE programme for the preparatory work.

The most crucial period in the preparations was from 2001 to 2003. Various authorities co-operated to complete the Single Programming Document that was the basis for the use of structural funds. Administrative details were outlined (the division of work between institutions, various procedures, principles of financial management, etc.) within the framework of the accession negotiations. Many of the aspects related to administration were not defined until after the completion of the accession negotiations separate negotiations were held on the Single Programming Document during 2003.

In summary, it can be said that the role of the accession negotiations throughout the course of the preparations was primarily to bring domestic legislation into accordance with EU law and prove that the Estonian State was administratively capable of properly implementing the support instruments.

Thus, for instance, it was necessary to introduce the following into domestic law:

- Regulations for state aid and public procurements,
- Assessments of environmental impact,
- Multi-year budgeting,
- Financial control and auditing,
- Territorial and statistical units (NUTS: the Nomenclature of Territorial Units for Statistics) and
- A special Framework Law for the principles and organization of the utilization of structural instruments.

For the administration of structural funds it was also necessary:

- To establish a clear division of labour between various agencies and their responsibilities,
To demonstrate to the European Commission that the activities of various administrative agencies and other organizations are co-ordinated and based on the principle of partnership,

To demonstrate to the European Commission the capability of observing the principles of sound financial management,

To compile the Single Programming Document that is the basis for the utilization of funds, in other words, a multi-year strategy integrating various fields of activity for the acceleration of Estonia’s socio-economic development,

To create an IT-based monitoring system to evaluate the utilization and cost-effectiveness of the financial aid,

To work out the mechanisms and procedures for the selection of projects to be financed and payments to be carried out, as well as the financial control over these projects,

To demonstrate sufficient administrative capacity of various agencies.
What could have been done differently?

The European Commission has named Estonia as one of the most successful users of structural instruments – compared to the majority of other Member States, the financial support instruments allocated within the framework of the cohesion policy have been utilized faster. This is probably mostly due to the centralized structure of the implementation mechanism as well as the Government’s special attention to the utilization of structural instruments. Based on effective financial control, there have been only a few irregularities in the use of the financial instruments.

Retrospectively assessing the preparations, one must recognise that they took longer than expected and were far from simple. It was a long collective learning process. Often there was a lack of expertise, primarily in interpreting various rules and in understanding the general objectives of the EU cohesion policy. It seems that we could have had greater faith in Estonia’s own positive experiences in making use of pre-accession EU aid.

Retrospectively assessing the preparations, one must recognise that they took longer than expected and were far from simple. It was a long collective learning process. Often there was a lack of expertise, primarily in interpreting various rules and in understanding the general objectives of the EU cohesion policy. It seems that we could have had greater faith in Estonia’s own positive experiences in making use of pre-accession EU aid. Rules or requirements as a fact, without getting their more far-reaching or “hidden” goals or the mechanism as a whole. Therefore, it can be said that during the preparations, not much attention was paid to the substance of Estonia’s development (or to the question of “why”?). The work mostly focused on administrating the structural instruments (or the question “how”?).

As for the planning of administrative mechanisms, we also frequently lacked know-how. There was a regular exchange of information and experiences with other acceding countries and our close neighbours. We received a lot of help from various foreign experts and consulted with European Commission officials. One cannot underestimate the importance of all this. Yet it is not possible to exactly copy the experiences of other countries. Looking back now, it seems that we could have had greater faith in Estonia’s own positive experiences in making use of pre-accession EU aid. We could have let ourselves be influenced less by the opinion held by “older” Member States that the administration of structural funds was significantly more complicated than pre-accession aid. The similarity between the implementation principles is actually greater than it seemed at first glance.

Too little experience to differentiate the significant from the less significant resulted in quite a lot of useless work in the course of the preparations. Thus, for instance, we thoroughly analysed EU legislation that a few years later was replaced by new legislation; we also prepared an integrated development programme for three Estonian regions within the framework of the preliminary National Development Plan, although the whole of Estonia later became eligible for the use of structural funds.
The co-operation between various agencies went quite smoothly, although it should have been much more intense. This was especially true when preparing the multi-year strategic development plan that was the basis for utilizing the structural instruments. There was no central agency for planning strategic development in the Estonian governmental structure. The preparation of the development plan was, therefore, a joint effort of seven to eight ministries. The input from planners and academic circles was rather modest. Therefore, there was too little synergy between various fields of activity and few commonly agreed goals for development.

Despite the aforementioned bottlenecks, the preparation of structural instruments greatly contributed to the development of Estonia’s public administration. One must totally agree with the assessment of many “old” EU Member States that the added value of EU structural policy or its impact on the Government’s administrative practices has turned out to be just as important as the direct results of the financed investment projects. Also in the case of Estonia, the EU structural instruments have produced many positive “invisible” changes – strategic multi-year planning, the involvement of various interest groups in the shaping of governmental policy, the removing of “barriers” between agencies, more transparent administration of financial resources, and much more.

Recommendations based on Estonia’s experience
The main emphasis of the accession negotiations in the field of EU structural policy is on the legislation and administrative mechanisms. Just as important is to deal with the substance of strategic development planning. The existence of clear and focused socio-economic development goals is a basic precondition for the effective implementation of structural instruments; aid cannot be a goal in and of itself. The introduction of strategic planning is a time-consuming process that demands a lot of resources, but the existence of a well-considered development strategy that has been agreed among various partners helps to avoid many obstacles in the subsequent implementation phase.

With regard to all the other preparations, it is extremely useful to become directly familiar with the experiences of other countries. Reading various legal or official documents cannot replace fact-finding trips. Direct knowledge about practices used elsewhere is the simplest way to understand the objectives of the EU’s structural policy, get an overview of complicated administrative mechanisms and develop ideas to prepare an implementation mechanism that corresponds to the conditions in one’s own country. Of course, involving foreign experts can be use-
ful, too, provided that the experts are given detailed work assignments from the beginning and consultations are kept intense throughout the work. Experience has shown that finding competent experts is not at all easy and it often takes experts more time than thought to become acquainted with local conditions.

The successful use of EU structural instruments assumes close co-operation between many agencies. The creation of a functioning co-operation network and effective co-ordination mechanism is unavoidable. Depending on the administrative practices of each country, suitable means must be found for the elimination of administrative barriers. An agreed inter-agency division of labour and the designation of one agency with clear authority to co-ordinate the entire preparatory process are necessary for the smooth organization of preparations. It is practical to involve and constantly inform other partner organizations (regional and local governments, trade unions and business organizations, non-government organizations, etc.). However, it should be remembered that the main part of the preparations will still be carried out by governmental agencies.

The use of EU structural instruments assumes that the agencies involved have sufficient administrative capacity. Based on Estonia’s experience, the administration of structural instruments is more complicated than the implementation of domestic support schemes and brings along several new functions (e.g. financial control). Therefore, one must take into account the need to recruit additional officials and train them proficiently.

The experience of many countries (including Estonia) shows that no matter how thoroughly the preparations for the implementation of EU structural instruments have been planned and thought through, many important details only become clear once the instruments are implemented during the first years - there is no better way to learn than through practical experience.
17. Parliamentary Work during Estonia’s Preparation for Accession to the European Union

Tunne Kelam, Chairman of the Riigikogu European Affairs Committee 1997-2003

Creation of the European Affairs Committee
The Europe Agreement establishing an association between the European Communities and their Member States and the Republic of Estonia (Europe Agreement), signed in June 1995, launched Estonia’s accession process, which lasted for a total of nine years. On 1 August 1995, the Estonian Parliament (Riigikogu) unanimously ratified this treaty.

In January 1997, the Riigikogu decided to create a special committee to monitor and support the accession process. A 13-member European Affairs Committee (EAC) was formed. To stress the importance that the Estonian Parliament attached to the European integration process, the Vice-President of the Riigikogu (Tunne Kelam) was elected as the first Chairman of the EAC, a position he held from 1997 to 2003.

The main task of the EAC was to contribute, at the parliamentary level, towards achieving the Europe Agreement’s objectives. On the one hand, this meant co-operation with the Estonian Government: parliamentary control over the executive power included discussions of the Government’s positions. On the other hand, the EAC had to establish contacts with the European Parliament (EP) and to represent the Riigikogu in the Joint Parliamentary Committee with the EP. The EAC also had to maintain contacts with other EU institutions. The EAC also informed the Riigikogu of its activities in the Joint Parliamentary Committee and the issues brought forward therein. It also informed the public about the process of European integration.

The EAC listened to reports by Government members, senior officials and experts on progress in the European integration process and made recommendations to the Government on issues relating to their work in the European Union and the Association Council. Members of the EAC organized regular meetings with representatives of Local Governments as part of a programme to inform the general public about EU matters.

Estonia’s pre-accession efforts were more productive and relatively easy thanks to a political agreement, which set EU accession as a fundamental national goal.
The role of the EAC in the accession negotiations

The start of the accession talks also entailed changes in the assignments and work of the EAC. On 19 January 1998, the EAC presented the Prime Minister with its proposals regarding co-operation with the Government. The EAC’s proposal included the following points:

1. The Negotiation Strategy will be presented to the EAC by the Government for discussion and possible comments;
2. The Negotiation Strategy will be discussed by the Riigikogu;
3. Regular meetings of the EAC and the Prime Minister will be held to discuss the main positions of the negotiations. Relevant ministers and experts will be present at these meetings if so required;
4. The Government will regularly inform the EAC about progress and problems of the negotiations process;
5. The Government will provide the EAC with all important materials and documents regarding European integration in written form.

The Government respected these proposals to a large extent.

During the screening procedure, the EAC met regularly with representatives of the Government working groups as well as representatives of interest groups and NGOs. It was considered important to convey the position of the Riigikogu to these working groups. No less importance was attached to listening to the views of interest groups and social partners in order to foresee possible problems and find solutions in time.

On 4 June 1998 the first debate on Estonia’s integration into the European Union was held in the Riigikogu. The main speech was delivered by the Prime Minister; co-reports were made by the Chairman of the EAC, the Minister of Justice and the Minister of Agriculture. The EAC started to inform the Parliamentary Foreign Affairs Committee twice a year and the plenary of the Riigikogu once a year about important EU integration issues. This led to a full-scale EU integration parliamentary debate on 19 January 2000 - an event that became a tradition.

The work of the EAC was mainly conducted in the format of weekly meetings on Monday, which took place early in the afternoon after the meetings of the factions, and before the plenary session was convened at 3 pm. Later, as the EAC’s workload increased, additional meetings were scheduled for the days that Parliament sessions were not held (Friday mornings).

At the end of the 1990s and during the first years of the new century, the EAC was focused on scrutinizing the accession negotiation process, assessing the current situation at the talks and developing the Parliament’s positions regarding specific negotiation chapters. The role of the EAC was to be the driving force for the harmonization of Estonia’s legislation and the co-ordinator at the parliamentary level. To be able to fulfil this task, it was crucial for the harmonization of legislation that the committee include representatives from the Riigikogu’s most important committees. At the same time, the EAC also had to proportionally
represent the Riigikogu factions, which delegated their representatives to the committee. It was not possible to achieve ideal harmony between these two principles, however, the goal was essentially achieved. In the case of urgent and problematic sections of legislation, the EAC invited the chairmen of the relevant Committees and the Government’s chief negotiator to attend their sessions, with whom the situation and possible deadlines for the adoption of critical legislation were discussed.

During the harmonization of Estonian legislation with the EU acquis, the key issue was the relation between tempo and quality. The Parliament could not become a bottleneck in the harmonization process, while the committee also felt that the quality of the laws could not suffer because of the rapid pace. Thus the EAC occasionally criticized the ministries, when the submitted drafts at times needed to be extensively redrawn by the Parliament or submission to the Parliament was delayed due to co-ordination problems between the ministries.

Although the EAC met twice a year with the Prime Minister and regularly with Ministers in charge of currently negotiated chapters, the most important co-operation partner for the Committee was the chief negotiator Alar Streimann. The EAC developed a very good working relationship with him. Constitutional differences between the partners did not get in the way of national priorities. Alar Streimann visibly matured in his new and extremely demanding role and in the course of the discussions, each chapter actually turned into a shared concern that both partners tried to solve at their own level.

The EAC provided its assessment and approval of Estonia’s positions before their submission to the EU. An understanding was reached that changes in the Government’s positions were to be approved by the EAC, although the Parliament avoided taking very rigid positions in order to allow the negotiators some flexibility. Usually the Government’s positions were put to a vote in the committee, as were amended positions. The voting results were mostly consensual - a result that reflected the serious consultations that preceded the voting and the fact that Estonia’s national interests were taken into consideration.

The Copenhagen Summit in December 2002, which marked the end of Estonia’s accession talks, appropriately coincided with the session of the Joint Parliamentary Committee of the Riigikogu and European Parliament in Brussels. This provided the EAC members with the opportunity for on-the-spot consultations with Estonian Government leaders, the Foreign Minister and the chief negotiator. The Estonian parliamentary representation was thereby able to give its approval to the final agreement reached at the negotiations.
EAC co-operation with the European Parliament
As early as November 1995, the first meeting of the European Parliament and the Riigikogu took place in Estonia. The EP delegation for relations with Estonia, Latvia and Lithuania, the Riigikogu Foreign Affairs Committee and representatives of the Riigikogu EP co-operation group participated in this meeting. At the invitation of the EP delegation for relations with Estonia, Latvia and Lithuania, the second meeting of the EP and the Riigikogu took place in March 1996 in Brussels, where the Riigikogu was represented by a delegation formed on the basis of the Foreign Affairs Committee, headed by its Chairman Eino Tamm. This was followed in September 1996 by the third inter-parliamentary meeting of the EP and the Riigikogu in Tallinn and Tartu.

In the European Parliament, a special EU-Estonia Joint Parliamentary Committee (JPC) delegation was formed on 29 January 1997, headed by MEP Kirsi Piha. The EAC also formed its delegation to the JPC in order to start regular co-operation with the European Parliament. The delegation was headed by the Chairman of the EAC.

On 21–22 May 1997, the first meeting of the EP Estonian delegation and the Riigikogu delegation (on the basis of EAC) took place in Brussels. Among the issues under discussion were: the political and economic situation in Estonia, social problems, issues of human rights and investments, Estonia’s preparations for joining the EU, outcomes of the EU Intergovernmental Conference, the PHARE programme, security policy and preparations for forming the EU-Estonia Joint Parliamentary Committee. The second meeting of the EP Estonian delegation and the Riigikogu delegation (on the basis of the EAC) took place in a joint session to constitute the EU-Estonia Joint Parliamentary Committee on 27–29 October 1997 in Tallinn. The meeting’s agenda included: perspectives for the entry into force of the Europe Agreement, the enlargement of the EU and Estonia’s political, economic and social development.

As a result of every JPC meeting, a common document - Recommendations to the EU institutions and to the Estonian Government - was adopted.

The main topics of discussion during parliamentary co-operation were the co-operation partnership strategy between the EU and Estonia, the harmonization of Estonian legislation with the EU acquis, the Estonian Government programmes for the transposition of the acquis communautaire and current developments in Estonia and the EU.

EAC co-operation with the Parliaments of the EU Member States
For Estonia, an important international channel of parliamentary co-operation between the EU Member States and candidate countries was the COSAC Conferences (the biannual meetings of the special committees dealing with European affairs from the EU Member State Parliaments, which were hosted by the EU Presidency). Estonia first participated in the COSAC during the Luxembourg EU Presidency in December 1997, when the European Council decided to start
accession negotiations with Estonia and enable enhanced co-operation of the EU with some candidate countries. Subsequently, the pan-European COSAC Conferences, which took place twice a year, became an important opportunity to connect with the parliamentary associations of the EU Member States and present positions important to Estonia and garner support for them.

The COSAC meetings fostered strong ties and co-operation between Estonia’s political parties and pan-European parties. A need developed to define oneself on a European scale and to create permanent relations with the corresponding associated parties in other countries and their umbrella organizations, such as the European People’s Party, Party of European Socialists, European Liberals, etc. The Estonian political parties that were able to conclude these ties earlier and define themselves on the European political scale achieved a competitive advantage over others and found influential allies in promoting national interests. It was extremely important that Estonian political parties be represented in the most important pan-European parties.

**EAC co-operation with the parliaments of the candidate countries**

An interesting and very effective practical form of international co-operation also developed from a meeting of the representatives of the Committees for European Affairs of the “5+1” countries invited to attend the Luxembourg COSAC in 1997 (the so-called Luxembourg Group - see Chapter 2 – K. Sillaste-Elling and Chapter 12 - K. Saarsalu-Layachi). These 5+1 Group meetings took place, in turn, twice a year in the capitals of all the participants. In October 2000, the meeting took place in Tallinn, which resulted in a joint declaration sent to the President and Minister of European Affairs of France (the Presidency) as well as to the President of the European Commission.

The 5+1 meetings created a positive competitive atmosphere that provided valuable opportunities to compare the status of one’s own country with that of the other candidate countries, as well as to exchange experiences in EU integration. As a rule, presentations at these meetings were made by the chief negotiators and other experts from the Government of the hosting country. Each delegation presented its own overview of the state of their EU accession.

**In summary**

Estonia’s pre-accession efforts were more productive and relatively easy thanks to a political agreement, which set EU accession as a fundamental national goal. Against this background, the EAC became a “mini-parliament” distinguishable from the “large” parliament by a mostly consensual approach to national interests, which were treated as common interests regardless of which coalition was in power at the moment. In the EAC, partisan conflicts receded to the background. Almost without exception, the committee members perceived the need to send as strong and unanimous a message as possible about Estonia to our partners. Nevertheless there were a few differing opinions, which were recorded at some
JPC meetings regarding the future of Estonia’s agricultural policy. The votes in the committee to approve the Government’s negotiating positions were more or less consensual, regardless of prior questions, worries or doubts. During the pre-accession period, when nothing was guaranteed, the executive powers received strong support from the Parliament through the EAC, which provided democratic legitimacy for the Government.

The EAC had a crucial role in carrying out the main pre-accession task, which was the harmonization of legislation with the EU *acquis communautaire*. The EAC co-ordinated the work of the relevant committees and watched over the accession schedule by ensuring that the accelerated pace of passing legislation did not interfere with its quality.

On numerous occasions the EAC’s co-operation with the European Parliament and, through the COSAC Conferences, the Committees on European Affairs of the Member States, helped ensure that joint parliamentary bodies adopted helpful positions (for instance, the Joint Statements of the JPC), which the executive power could then use to support its positions in the course of the negotiations. It was generally easier to lobby Members of the European Parliament and COSAC delegations than Governmental representatives and Commission officials and convince them to adopt favourable positions toward Estonia by dispelling prejudices and explaining questions that developed from hostile disinformation that came from the East.

The work of the EAC gained broader resonance with the international conferences titled “Estonia on the Way to a Changing Europe” that took place every autumn from 1996 to 2002 and were organized together with the *Riigikogu* leadership. Similar topical regular conferences did not take place in the other candidate countries. Through them, the Estonian Parliament was able to “brand” itself internationally, with a double impact: the conferences brought influential politicians from the European Parliament, as well as the Member States and candidate countries, to Estonia, who developed first-hand knowledge about Estonia and shared with us their experiences. On the other hand, these conferences were also open to Estonian government officials, universities and non-governmental organizations, which enabled them to more effectively connect with the European integration process. The “Estonia on the Way to a Changing Europe” conferences became increasingly popular from year to year as a regional international event. It is regrettable that the *Riigikogu* leadership did not find the will to continue them after the successful completion of the accession negotiations.

The EAC’s activities and co-operation with the executive power constitute a good example of how a demanding national task – to bring a country applying for
membership up to EU standards - becomes an incentive for the strengthening of democracy, the rule of law and co-operation between different powers. The EAC’s activities made systematic parliamentary control over executive power routine, although this can still not be considered satisfactory or equal partnership in all issues. The Parliament became increasingly aware of its role and responsibility in the accession process and developed into a strong co-operation partner for the Government. At the same time, the Parliament also discovered its new opportunities in the field of international parliamentary communication and co-operation.

The successful completion of the accession negotiations created the need for the EAC to reorganize its work as a parliamentary body for European affairs in an EU Member State. The corresponding law was passed in February 2004. The most important change consisted of the fact that the European Union Affairs Committee (EUAC) has the authority to take positions on behalf of the Riigikogu on European Union affairs, which are binding for the executive power. The number of EUAC members increased slightly in order to include representatives from the smaller Riigikogu factions. A greater challenge for Estonia’s relatively young and small (101 Members) Parliament was to create an understanding among the Members of Parliament that European Union issues are actually Estonia’s domestic issues, not external relations that concern only a limited number of Members of Parliament. Only by recognizing that EU questions require noticeably more time for the acquisition of information, analysis, and developing one’s positions, can the Riigikogu guarantee greater legitimacy of the EU decision-making process and bring it closer to the citizens. This is directly linked to the position worked out by the Convention on the Future of Europe that national parliaments have the right to be informed about the Commission’s initiatives at the same time as the Governments and to assess these initiatives based on the principle of subsidiarity.
18. The Role of the Foreign Minister’s Consultative Committee in the European Union Accession Process

Liina Teras*, Executive Secretary of the Consultative Committee 2000–2003

The Foreign Minister of Estonia, as the Head of the negotiating delegation, formed a Consultative Committee which played an important role in Estonia’s accession talks with the European Union. On the one hand, this was an advisory body that helped formulate Estonia’s positions in accession negotiations by analysing and discussing the likely impact of accession. On the other hand, the Consultative Committee enabled the Government to inform non-governmental organizations and social partners of the course of the negotiations and the changes that would accompany accession.

The idea of creating the Consultative Committee developed during the initial phase of the negotiations. Since at that time, however, there was no overview of the extensive EU acquis and the topics requiring analysis and discussion had not yet become clear, its establishment was postponed. Nevertheless, there was a practical need to establish the Consultative Committee – it was very difficult for the Members of the Government and officials to determine and analyse all the problems arising from accession without involving interest groups and taking their positions into account. The founding meeting of the Committee took place on 16 November 1999, when the Standing Rules were approved and the Chairman and Vice-Chairman were elected. Officially, the Consultative Committee, as an interim collegial advisory body, was created by the Foreign Minister’s Order issued on 29 November 1999.

The 30 members of the Consultative Committee included EU specialists and representatives of academic circles, professional associations and non-governmental organizations, as well as opinion leaders. The selection of the members of the Consultative Committee and the proposal for joining the Committee were made by the Foreign Minister, with the goal of forming a body which was independent of the governmental structure. It was meant to include representatives from the most important fields of activity in Estonia and be recognised by the

* The views expressed are entirely personal and may not be attributed to the institution the author is belonging to.
public. The Consultative Committee included amongst others the Heads of public universities, trade union representatives, representatives of federations of employers, non-profit organizations, large enterprises and small and medium-size enterprises (SME’s), banks and unions of travel agencies, associations for lawyers, attorneys and journalists, as well as representatives of farmers, scientists, local governments and ethnic minorities. The Chairman of the Board of the Estonian Chamber of Commerce and Industry was elected Chairman of the Consultative Committee and the Vice-Chairman was the Deputy Head of the Estonian Delegation for the Accession Negotiations (chief negotiator). A diplomat from the Ministry of Foreign Affairs was appointed as the Committee’s Executive Secretary.

The tasks and working regulation of the Consultative Committee were established by the Standing Rules, pursuant to which the Committee was to discuss Estonia’s positions for the accession talks and make proposals to the negotiating delegation for achieving better results. It was also the Consultative Committee’s task to study the impact of EU accession by determining the matters that required more precise analysis. Another important task of the Committee was informing the public of the impact of EU accession and starting a discussion about this.

The Consultative Committee meetings, which became the main working method, were presided over by the Chairman of the Committee. The views and proposals presented during the meeting were recorded in the minutes and submitted to the main delegation, if necessary also to the Parliament and Government. According to the Standing Rules, the Consultative Committee met when necessary, but not less than once every two months.

From November 1999 until the accession referendum in September 2003, fourteen regular Committee meetings and four extraordinary meetings with high-ranking European Commission officials took place.

At every regular meeting, the Foreign Minister and chief negotiator presented an overview of the current state of the accession talks, which was followed by a discussion regarding the problems of a specific negotiation chapter. In addition, presentations were also given on research results and the Committee defined topics for further research. The Committee posed questions and made proposals to the negotiating delegation. Upon the suggestion of the members of the Consultative Committee, Prime Minister Mart Laar was also invited to attend a meeting, where he presented the Government’s assessment of the course of the negotiations and answered the Committee members’ questions.

At the extraordinary meetings with the President of the European Commission Romano Prodi, the Commissioner for Enlargement Günther Verheugen and the Commissioner for Employment and Social Affairs Anna Diamantopoulou, the members of the Consultative Committee had the opportunity to obtain a first-hand overview of the EU’s positions, the more important problems in the negotiations with Estonia, the EU’s political developments and the enlargement process. The Committee members were also able to submit questions or proposals to the high-ranking EU officials, express opinions and receive immediate feedback.
Although these meetings were not part of official negotiations, they were still important for explaining mutual positions.

While discussing the activities and contribution of the Consultative Committee to Estonia’s accession process, one should highlight the role of the Committee in analysing the impact of accession, informing the public and preparing for the referendum.

**The role of the Consultative Committee in the accession negotiations**

Since the Consultative Committee was created with the goal of advising the negotiating delegation and helping to formulate Estonia’s positions, the main activity of the Committee understandably focused on dealing with topical problems in the negotiations. At almost every working meeting, the agenda included an important negotiations chapter and the delegation member in charge made a presentation on the acquis of the chapter, the problems related to its transposition and Estonia’s current positions. Thereafter, the members of the Consultative Committee had the opportunity to pose questions and make proposals for either raising additional issues or requesting new derogations or transition periods at the accession negotiations. In this way, the Committee discussed Estonia’s positions on the chapters regarding agriculture, energy, taxation, the monetary union, regional policies, employment and social affairs, the free movement of persons, financial and budgetary provisions and environmental policies.

**The analysis of the impact of accession**

Even before the Consultative Committee was created, entrepreneurs approached the negotiating delegation with a proposal to request the continuation of tax-free shopping for ferry passengers in the framework of the taxation chapter. This initiative confirmed the need to create a structure like the Consultative Committee, because the Government itself did not have a sufficient overview of all the possible consequences of accession on various interest groups. Every proposal to request derogations or transition periods had to be weighed separately. It was necessary to assess its impact on Estonia’s economy, competitiveness, employment, state budget, inflation, etc., in order to decide on the importance of the specific request for Estonia and on the probability of its success. In order for the research results to be clear and unequivocal, the Consultative Committee decided that the tasks needed to be defined as precisely as possible when commissioning research. The Committee also emphasized that the conclusions needed to be clearly articulated and the author needed to be involved in the presentation of the research so that the Committee members could pose additional questions if necessary.

The following research papers were presented and analysed at Consultative Committee meetings: The Impact of Renouncing the Free Trade Agreements on the Estonian Economy; The Competitiveness of Estonia’s Food Industry in the EU; The Possible Economic Policy Instruments for the Harmonization of Agricultural
Produce Prices with EU Prices; The Impact of Abolishing Tax-Free Trade on the Estonian Economy; The Independence of Judiciary; The Failure Scenarios of the Accession and the Impact of a Possible Negative Outcome of the Referendum.

Informing the public
The Consultative Committee made an important contribution to informing the public about the impact of EU accession and in planning a broader information campaign. Having listened to many presentations regarding the strategy, the available budget and possible target groups for EU-related information campaign, the Consultative Committee recommended, among other things, to include the EU as a subject in the curriculum of secondary schools, recruit and train information experts and increase the allocations from the state budget for the campaign. The Committee also recommended that greater attention be paid to the eurosceptics, including providing them with more specific information and responding to their arguments.

The Consultative Committee also decided to form a working group made up of its own members in order to outline the initial assignment for an analysis, which was to establish the type and the form of information needed by the public regarding the EU and the accession negotiations.

The work before the referendum
One of the most important contributions of the Consultative Committee in informing the public was the information campaign before the referendum. With the referendum in mind, it was decided at the beginning of 2001 to carry out a study about possible so-called failure scenarios regarding the enlargement. In other words, what would happen to Estonia in the political, economic, and social context if the EU accession was postponed for an indefinite period or not take place at all, for example, due to a negative outcome of the referendum. At subsequent meetings, various issues were raised that needed to be covered by the study. Possible failures due to the postponement or cancellation of the accession were discussed, as well as the likelihood of their realisation. The study was completed by the end of 2001 and it was also presented to the media at a press conference. About two years later, a few months before the referendum took place, the Consultative Committee decided to compile yet another study, which was based on one of the earlier study’s scenarios, i.e. what would happen if Estonia said “no” to EU accession in the referendum. Based on the results of this second study, immediately before the referendum, the members of the Consultative Committee addressed the public with the goal of convincing those who were undecided or did not plan to vote in the referendum.

An assessment of the Consultative Committee activities
When retrospectively assessing the work of the Consultative Committee during its four years of activity, a positive aspect that should surely be noted is that the
creation of the Committee and its activities made the accession talks more transparent and, in turn, helped the negotiating delegation win the public’s trust. The Consultative Committee was primarily a dialogue between the Government and various interest groups, which functioned well because both sides were interested in achieving a better outcome at the negotiations. It is quite probable that some important questions would have been ignored in the course of the negotiations if specialists had not raised them in time.

One should also not underestimate the Committee’s role in deciding on the need for research papers, commissioning these papers, critically analysing their results and making proposals based thereon. The Committee’s great advantage was the diversity of its members and their broad know-how as well as the fact that the various interest groups were represented by their chairmen who had the authority to make proposals on behalf of their members.

Assuming that the members of the Consultative Committee, as representatives of professional associations, various unions and umbrella organizations, informed their respective members of the Committee’s activities and the accession negotiations process, one can claim that this was a unique mechanism for co-operation of this scale between the Government and the third sector.

Since an objective assessment also requires that shortcomings be highlighted, it should be noted that the activity of the Consultative Committee was often inhibited by a lack of time, both for the members and the negotiating delegation. Since the membership was quite large and included mostly busy top executives and publicly well-known persons, it was quite natural that the attendance at meetings often did not reach half of the membership. Also, the initial plan to meet at least once every two months was not actually realized due to the busy schedules of the Foreign Minister and the members of the Committee. Nevertheless, all the Committee members were constantly informed about the Committee’s activities even when they could not attend the meetings because every meeting was recorded in the minutes which were then forwarded to all the members. In-between meetings, the members could also propose new themes for the agenda by sending them to the Executive Secretary of the Consultative Committee.

Lack of time might also explain why the Committee members were not particularly active in proposing new subjects and questions for discussion. Sometimes the meetings were even postponed due to a shortage of questions that needed to be discussed. On the other hand, occasional extraordinary meetings of the Committee were convened due to visits by high-ranking foreign guests. Due to these
extraordinary meetings, the work of the Consultative Committee became more attractive, by creating more interest amongst Committee members for the opportunity to get involved in the negotiations. This led to more active participation in the Committee's work.

On the more critical side, some misunderstandings regarding the status and authority of the Consultative Committee should also be mentioned. The idea of the Foreign Minister was to convene an advisory body that would issue recommendatory proposals rather than binding resolutions. In practice, however, the Committee often interpreted its decision-making rights to be much greater by formulating many of its proposals as binding ones for the Government. Thus, for example, the Committee obligated the Government to start drafting legislation, or called Ministers and senior officials to hearings. Similarly, attempts were made to raise questions not related to the negotiations within the framework of the Consultative Committee, thereby deviating from the objectives stipulated in the Standing Rules. Luckily, this tendency only appeared in the initial phase of the Committee's activities.

In summary, the activities of the Consultative Committee can be considered to have been successful in every way. Thanks to this forum, Estonian society received information through various interest groups regarding the changes they could expect from the EU accession. At the same time, it gave the public an opportunity to inform the negotiating delegation about their problems. The Committee's activity helped to define Estonia's positions at the accession talks and get people's approval for EU accession.
19. How We Communicated Estonia into the EU


“Now, here you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that.”

Lewis Carroll, “Through the Looking Glass”

Communication - both at home and abroad - is one of the most important components of the European Union accession process. The domestic audience wants to know what changes to expect and what reforms are planned, what the Government’s negotiating positions are, and how the talks are progressing. Progress in the talks is also of interest to foreign journalists. The main interest for the candidate country is to create a positive image abroad. This is a serious challenge and requires great effort on the part of communicators.

Who Does What
Communication related to the European Union can be divided into three large parts - information about the negotiations directed both at domestic and foreign audiences, introducing one’s country and creating a positive image among EU Member States and informing the domestic audience about the European Union.

Before being invited to the negotiations in December of 1997, public relations work on EU issues was relatively modest in Estonia. This task fell mostly to the Ministry of Foreign Affairs and the Prime Minister. Domestic messages were general and expressed the consensual wish of the political powers at the time to join the Union. The Foreign Ministry dealt with communication abroad. We had to be visible in the EU and differ from the other candidate countries. In 1997, which was an important year for Estonia, the Foreign Minister visited only EU Member States. Public events at universities or think tanks, press conferences and interviews with journalists were always included in the program. Our goal was to convince the Member States and their publics that Estonia is ready to start accession negotiations.

By the time the accession negotiations started in March 1998, it was clear that the Foreign Ministry, responsible for EU communication at the time, would not be able to cover all aspects of the public outreach with the existing person-
nel, since spreading information about the EU is a huge job involving all spheres of life. Hence it seemed logical to give the leading role to the Office of the Prime Minister. Based on Sweden’s experience, the decision was made to transfer the domestic EU communication to the Office of the Prime Minister, where a European Union Information Secretariat was founded (see Chapter 24 - P. Palk). Naturally, however, communication abroad remained in the hands of the Ministry of Foreign Affairs, as did reporting on the accession talks, since the “hub” of the negotiations was located in the Foreign Ministry. Assignments inside the country were divided clearly and explicitly.

A Whole New Ball Game
With regard to the negotiations, we believed that it was crucial that the flow of information be constant and unequivocal and that it should come from a single source. The relevant ministries had to agree to this. This somewhat undemocratic decision was based on a desire to concentrate the flow of information and avoid confusion regarding the content and timing of messages. There was, of course, close co-operation with other ministries, but information about the negotiation process as such was available from only one source and one phone number. In time, this decision proved to be right.

Before the start of the accession negotiations, we were faced with the question - to what extent should our positions be made public. After lengthy discussions, we decided in favour of transparency and made public more or less all of our positions so that those who wished to could follow the progress of the negotiations and a public debate would develop.

At the start of the accession process, communication took place primarily through the press, who was an interested and willing co-operation partner. We started by producing thorough fact sheets regarding each negotiation chapter and Estonia’s positions, and arranging press briefings. Briefings for Estonian journalists based in Brussels were held before each negotiation round. Journalists at home were briefed after each round. The briefings were carried out by the chief negotiator together with relevant experts. We created an open atmosphere and provided a large amount of information.

The entire communications toolkit was put to use to inform the domestic public - press releases, thorough background materials, a special website in the Foreign Ministry’s Internet environment, press conferences and briefings, interviews, opinion articles, press visits, etc. Press visits organized primarily to Brussels, but also to the Member States and candidate countries, turned out to be very successful.
It is significantly easier to understand the EU and intelligibly communicate what is happening there once you have seen the institutions and people with your own eyes. Meetings with foreign journalists were most useful as they carried with them the flavour of Europe’s top journalism and relevant experience. For Estonia, accession to the EU and NATO was taking place simultaneously, thus we made many combined visits to Brussels to introduce both organizations. Thanks to these visits journalists gained an understanding of the big picture, since, from time to time, the two accession processes were integrated and the same homework had to be done to achieve both objectives.

As the negotiations progressed, we had to diversify our publicity work, since the areas under discussion required the Government to take serious obligations. Communication through the press remained central, but increasingly in-depth explanations were needed regarding the negotiating fields. Public outreach
became more important in domestic communication – talks, roundtables, meetings with the public – because many target groups (farmers, entrepreneurs, those involved in the fishery sector and oil shale industry, etc.) expected and needed specialized information. Capable spokespersons and opinion leaders who were trusted by the public were chosen for this.

In this period, a new element appeared in the public relations work – the more precise formulation and fine-tuning of the message. While earlier we communicated the plain facts, now the political positions of the ruling coalition and opposition played their part in the formation of positions. This in turn brought along the need to formulate our positions more convincingly and forcefully.

An Unknown Quantity
It is impossible to overestimate the importance of the work done with foreign journalists during the accession process, because the governments of other countries are also guided by public opinion, which to a great degree is shaped by the press. The situation is complicated as the candidate countries are often relatively unknown and foreign journalists view the entire process against several background systems – previous accessions, comparisons of the candidate countries, the development and future of the EU in general, the attitudes of their own countries, etc. In order to be in the picture at all, one must work really hard.

Journalists from EU Member States were quite interested in Estonia at the beginning of the accession negotiations but this interest was not entirely benevolent. Rather, it was based on curiosity toward the unusual, since the label “former Soviet Republic” was inevitably attached to Estonia. We were faced with the challenge of shaping an image of Estonia in the foreign press as a serious and reliable country that is prepared to conduct accession negotiations and successfully complete the talks and domestic reforms.

The interest of the foreign press had to be maintained and increased as much as possible. Brussels offered the best opportunities with a press corps of around a thousand members. The aforementioned toolkit, however, had to be used very carefully. One has to take into consideration that journalists are constantly flooded with information and for foreign journalists there are always more important things than the aspirations of a small country. Therefore, the information to be distributed to them had to be wisely selected and only the most important pieces were sent directly to their e-mail inboxes. At the same time, there must always be ample information available on the website, even information, which may seem insignificant at first glance. Anyone who is interested (not only journalists) should be able to find something to suit them.
The most effective way to keep foreign journalists engaged was to pick out information about one's country that the old Member States might like, or which the press could present as an example for their own country. For Estonia, the first case in point was the unconditional adoption of veterinary and phytosanitary requirements in the agricultural chapter, which was widely reported in the European press. Another example was Estonia’s innovative flat tax system, which the European press thought was worth highlighting as a model. Also, the press is always interested in curiosities, and in Estonia’s case it was our desire to preserve the right to hunt lynxes, bears and wolves, which warranted several articles in the Financial Times and unexpectedly created support for us.

Quite a complicated trick was generating enough interest in foreign journalists toward Estonia to prompt them to come and see our country with their own eyes. In this case, the toolkit unavoidably had to include a list of brilliant spokespersons and contacts to whom journalists could be directed.

At the same time, it was imperative not to forget the constant need to distribute and explain the basic facts about one's country, be it location, language, or, in the Estonian case, the habit of skiing uphill (that is: cross country skiing as the most popular sport). There is no point in hoping that people already know about you or recognize you. We kept on and on answering politely and thoroughly all sorts of questions. We were constantly asked if Estonia had any nuclear power plants (the answer is no) and is it really possible to pay for parking with your mobile phone (the answer is yes and we explained how it was done). Detailed fact sheets compiled by the Press Department at the Foreign Ministry were a great help. The topics covered by these fact sheets ranged from basic facts to cuisine and fashion.

One could not underestimate the interest of university students and school pupils toward Estonia. Many student papers formed the basis for serious scientific research to be published and later used for reference. Thus, a mistake made by a student can be repeated and become rooted. Correcting the error later may often prove to be impossible. Therefore, we helped all those who approached our EU mission and supplied them with information and relevant explanations.

**Have Your Tail Up**

Pre-accession communication must achieve two large objectives – domestic support for the Government’s activities and a good image for the EU candidate country abroad. Public relations work is complicated and setbacks at home and abroad are inevitable.

To the public, it always seems that there is too little information. On the other hand, doubling the quantity of information may not necessarily mean that the
amount of information increases in the eyes of the public. The information must be widely available and well structured. If you hear complaints that there is a shortage of information, communication plans and methods must be reviewed and adjusted if necessary.

Progress in the accession negotiations and public support for accession are not directly connected. Although Estonia was successful at the negotiations and defended its positions well, public support for accession to the EU dropped lower and lower. The reason lay in the general (un)popularity of the Government at the time, the bad news coming from Europe (spread of mad cow disease and foot and mouth disease) and the characteristic scepticism of Estonians. The four main allegations against the EU were as follows: we have just left a common union, now we're rushing into another one; there will be a massive influx of foreigners into Estonia; Estonian language and culture will disappear; and all prices will sharply increase. These were emotional rather than rational reasons that cannot be countered with facts alone. To overturn false understandings, positive statements, themselves often emotional, were needed from opinion leaders that people trusted. Our experience shows that an opinion leader can be anyone from a politician to a pop star or athlete. Often the opinion of a person not directly connected to domestic or foreign policy carries more weight. There is always the suspicion about politicians or officials that they are motivated by self-interest, while a beloved actor or writer does not arouse the same suspicions.

Factors that at first glance seem to be unrelated often have a hand in shaping public opinion. An example: after Estonia’s win at the Eurovision Song Contest in 2001, public support for EU accession in Estonia increased overnight by 10%, and there was a noticeable increase of interest toward Estonia from, for example, Belgian, French, German and British journalists. We spun positive news and planted as much diverse information about Estonia as possible in fertile ground. Unexpected opportunities that may be of help should not be underestimated, but skilfully used to one’s advantage. The ultimate peg would definitely be winning the European Football Championship.

Of course, one cannot count on luck but must carry on relentlessly with the regular publicity work. Fortunately today’s communicators enjoy a large number of new resources and opportunities, thanks to technological developments and the triumph of new media.
20. The Estonian Mission to the European Union from the Start of the Accession Negotiations until Accession to the European Union

Margus Rahuoja, Co-Secretary for Accession Negotiations at the Estonian Mission to the EU 1999–2002, Deputy Head of Mission 1999–2004

History has demonstrated that the Government's steady support for accession to the European Union is the most effective guarantee for successful and rapid EU accession negotiations. It's also helpful for the negotiating team from the capital as well as the Mission to the EU in Brussels to have a clear mandate to conclude agreements. Co-operation between the two proceeds smoothly if based on a clear division of labour. Of course, the negotiation process is long and sometimes laborious, but since the people involved have the opportunity to participate in something as grand as nation building, they are thoroughly committed to the common goal of membership.

During the entire period of almost 5 years that Estonia was actively participating in the accession negotiations, our Mission to the EU in Brussels played a multi-functional role. It created networks, developed contacts and exchanged information. But it also served as a stress reliever for both partners in Brussels as well as for colleagues and opinion leaders in Tallinn.

Before the beginning of negotiations in the summer of 1999, Estonia's relatively small Mission of about 12 members dealt primarily with issues arising from the implementation of the Europe Agreement. During the negotiations, it grew into a multi-level organization of about 80 people. The Permanent Representation of Estonia to the EU was opened in May 2004.

This article describes the processes that affected the work of the Mission from the start of the negotiations until accession. It also provides a retrospective glance at the Mission's main activities and co-operation with major partners at that time. It also includes some assessments of the Mission's work.

**Government support**

The Government’s day-to-day support for enlargement was extremely important for successful work in Brussels. This support, or its absence, could be felt at the negotiations in as short a period as the course of a few weeks. If the attitude
was supportive, then there was intense work in Brussels, significantly more people flying back and forth between Tallinn and Brussels and good progress was made at the negotiations. There was hope and energy in the air. Looking back, one can say that Estonia was lucky because our governments considered accession to the EU to be important and the majority of them confirmed this in their daily decisions.

In parallel with the negotiations, Tallinn worked hard to harmonize domestic law with the European Union *acquis*. The pre-accession schedule for the harmonization of legislation was also a subject of negotiations. The opening of many negotiating chapters and even more their closing, depended on the speed of domestic harmonization.

When at some point, the Government did not consider harmonization to be a priority, did not submit draft laws to the Parliament for discussion or passage and the Ministries focussed on other issues, the work supporting the negotiations decelerated and inevitably the negotiation process in Brussels also faltered. Unfortunately, as a logical consequence, the trustworthiness of the negotiators and mandate was called into question in the eyes of our partners, since the agreements that had been concluded were not followed through on.

Estonia experienced such a period in 1999, when the EU accession negotiations were not regarded as the most important priority for the Government. First, the usually rapid flow of feedback to EU proposals or inquires decelerated. Instead, the need for fulfilling the obligations that had already been accepted was called into question, and thereafter, the negotiations were purposely prolonged. Experts did not travel to Brussels as often and official position papers presented uncompromising positions. As a consequence, great difficulties developed for Estonia in the already “closed” fisheries chapter. The Member States had agreed to the closing of the chapter, only due to the trust that prevailed toward Estonia and the official promises that were given. However, when it turned out that Estonia did not even plan to fulfil the accepted obligations according to schedule (the Government had no wish to hurry with the surveying of fishing boats and the creation of the Register of Fishing Vessels), the Commission and the EU Presidency threatened in 1999 to reopen the fisheries chapter, review the concluded agreement and present more severe demands from the EU side. Estonia would have been politically condemned. The Government took the “dark clouds” that arrived from Brussels seriously and in spring-summer 2000 accession to the EU once again became Estonia’s most important priority.

History has demonstrated that the Government’s steady support for accession to the European Union is the most effective guarantee for successful and rapid EU accession negotiations. Since Estonia was acceding to the European Union and not vice versa, the framework for the accession negotiations was quite rigidly established by the EU and was in the competence of the EU Presidency.
The everyday planning of the Mission's work, what topics were dealt with and when

The negotiations were divided into 31 chapters, which facilitated work in the negotiations. Until the end of the technical screening of the chapters, the negotiations process concerned mostly experts from the Commission and Estonian Ministries who exchanged information. This stage was not of great interest to the Member States nor the EU Presidency, so there was less communication with their representatives.

In the spring of 1999, when the screening had practically ended, the Commission started to put together position papers for the negotiations. Discussion of these positions were led by the EU Presidency, first in the Enlargement Working Group of the Council of the European Union, then the Committee of Permanent Representatives (COREPER II) and, finally, on the level of Foreign Ministers.

Not all of the issues were on the table at the same time. The chapters could be:

- not yet opened (either because Estonia had not made sufficient domestic progress or the chapter was not a priority for the EU Presidency);
- soon to be opened (after the presentation of Estonia's opening positions, the EU opening positions had been prepared by the Commission, and were being discussed by the EU Enlargement Working Group);
- opened (the Ministers had declared the chapter officially opened; official and unofficial positions, promises, etc. were being exchanged at the working level);
- ready for closing (fundamental agreements had been achieved, the official closing of the chapter was anticipated at the Ministers' meeting);
- closed (the closing of the chapter was officially approved at the Ministers' level; the Commission monitored the fulfilment of the accepted obligations according to the stipulated schedule). Here, one should note that during the accession discussions with the EU, the practice applied that nothing was agreed until everything was agreed – which is why the closing of a chapter was a conditional concept, in order to simplify the wide-ranging negotiations.

Since the general political objective of the Member States was to demonstrate the European Union's support for enlargement, the Commission recommended to the EU Presidency that some of the easier chapters (for instance, cultural policies), should be opened first. Subsequent EU presidencies agreed with this practice. It was also decided that the more complicated chapters (for instance, social policy and agriculture) would be tackled later – once the first agreements had been concluded, the parties had gotten to know each other and were better prepared for more difficult challenges.
The working rhythm at the Mission largely reflected the logic of the opening or closing of the chapters. The work was organized according to which chapters the Presidency and the Commission were ready to proceed with at the time. The working rhythm also depended on domestic processes—the way harmonization with the EU acquis was progressing and which promises had been made in the name of rapid harmonization.

In parallel, the Estonian Mission also made a consistent effort to explain topics that were important to Estonia with the aim of preparing favourable attitudes and increasing the competence of EU negotiators when these issues reached the negotiating table. Examples included topics that were unique and important to Estonia—oil shale, the special circumstances of the power industry, the sustainability of the agricultural sector, and, as of 2000, the issue of corporate income tax. To explain the backgrounds of these and many other topics, the attachés of the Mission or experts from Tallinn met countless times with experts from the relevant Directorate Generals of the Commission. The Ambassador met with Commissioners and the Directors General and provided feedback to governmental representatives and negotiators in Tallinn.

Relations with Tallinn. The Mission’s assignments and responsibilities

The Mission’s work with Tallinn was mainly conducted through the Foreign Ministry, since that was where the Head and Deputy Head (chief negotiator) of the negotiating delegation were located. The Ministry formed the organizational “hub” for the negotiations. There were, of course, also direct contacts with other Ministries (the attachés communicated with “their” headquarters) and if necessary, also with the European Integration Office at the State Chancellery and the Office of the Prime Minister.

The Mission’s assignments included:

- forwarding official correspondence (negotiating positions, additional information (addenda) and other similar documents);
- organizing meetings and reporting (to guarantee a rapid information flow, the reports of the meetings had to be sent to the capital within 24 hours);
- lobbying and giving explanations between official meetings, unofficial contacts;
- assessing the willingness for compromise in the Commission and submitting proposals to Tallinn for further activities.

Yet the main task of the Mission in Brussels was to organize the unofficial side of the negotiations, before and between the official meetings. This so-called undocumented, informal side supplemented official activities and was of great value to the Foreign Ministry. Although much could be done by phone, confidential, face-to-face and unofficial meetings were, in Brussels, the preferred way of resolving certain complicated questions. Since the capital was far off, this role was essentially left to the employees of the Mission—the technical issues were handled by the attachés and the political side by the co-secretary.
The aim of these numerous meetings was to explain the motive behind Estonia’s positions and suggest limits for possible compromises without necessarily having official approval from the capital. Our counterparts could also explain their room for manoeuvre and the background of their positions. This was a process in which we were able to “touch and feel the limits of compromise and the threshold of pain”. These unofficial exchanges of ideas had quite a significant part in achieving the majority of agreements. During the meetings, attempts were also made to shift the “red lines” of the opponents, or vice versa, parties were convinced of the lack of desire or opportunity to move the “red lines”. For the Mission’s staff, this was quite a delicate process – since the Mission constantly repeated to the capital what was not acceptable to the EU, it created the impression that the diplomats posted to represent their country’s interests had veered off course. From time to time, at appropriate moments, we had to explain to our colleagues in Tallinn that we should not be misunderstood and that our loyalty was beyond doubt. Sometimes we had to muster all of our courage in order to explain to the decision-makers and opinion leaders in the capital what was realistically achievable and what was not in the given timeframe.

People
It was important to recognise that behind each and every decision and position was a person or group of people both in Tallinn and Brussels, at the Council of the European Union (I am referring to the representatives of the Presidency and the Member States, as well as the Council Secretariat), the Commission and other candidate countries. The Mission’s task was to create, maintain and develop contacts with all of these people throughout the negotiating process.

Based on the logic of the negotiations, contacts developed on two levels – technical and political. The technical level was handled by the attachés and the political level by the Co-Secretary of the Accession Conference. High-level political discussions with the chief negotiator or Government members from Tallinn, as well as Commissioners or Ambassadors of Member States in Brussels, fell to the Head of Mission. In the middle of the negotiations, when a number of chapters had been closed and the compilation of the Accession Treaty had started, more diplomats were recruited to the negotiating team at the Mission. Their task was to co-ordinate the technically and legally correct wording of all the agreements.
Attachés at the Mission

The task of the attachés was to develop contacts with “their” Directorate General in the Commission and attachés at the representations of the Member States and other candidate countries. When necessary, they organized meetings with the Commission at the expert level, resolved technical issues, screened for difficult or political questions and provided expert support at political meetings.

In the spring of 1999, six attachés worked at the Mission covering agriculture, finance, economics, home affairs, justice and culture. The fields where we lacked attachés were covered by the Co-Secretary of the Accession Conference and three diplomats from the Foreign Ministry. During 2000, many of the Ministries understood the necessity of posting attachés to Brussels. By the end of 2001, when the negotiations were in full swing, representatives of all Ministries (except for the Ministry of Defence) were already working at the Mission. Several Ministries had even sent two persons to Brussels.

Co-Secretary of the Accession Conference

Both parties to the negotiations appointed a Co-Secretary to the Accession Conference. The Director of the Enlargement Directorate of the Council Secretariat was appointed as the EU Co-Secretary. Estonia appointed the Mission’s most senior political diplomat, who was also the Deputy Head of Mission.

The Co-Secretary looked after the official correspondence regarding the negotiations and maintained unofficial contacts with:

- the Head and staff of the Estonian unit of the Commission’s Directorate General for Enlargement (this became an everyday and confidential relationship);
- the Chairman of the Council’s Working Group on Enlargement (the EU Presidency, the political diplomat from the Member State’s representation in Brussels);
- all other members of the Council’s Working Group on Enlargement (including future chairmen);
- the Co-secretary and his team established by the Council of the European Union;
- the other units and staff of the Commission’s Directorate General for Enlargement, according to the opened negotiation chapters and the currently “hot” topics;
- staff from the cabinet of the Enlargement Commissioner.

The responsibilities of the Co-Secretary included co-ordinating the negotiations at the Mission, as well as forwarding the information gathered in Brussels to the chief negotiator and his team at the Foreign Ministry. The exchange of information with the capital took place mainly in the form of weekly reports or ad hoc memos that included relatively sensitive information being based on daily unofficial contacts with all of the aforementioned sources. These reports were available to all of the people dealing with the negotiations at the Mission. In the capital, the
chief negotiator distributed the information on a need-to-know basis at his discretion (the Government advisors and the State Chancellery were always informed).

**Head of Mission, the Ambassador**
Ambassador Priit Kolbre deserves a special reference for the elegant and inspiring way in which he led the Mission and convinced our partners. His presence and support was constantly felt, in particular when it was necessary to organize a meeting with some high-level Commission official or explain the need to further develop our position papers to the Government of Estonia. Thanks to his power of persuasion, additional manpower was sent to Brussels on time and the Government decided to allocate funds to purchase a long-awaited building for the Mission.

The Ambassador intervened minimally in the more technical work, delegating the right to decide to his younger colleagues. This encouraged those involved to take a more creative approach and made them appreciate even more the right to make decisions and the responsibility entrusted to them.

**Commission**
Negotiations in Brussels were in essence conducted by the Commission, in particular by the staff at the Directorate General for Enlargement. Initially this situation seemed a bit schizophrenic, since the official negotiating mandate belonged to the EU Presidency, not the Commission, and the latter willingly repeated the fact that it “lacked a mandate” to create confusion among the acceding countries. However, only the Commission could provide enough people with sufficient technical competence and practical experience to recognise the strengths and weaknesses of the acceding countries. The Commission also had the sole right to compile negotiating positions, including the right to propose closing a chapter.

Personal contacts had to be created at all levels, starting from the Directors General and ending with the desk officers. Luckily not all the contacts had to be maintained at the same level of intensity, as most communication centred on the topic under discussion. It was very important to monitor all personnel changes and react quickly, since a rotation process similar to the one at diplomatic missions also took place at the Commission.

**Council of the European Union**
Although the Commission made the recommendations for opening chapters, technical conditions, transition periods and the closing of chapters were still decided by the Council. “Our fate” was decided by a group of diplomats from the Member States led by the Presidency, who shaped the EU’s official positions at two levels – in the Enlargement Working Group (which met twice a week on average) and in COREPER II (which met once a week, but the negotiations were not always on the agenda).

The official opening and closing of chapters were formalized at the meetings of the Foreign Ministers, which took place in either Brussels or Luxembourg.
It was the privilege of the Presidency to determine the frequency of the meetings and the agenda. It depended to a great extent on the Presidency whether the negotiations progressed or stood still. In five years, we experienced both, as well as various shades between these two extremes. In the course of the negotiations, a paradox appeared – even those Member States that were not the most enthusiastic supporters of enlargement, started looking for results during their Presidency and were therefore willing to accept, in the name of a successful Presidency, more risky compromises.

Contacts with the Presidency
The most complicated task was gaining access to the Permanent Representation of the presiding country, since the personnel there was very busy during the Presidency. It was also customary that many of the diplomats serving through the Presidency period left the Representation for their next posting soon after. This arrangement created a constant need for us to establish new contacts and to keep explaining our positions over and over again to new people, which sometimes seemed like we were going in circles.

Like-minded Member States and their Permanent Representations
Like-minded Member States and their representatives supported quick negotiations and individual treatment. They were the best source of unofficial information, primarily about what was going on in the Enlargement Working Group. It was important to identify them and to maintain relations, while at the same time one had to keep in mind that they were still sitting at the opposite side of the table. The like-minded people were quite open, at the same time trying to remain objective and to make sure that we did not use them too much in our own interests.

There were also silent supporters and (silent) opponents. Success in the negotiations also depended on winning them over to our side.

Group dynamics and its impact on the accession negotiations
The Luxembourg Group*
As a counterbalance to the EU Enlargement Working Group, a network developed between the Missions of the acceding countries in Brussels. This network was based on a strong sense of solidarity, where everyone silently undertook to inform the others about anything important or interesting. The flow of information among the Luxembourg Group was fast and daily. For instance, information

* Countries who were invited to the accession talks at the Luxembourg Summit in 1997: Poland, the Czech Republic, Hungary, Slovenia, Cyprus and Estonia.
was exchanged on what might be the next negotiation chapter to be opened, which topic would be discussed at the next meeting of the Enlargement Working Group, where the next possible compromise solutions might be found and which chapter might be closed at the next Ministers’ meeting. Also, the specific challenges of one or another acceding country and their impact on the negotiations as a whole were discussed.

Belonging to the same group as Poland, the Czech Republic, Hungary, Cyprus, and Slovenia made life for the Estonian negotiators in Tallinn and Brussels simpler on the one hand, but more complicated on the other. For instance, being a few steps ahead of our “brothers in arms” with respect to domestic preparations and being somewhat more willing to compromise, we could negotiate without pressure before the other future Member States, which in turn created an opportunity to shape the agreements to our advantage. At the same time, the Commission and the Presidency always kept all the negotiating countries in mind in their proposals, which meant that what was granted to one country also had to be granted to the others. Thus, we did not always achieve the best result for ourselves, since the same agreement framework had to accommodate all the other negotiating countries, especially the largest one – Poland. On the other hand, when it was known that the same topic was also important, or even more important, for another acceding country, or if due to the domestic political situation some other country was less willing to concede than Estonia, we could just stand back and wait the results. This meant in turn that the Mission’s resources and political capital could be spent elsewhere.

Each country’s individual efforts were useful for maintaining the negotiating tempo and group dynamics of the Luxembourg Group. This prevented the European Union from falling victim to a wait-and-see attitude or attempts to hinder the negotiations. The unofficial objective of the Luxembourg Group was to make as much progress domestically as possible and to try to accept the offered compromises so that the proponents of EU enlargement would have sufficient positive arguments in the Enlargement Working Group to move the negotiations forward. The success of one negotiating country was also the success of the others, in the case of the EU having agreed upon an issue in the chapter with one country and the agreement being valid for the others, once their domestic progress allowed (the so-called icebreaker principle). Of course, the Presidency tried to break the more inflexible acceding countries by offering a tailor-made agreement to another one, thereby pressuring all the others to go along.

The group dynamics inevitably helped the Governments of the negotiating countries by emphasising the need to accelerate domestic efforts in order not to be left behind. The number of closed chapters was considered politically very important in measuring the success of the negotiations of the acceding countries, although in retrospect, it can be said that its importance was overstated.

The positive effect of a critical mass was displayed by the fairly quick opening and closing of all of those chapters in which the acceding countries had made sufficient progress and which did not affect the EU budget. Sometimes the rep-
resentatives of the Presidency complained unofficially that there were no more “simple chapters” left, and therefore it became ever more difficult to demonstrate progress. The negative effect of a critical mass meant that since the EU was uneasy about the agricultural sector of the acceding countries, especially Poland, and the major reforms that were needed, it required the most time, and took political courage from the Presidency to open this chapter for negotiations.

During the negotiations, an understanding developed that enlargement will not take place without Poland – accepting this led to every country adapting their negotiating tactics. Poland, due to its political weight and physical size, was always the yardstick for the Commission and the Council when reaching agreements.

**Helsinki Group* joining the negotiations**
The number of negotiating countries increasing from six to twelve, as decided at the Helsinki Summit at the end of 1999, had little effect on the organization of Estonia’s accession negotiations and the work of the Mission. By the beginning of 2000, an informal network for information exchange, which was described above, had developed among the Missions in Brussels, already including the more active representatives of the Helsinki Group countries.

The Helsinki Group had one and only goal – to catch up to the Luxembourg Group as rapidly as possible. In order to achieve this, they had to quickly approve the agreements that had already been achieved by the “predecessors” with minimal technical amendments. Thus, inevitably, concluding any new agreements remained almost entirely the privilege of the Luxembourg Group countries until the end of the negotiations.

**The home stretch of the negotiations. Lack of space at the Mission**
In 2001, the hope was entertained in several EU capitals that if the Helsinki Group countries make an effort, accession to the EU could take place in one grand round of enlargement that would include all 12 negotiating countries. However, that’s not what happened, and at the Copenhagen Summit in December 2002, it was clear that some of the countries must still struggle for the next few years due to insufficient domestic progress. The countries that had arrived on the home-stretch had to consider very carefully whether to conclude the negotiations and approve the last compromises offered by the EU in order to accede to the European Union along with Poland. Estonia’s goal was to stay in the first group at all costs, because it was not known whether the European Union would have sufficient political energy to continue with the accession of the second group.

For the accession negotiation team in Tallinn, as well as for the Estonian Mission in Brussels, 2002 was the most stressful year. During the home stretch of the negotiations, all difficult and politically sensitive issues and most important topics that had not been agreed upon yet needed to be resolved. From the summer of 2002 to December of that year, a countless number of meetings at the technical and high political level were organized in Brussels.

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* Slovakia, Lithuania, Latvia, Malta, Bulgaria and Romania.
At this point, we need to pay tribute to the decision of the Estonian Ministries to post more people permanently to Brussels, which was truly unavoidable because the workload of the Mission doubled. The number of staff at the Mission in 2001 increased to around 20, which was inevitable due to the numerous open topics of negotiation. Now serious logistical problems developed in terms of providing desks and other technical infrastructure for the new employees at the Mission. As a last resort, the corridors were put to use, while a new home was sought for the Estonian Permanent Representation.

**Observer status (introduction to membership)**
The negotiations were successfully completed in December 2002 and this was followed by a few weeks of relaxed atmosphere at the Mission. However, new challenges awaited us at the beginning of 2003. The Representation had to be reorganized to manage the assignments resulting from our “observer status”. Observer status meant that after the signing of the Accession Treaty, the acceding country could participate as an observer at all levels of the Council’s work (working groups, COREPER, Ministers’ meetings, Summits). It had the right to make proposals and take the floor, but could not participate in decision-making.
Since many of the Council’s working groups met several times a week, it was considered more sensible to have Estonia’s positions presented and defended by the diplomats (attachés) residing in Brussels, rather than to dispatch experts from Tallinn. Essentially, this meant an explosive growth in the work of the staff at the Mission.

The assumption was that to cope with “observer status”, there should be at least 70 people working at the Mission. A new building was bought that could accommodate 90 workplaces without difficulty. Thus the chronic lack of space was alleviated and we were ready to accept new employees. The move to the new home took place just before we achieved Member status.

As of 16 April 2003, after years of effort, the staff of the Mission could finally open the closed doors, behind which we had patiently waited for someone to come out and tell us what the European Union was deciding today. We became only “observers”, but we were still sitting at the same table discussing the future of the European Union as fully qualified partners instead of asking for help. This feeling was uplifting.

In summary
It was possible to successfully complete the various tasks that the Estonian Mission at the EU faced during the negotiations only thanks to the fact that Tallinn was able to duly send enough well-prepared, motivated and highly committed people to Brussels. The responsibilities placed on the Mission were clear and the trust in Tallinn regarding the information and opinions sent from Brussels was high. The diplomats in Brussels also enjoyed sufficient rights to make independent immediate decisions when the negotiating situation required it - prior permission did not have to be obtained from Tallinn for clarifying every position or organizing every meeting.

Since Estonia was acceding to the European Union and not vice versa, the framework for the accession negotiations was quite rigidly established by the EU and was in the competence of the EU Presidency. Limits were also set by the political situation in Estonia, economic possibilities and society’s ability to adapt to the changes caused by the adoption of the acquis. One had to keep in mind the assignments and division of labour established for the negotiators as well. In retrospect, considering everything that the Mission had no control over, the functions and work of the Estonian Mission at the negotiations was organized in the best possible way. Of course, one can always do something differently and certainly better; however, it remains only a guess whether alternative choices would have had an impact on the Mission’s contribution to the negotiations or their final result.
21. Fame at Any Price: a Case Study of the Estonian Embassy in Berlin

Riina Kionka*, Estonian Ambassador to the Federal Republic of Germany 2000-2004

From 2000 to 2004 I served as the Estonian Ambassador to Germany. Germany is of course the largest Member State of the European Union. It stretches from the Baltic and North Seas in the north to the Alps in the south. It at once divides and unites new and old Europe, to borrow from former U.S. Secretary of Defence Donald Rumsfeld. It boasts the largest economy in the EU and pays a quarter of the EU’s budget – a fact Germans never tire of recalling. Its influence in the European Union cannot be underestimated. As a British friend of mine has remarked, “Without understanding Germany, it’s impossible to understand the European Union.”

My years in Berlin overlapped with the time when Estonia’s accession negotiations with the European Union were coming into the homestretch. One might deduce that the EU dominated the Embassy’s activities during that time. This was not the case for two reasons. First, the EU “accession game” was taking place elsewhere – the negotiations were managed from Estonia and the “electric current” ran primarily along a metaphorical wire between Tallinn and Brussels. Since the EU had taken the fundamental decision some time ago that Estonia would join the club, most of our work in the Embassy revolved around bringing the accession date up as close as possible and lobbying for favourable accession conditions.

Our job in Berlin was to carry out tasks from headquarters – to report on Germany’s positions on the chapters currently under negotiation, to find out what other diplomats were being told and to compare that with what we had heard; to explain one or another of Estonia’s positions to German officials. Usually the directions were complicated – we had to make a serious effort first to understand the topic ourselves before we approached the Germans with our arguments. Sometimes we weren’t as persuasive as we should have been.

There was another reason the EU did not dominate the work of the Embassy at that time – at the very same time, a sophisticated minuet over NATO enlargement was taking place on the diplomatic dance floor. Unlike with the EU, there

* This article contains the author’s own thoughts and does not necessarily reflect the views of the EU Council Secretariat.
was no fundamental agreement among allies that Estonia would be able to join NATO. The ice only started to melt with a speech by U.S. Senator Jesse Helms at a prominent U.S. think tank in January 2001 – after that, much of the Embassy’s political work was directed at NATO.

Still, Estonia’s two overwhelming foreign policy objectives – to become a member of the EU and NATO – had an important common denominator: we needed to introduce Estonia to the Member States. Fifty years of division in Europe had left its mark – besides Baltic German circles, the average German could not locate Estonia on a map or say to whom it had belonged in the interim. Most had no idea which of the three Baltic states Estonia was and how it differed from the others. If it differed all. And that Estonian, not Russian, is spoken in Estonia.

We were better known in the former East Germany, but usually from another angle. There was confusion among those who hailed from the East on why our bilateral relations with Russia were complicated, why there was talk about trouble with minorities, why we didn’t just merge with the other two Baltic countries.

Estonia needed to be introduced so that Germans would understand a simple fact: Estonians are people like us. Of course we belong together, of course, Estonia should be invited to join the pre-eminent Western European clubs. We built our promotion campaign on this simple thesis and we promoted Estonia at every possible (and sometimes impossible) turn.

One main way we promoted Estonia was to participate in information fairs. The closer we got to accession, the more invitations the Embassy received to participate in information fairs where all ten candidate countries were presented. In the last months before the accession, it seemed that every cat breeders’ association, friendship city, or village choir throughout Germany had the brilliant idea (which undoubtedly seemed unique) to invite the embassies of the ten candidate countries to supply their events with visual displays, glossy reading material and people to staff these info stations as well as folk dancers and national cuisine... and, if possible, a bagpipe band or folk music trio would also be nice.

Although this time was labour-intensive, it was also a good way to introduce Estonia to a great many people at once. In the long run, ironically, as a result of the dozens and dozens of such fairs devoted to the ten candidate countries, these ten very different states started to merge in the minds of Germans, so it seemed that the means no longer served the end, which for us was to present Estonia.

A second method we used was to work with the media. We seized every opportunity – we accepted almost every offer to give interviews, we invited the publishers of books on architecture to photograph the Embassy from every angle, we allowed ourselves to be filmed riding bikes with the children in the park for a news story about the Embassy. One morning, I had foolishly agreed to be on a radio station’s morning breakfast show. Actually, the entire family ended up being involved, because the journalist and technician arrived at our home at 7 in the morning.
In theory, my husband and I were supposed to chat nonchalantly with the radio team and eat *Brötchen* while also getting our two small children and ourselves ready for the workday. Of course what we actually did was to get up an hour earlier in order to get everyone dressed, fed and ready to go before the radio team arrived. I understood that morning that one does not in fact have to accept every single request for an interview.

**A third method of introducing Estonia was public speaking.** All the diplomats who dealt with policy questions took turns speaking at Rotary Clubs, meetings of the International Europe Movement, gatherings in friendship cities and so forth. At the Embassy, we also received groups ranging from schoolchildren to pensioners. In the weeks just before the accession, we deployed all across Germany on speaking engagements, trying to exploit the interest while we could, at the same time scraping the bottom of the Embassy storeroom for the last glossy information brochures on Estonia we had left.

We noticed that a certain set of topics came up at every meeting - Estonia's economic miracle, how the Internet had transformed the country, the clean environment and Estonia as a tourist destination. The latter was of special interest for travel-loving Germans - sometimes it felt as though the Embassy had taken on the functions of a travel agency. Three classic questions were always asked regardless of who was asking or where, about what, or to whom we were speaking: what about your relations with Russia; what about your minorities; and how is co-operation among the Baltic countries going?

**The fourth modus operandi revolved around culture,** especially the visual arts and music. These two categories of fine arts allow one to introduce a culture and people without the audience having to know your language or have any prior knowledge. We could make good use of this method thanks to the Embassy’s cultural attaché who was bursting with energy and enthusiasm and did her work very well, indeed. It also helped to have a historic and much admired Embassy building. The Estonian Embassy resided in the very same building as in the pre-war period, but had been renovated and reopened in 2001; it provided an excellent venue for introducing Estonia through culture.

In lobbying before accession, I would pass on the following advice in the form of axioms:

- **Ask for meetings only when you have something to say!** We asked for meetings with senior officials at ministries only when we had something new to say. Generally speaking we were received at a more or less respectable level, sometimes on relatively short notice. That’s because Estonians were known for bringing a clear and new message to the meeting, saying their “piece” and then leaving again as quickly as they came. For a busy civil servant, this is optimal behaviour by visitors.
Some other EU candidates were pushier. They visited the various ministries every single week whether they had something new to say or not. One of the accession countries evidently became so tiresome for the Federal Foreign Office that one German diplomat hinted that perhaps we Estonians could gently explain to this other country that bothering department directors for no reason could well turn out to be counterproductive. Out of discretion, we left this message undelivered.

- **Send only people who know the local language to work at your embassy in x country and for those who don’t, give them language training before they arrive at posting!** Our colleagues at other embassies were often amazed at how Estonia got better and more frequent press coverage than they did, when our message was essentially the same. The answer is easy - the entire staff of the Embassy spoke very good German. In some EU Member States, one can make do with English; to some extent this is also the case in Berlin. But to communicate with all the officials, especially in a strong federal state like Germany, English is simply not enough. You have to find a common language, in the direct sense of the word. In many places in Germany, particularly outside of big cities and especially in the east and south, nothing but German is spoken.

  In addition, only those who can speak the language well can make maximum use of the press in the interests of one’s country. It’s a no-brainer: few radio and TV stations or newspapers have the resources and patience to translate the words of an ordinary diplomat - it is much easier to invite a diplomat who speaks the language into the studio. And if it happens, as it did with me, that a large neighbouring country with whom your own country has a complicated relationship ends up sending a counterpart who cannot speak the local language, your language skills will be all the more useful.

- **Talk to your colleagues; every shard of information could be important!** The best way to find out whether what you’ve heard is true is to check it with others. Our experience in Berlin showed that the more varied were our contacts and ways of interacting with others, the better was the information we could pass on to Tallinn. During my time in Berlin of course I associated most closely with the ambassadors of other EU and NATO candidate countries, and of course with my regional colleagues from the Baltic and Nordic countries. As of 2003, a year before accession, the EU candidates were already asked to join regular meetings of the EU Member States, a practice that mirrored how candidates were treated in Brussels.

  But we also tried to be as creative as possible with contacts. For instance, we got another point of view from the Finno-Ugric contingent (Finland, Hungary); I was invited to join a club of ambassadors called the Group of 13, which included the ambassadors of 13 countries from various corners of the world - Uruguay, Brazil, Nicaragua, Egypt, Ghana, New Zealand, Pakistan, etc. What I heard from them allowed me to place elsewhere in a wider context.
At the same time, tennis, running, playing bridge as well as going to the sauna with foreign colleagues are some other good ways of hearing things.

- **Forget everything you think you know about the EU, do your homework before each meeting!** Most of the chapters which your country is negotiating with the EU bear no semblance to the questions you are used to dealing with, such as whether the arms control regime is outdated, what is the probable impact of the Doha Development Round of trade talks or how the European Framework Convention for the Protection of National Minorities is being implemented. Oh no – the accession chapters consist largely of extremely technical questions dealt with by other ministries in your country that cover areas of expertise you can only vaguely guess at.

This means that for you to be able to explain your country’s positions you have to take an autodidactic approach before each meeting. Get used to the fact that when you present your position, as in public speaking, you will need to know about 80% more than what the instructions sent by your capital will be able to tell you. You will need to have enough information to argue effectively with the official sitting on the other side of the table from you, since he or she has probably dealt professionally with this topic since about the time when you learned to ride a bicycle. To avoid embarrassing moments, you should master the subject just like you would before an exam at school.

I recall an especially horrid meeting at the Federal Foreign Office on the topic of milk quotas. I had made the mistake of using only the instructions sent from Tallinn to prepare the meeting, which clearly turned out to be insufficient. I apologised to my interlocutor saying that as a career diplomat, I never imagined I would ever need to have an intelligent conversation about yogurt consumption. The German diplomat gazed at me wryly. Giving no mercy, he curtly replied, “Welcome to the European Union,” and with that got back to the subject at hand....

- **Divide your work in the embassy to mirror how the EU works in Brussels; it’s easier that way.** The Estonian Embassy in Berlin unfortunately did not have enough staff in absolute numbers to do this well, even though during my time, our Embassy was second largest among Estonian bilateral embassies. Besides the consul and myself, we had only three diplomats. Among the other candidate country embassies, only Malta had less staff working on the EU. Since Estonia was also a candidate to NATO and had to deal with bilateral economic issues, too, I simply divided the work by organization – I tasked one diplomat with getting us into the EU, another for getting us into NATO (including EU crisis management topics) and third with taking care of our bilateral economic relations. On 1 May 2004, Estonia became an EU member, and three months later most of the diplomats went on to their next rotation, myself included. It wasn’t until my successor arrived that a rational EU division of labour was put into place. He divided the work to reflect the different Council formations: someone covered the GAERC (General Affairs and External Affairs Council),
another covered the Competitiveness Council and ECOFIN, yet another the Agriculture Council, etc.

- **Use cheap and enthusiastic temporary labour – students!** Every EU capital is teeming with interns and students from your country who would happily earn a little money by helping the Embassy. During my time, we used students mostly to help serve at our receptions. Sometimes the students offered to help on their own, for instance to staff our stands at the information fairs. This was a win-win arrangement for both sides – students received some pocket money, something to eat, and a chance to spend time with other young Estonians (a not insignificant factor for young people far away from home), and we got energetic and smart temporary labour at a good price. The added benefit is that unlike locally hired waiters, the students could also explain a thing or two about Estonia to our guests.

- **Educate journalists!** It bears repeating that the relationship between diplomats and journalists is a two-way street. Traditionally, journalists want to hear what is going on from diplomats, but journalists are also a valuable source of information for diplomats. This means that you do not just give interviews and answer questions when they are posed. No, you need to nurture the relationship as you would tend a garden. This means that you regularly and systematically supply the journalists with information, tell them a bit more than they can find out themselves by surfing the Internet (otherwise you are not useful to them), and phone them when you hear something they might be interested in reporting.

- **Make sure you have good looking brochures on tourism!** For many people, one of the most important four freedoms of the European Union is that of movement. Borderless travel spurs interest in other countries and fosters tourism. For a small country geographically located at the periphery of Europe, it is especially important that people visit Estonia and get a feel for the country, its people, and its culture. And that is why you need attractive travel brochures to distribute.

If you follow only half of these suggestions, you may be lucky!

Good luck!
22. What was Different in London?

Kaja Tael, Estonian Ambassador to the United Kingdom 2001-2006

If only all the Member States were like Germany - organized, responsible and with a serious attitude toward the European Union... Then the success or failure of the acceding countries would depend entirely on the quality of their homework and the personal skills of their representatives. Unfortunately, in some places, it is twice as difficult to attract attention. This can be either due to large domestic political differences or an almost non-existent interest in EU issues. The latter was (and is) true of the United Kingdom (UK) - there is no doubt that the British Government is supportive of the further enlargement of the EU, but for the British public, Europe by and large simply remains too distant. Yet the same rule applies everywhere. As Riina Kionka describes in the previous chapter - one must introduce one's country in a manner that will make the spirit of solidarity appear natural. In Germany, there were many opportunities for this during the pre-accession period. All you needed to do was to catch up. Elsewhere this was not necessarily the case. In the UK, we had no chance to grow tired of presentations, even as just one among ten candidate countries. The goal was to persuade the public to have a positive attitude toward the enlargement and therefore, it was not even important that some of Estonia's achievements were, for instance, credited to Slovakia. Of course, the opposite also tends to be true - when any given accession country happens to be in deep trouble with respect to certain criteria, then all the others must also be prepared for focused attention in this area. Generalisations are quick to propagate. Your own capital, while concentrating on its homework, may not even become aware of some of these details. It is the responsibility of the embassy to report on moods, to reflect the image that is developing and to present facts and statistics that speak for themselves.

Of course, the advantage of working in the UK was that most of Estonia's information materials were prepared in English, and therefore immediately usable. Not to mention that if someone did succeed in getting access to a media channel, then the coverage was truly powerful. In some other Member States, the embassy had to find possibilities to translate information into the local language. Creating a network of people who are interested in your language and culture can be very helpful.

There is an old Estonian saying “your own eye is the king”. Many embassies organize fact-finding trips to their country for journalists and government officials. The same goal is served by the visits of politicians - always an important
task for the Foreign Ministries. However, every single returning tourist spreads the word about your country very effectively as well - we do hope, and need to make sure that these impressions are positive.

Thus, in an effort to become a member of any club, an embassy just has to do its daily work very well. In this sense, large and small countries are entirely equal - good work always stands out and bears fruit, regardless of how many diplomats you have.
The EU enlargement round of 2004 stands out among previous enlargements not only due to its size but also because it was followed more closely and critically than ever before by Members States’ publics. The acceding countries were different from existing Member States due to their geographical remoteness. They also differed due to their recent history and the specific social mentality that resulted from this history. Fear of the “Polish plumber” and restrictions placed on the free movement of labour were manifestations of these differences. The only “consolation” is that this tendency appears to be even greater for the next group of acceding countries.

Naturally, each country has its own public opinion, social debates and domestic policies that are influenced by this debate. In Finland, Estonia’s close neighbour, the starting point was that a stable and wealthy neighbouring country is always good for Finland and, consequently, the Finnish Government chose to support Estonia’s accession to the EU in every possible way. Finland’s active policy and readiness to share information with us were extremely important both before we were invited to the accession negotiations as well as during the accession talks themselves. Indeed, Finland was very interested in Estonia’s accession. The media provided comprehensive reports on our progress on the way to the EU. It is also worth underlining that Finnish public opinion was generally very supportive of Estonia’s accession. Indeed, for an average Finn, the 2004 enlargement above all meant Estonia’s accession.

At the same time, it was far from clear what impact Estonia’s EU membership would have on Finland. There was both hesitation and doubts within Finnish society mainly for the following four reasons:

Every EU candidate country has neighbours or otherwise close Member States that are more affected by and more interested in the accession. It is important to make the most of this interest.
Firstly, people feared unfair competition, especially in the labour market. The trade unions were afraid of salary dumping, i.e. of a situation where Estonia's much less regulated labour market and lower pay levels would carry over to Finland. In 2000, the Central Organization of Finnish Trade Unions spread the totally unrealistic results of an opinion poll according to which 400,000 Estonians were interested in working in Finland once there was free movement of labour between the two countries (in comparison: at that time, there were fewer than 600,000 employed people in Estonia).

Secondly, there was fear that more free movement of people would lead to the spread of crime in Finland. This concern, which resurfaced in the pre-accession phase, also existed throughout the 1990s, in particular, after visa-free travel with Estonia came under consideration. The latter was not implemented until 1997.

Thirdly, several Finnish authorities were not convinced that Estonia would be able to meet the EU’s strict standards. In September 2003, a senior official from the Finnish Ministry of Finance admitted to the Estonian Minister of Finance that they had doubts about Estonia’s ability to actually implement the EU Customs Code.

And fourthly, there was pure ignorance, a feeling of not having enough information. The EU regulates many walks of life and matters to many different social groups. This led to a situation where many people – from Government agencies to small third sector associations (figuratively speaking, even the protectors of stray cats) – “woke up” after finding out the date of our accession and asked what does Estonia’s EU membership mean for us in particular?

Estonia had to provide answers to all of these questions. Taking into account the close relations between Estonia and Finland, starting with the Heads of State and ending with small non-governmental organizations, a large amount of information was provided through direct contacts. A large number of queries, however, also reached the Estonian Embassy in Helsinki – both directly as well as through the media. From the beginning (let us consider 2002 the beginning, since after the Laeken Declaration in December 2001 it became clear that the enlargement will happen in the near future), we took the approach that we would do our utmost to quench this thirst for information. The reasoning was simple – it is very rare for an Estonian-sized country to have the opportunity to be noticed in another society. The public and media of a foreign country are hardly ever overwhelmingly interested in Estonia. And so we decided to make the most of this historic opportunity.

Finns like to organize seminars and information days. And in 2002-2004, tens, if not hundreds, were organized on the subject of the upcoming enlargement.
Between ourselves we dubbed them “What happens if Estonia gets into the EU?” events. The principles that the Embassy tried to abide by were the following:

Firstly, we accepted practically all invitations sent to us, and if we happened to learn of a seminar by chance, we volunteered to speak at it. All of us made presentations - the Ambassador, naturally, but a great burden also fell on the economic diplomat since a large number of seminars were organized by economic circles. There was enough work for the political diplomat, too, as well as for the press and cultural attaché.

Secondly, despite a generally friendly attitude, we recognised that the need to dispel hesitations about our EU accession still existed. The question that Finns were really asking was ‘Is Estonia really ready to join the EU?’ Our approach, therefore, was to emphasise Estonia’s similarity to Finland including the similarity of our cultures. We stressed how our geographic locations and neighbours meant that we had similar interests within the EU. Also how our future co-operation in the EU would bring us even closer together and how we had similar problems as a result of our demographic situations. This approach turned out to be very effective. When we were asked, “Are you ready to join the EU in field X?”, we answered that never in the EU history has an acceding country been totally ready for membership. We added, however, that in recent years Estonia had quickly and effectively transposed the EU acquis and was continuing to make a significant effort in this regard. Having heard this answer, the audience usually started to nod, and we could go on with our presentation.

Thirdly, we tried to demonstrate the latest technical skills. In general, back then, Finland was clearly at the forefront of using IT solutions. But there were many smaller locations and events for older audiences, where projectors with transparencies were still being used. We always tried to show up with a PowerPoint slide show. By choosing a dynamic and cutting edge approach, we tried to make our mark in a field close to Finnish hearts.

We also accepted all offers to appear in the media. Since Estonia is very close to Finland and Estonians are no strangers to the Finnish press, the Embassy people luckily did not have to play the same role as the Estonian Ambassador Riina Kionka in Germany. We did not have to start from the basics by introducing Estonian customs, our children, food, and living conditions, etc. to the general media. But there did seem to be a need to establish an “Estonian face” in the more serious Finnish press. The closer May 2004 came, the more popular the Estonian Ambassador became with the local press who was eager to hear about

The doubts raised in the Finnish society with regard to the impact of Estonia’s EU membership could be divided into four topics. Firstly, people feared unfair competition, especially in the labour market. Secondly, there was fear that more free movement of people would lead to the spread of crime. Thirdly, there was doubt that Estonia would not be able to fulfil the EU’s strict standards. And fourthly, a feeling of not having enough information.
our preparations for EU accession as well as our thoughts and expectations. Once again, we decided to reply to as many requests as possible. I never felt better than on the morning of 1 May 2004 when in a live state television broadcast from the seashore in the centre of Helsinki, I said that the Gulf of Finland and the Baltic Sea are now almost an internal EU sea.

It was also remarkable how the Finnish press became more and more interested in its neighbouring country. For example, in 2001 the national daily newspaper *Helsingin Sanomat* showed no interest in publishing an article by the Estonian Prime Minister on Estonia’s NATO integration. Three years later, the same paper itself approached the Estonian Ambassador, asking for an article about Estonia as it stood on the threshold of the European Union and NATO.

Yet not everything was so rosy. The trade unions in Finland, for example, made an attempt to use Estonia’s forthcoming accession as a pretext for forcing the Finnish Government to change existing regulations such as transferring control over working conditions of foreign labour to trade unions, etc. Moreover, under pressure from the trade unions, Prime Minister Lipponen’s government decided to impose restrictions on the free movement of labour that the Prime Minister himself had initially opposed. At the Embassy, we reasoned that while we could not prevent the restrictions, every statement opposing them would make their renewal more difficult in two years time. We stressed to the public, and even when speaking at the trade union congress, that the restrictions are immoral and ineffective. Before the decisive vote in the Finnish Parliament (although it was known that the draft on the restrictions would definitely pass), the Estonian Ambassador sent an e-mail outlining our position to about a hundred Members of Parliament. This letter was quoted, for instance, by Heidi Hautala, the chairman of the Green faction, in his speech before the plenary session of the Parliament. In the end, two years later, the restrictions were terminated without any fuss.

In conclusion: Every EU candidate country has either neighbours or otherwise close Member States where their accession will create more of an impact and create more interest than further away. It is important to make the most of this interest. Not only will it improve the image of the acceding country, but it will also be good for future co-operation as equal Member States. The more people know about you, the easier it is to explain your positions and reach a common understanding.
Estonians’ support for the European Union has continuously increased since accession five years ago and is currently one of the highest among the Member States. As a result, many people are already starting to forget that public opinion on the European Union has shifted dramatically in Estonia in a relatively short period of time.

At the beginning of the 1990s, after the restoration of independence, over 90% of Estonians interviewed for a poll said that they wanted Estonia to join the European Union. At the beginning of 2001, however, polls showed that the majority of Estonians opposed accession. For a few months, the number of supporters even fell to only 35%, while the percentage of people opposed to accession exceeded 50%. In autumn 2001, the number of supporters once again exceeded 50%, however, suspense surrounding the outcome of the referendum on EU accession existed until the very last moment.

In the referendum held in September 2003, 67% of voters supported EU accession. And after accession on 1 May 2004, support for the EU started to steadily increase peaking at 85% in January 2008*.

**Shattering of the “rosy dream”**
The reasons for this swing in attitude are evident, especially for those who were involved in the process. In the beginning of the 1990s, Europe was a dream looked at through rose-coloured spectacles. It was a highly attractive welfare society from which Estonia had been forcefully separated due to the Soviet occupation. At the beginning of the new millennium, however, the majority of Estonians discovered that Europe, too, had its problems. They discovered that the EU is not just a long-term objective, but an organization which, to the surprise of many, has several drawbacks.

In the 1990s, the press covered the European Union primarily from a foreign policy angle and published reports on the many milestones that were reached by the Government and diplomats on the road to the European Union. By the end of the 1990s, however, when accession was already in reach, the local press started to seek out the European Union’s faults and question whether the impact

* Survey ordered by the State Chancellery from TSN EMOR.
of accession would be as rosy as had since been assumed. By the beginning of the new millennium, the press had become quite skilful at finding problems and this was reflected in public opinion. The pendulum effect was caused by the disappointment that accompanied the shattering of a dream.

**Negative news is easier to sell**

Siim Kallas, currently Vice-President of the European Commission, who was Estonia’s Prime Minister from 2002 to 2003, created a lot of controversy before the referendum by saying that a positive campaign is much more expensive than a negative one. He was right, of course. It is far easier to create news and attract the media’s and public’s attention by outlining problems, rather than by reporting on things that are running smoothly and are considered to be self-evident. For example, visa-free travel to other European countries was considered natural by Estonians, but the rejection of the Nice Treaty by the Irish referendum in 2001 was taken as a serious signal of internal problems in the Union. Therefore, it was easier for those opposed to the EU to “sell” their topics.

The greatest fear Estonians had was the price increase that might accompany accession to the European Union. In 2001, *Postimees*, Estonia’s largest daily newspaper published a front page story claiming that EU accession would cause the doubling or tripling of most food prices. A quick investigation showed that the claim of increased prices was only true in the case of sugar (as Estonia had no customs duties until joining the EU, applying EU rates to sugar increased the kilo price from 6 EEK to 14 EEK [from 0.4 to 0.9 EUR]). The price of bananas was also expected to double, but as far as other food products, there was no reason to speak of great price increases resulting from accession to the European Union. Most food products were also produced in Estonia and the customs duties therefore lower.

Many other problems related to EU accession (starting from the loss of sovereignty and ending with strict hygiene requirements that would stifle small shops and cafés) were clearly exaggerated. Eurosceptics, however, did not present any thorough analysis. They speculated quite freely and did not take responsibility for the accuracy of their statements. On the other hand, politicians, officials and scientists that supported joining the European Union needed precise and reliable information to back up each public statement.

Before the negative news flow began, joining the European Union was practically a given, since none of the political parties in Parliament were clearly opposed to EU membership. It therefore took a little time for many opinion leaders who supported accession to grasp the need to get involved in the emerging debate. At the same time, the media’s interest in finding critical material on the EU
presented less well-known politicians with a good opportunity to gain the public’s attention. Leaders of some parliamentary parties started to look for ways to gain anti-EU votes.

**Information campaign organized by the Government**

In 1998, in order to organize domestic communication related to the European Union, the Estonian Government founded the European Union Information Secretariat with 4–6 employees in the State Chancellery. The Estonian information campaign resembled the model used in Finland and Sweden. Both Nordic countries had organized accession referendums in 1994. Their Governments distributed factual information, communication was as decentralized as possible and anti-accession projects were also financed by the Government.

Estonia’s 15 counties were all tasked with distributing information about the EU. A member of staff was appointed for this additional assignment and people were informed about the opportunity to approach this person with questions related to the EU. Some County Governments took this task more seriously than others. In some cases, EU Information Offices were opened in specially adapted locations. Non-profit organizations were recruited through a project competition organized together with the Open Estonia Foundation. NGO-led communication projects were supported every year with 1 to 2.4 million EEK (approximately 64 000 to 153 000 EUR). During the year of the referendum, it was ensured that funding for NGO projects supporting EU accession was equal to support provided to those opposing it.

Based on the Nordic model, a phone line for EU information was established at the National Library, which functions to this day. Calls within Estonia are free and all questions related to the EU are answered. In the pre-referendum period there were over 2,000 inquiries per day. Currently this number has fallen to 500–600 calls.

Another interesting project was a question-and-answer column on the EU, which appeared in regional newspapers. Answers were provided by the EU Information Secretariat in the State Chancellery. Questions were sent to the regional newspaper and each of them published dozens of questions and answers. The majority did not get published due to lack of space, but questions were answered by the aforementioned EU information phone line by e-mail, letter, or phone. People were excited by the opportunity to address their questions directly to Arnold Rüütel, the President of Estonia at the time, who agreed to participate in the project.

For the Government, it was very important to find out, which issues regarding EU accession were of greatest importance to people, in order to provide sufficient
and targeted information. Opinion polls in Estonia clearly showed that people were most interested in the impact of the accession on their personal well-being. Therefore the Government commissioned detailed research on how the accession was going to affect salaries and prices. In addition, a questionnaire was sent out to most respected Estonian analysts on the projected impact of the accession on prices, salaries, pensions, and economic growth in general. According to the replies, the analysts thought it probable that within five years, prices, salaries, pensions and economic growth would all increase more rapidly with accession to the EU. The great majority of the analysts were confident that salaries would definitely increase faster than prices. They were certain that real income would increase with or without EU accession, but that in the case of accession, the increase of real incomes would be noticeably faster.

The decentralisation of the Government’s communication work was partly inevitable because the EU impacts upon so many spheres of life. In a democratic country, it is impossible to involve all opinion leaders, much less direct them. Estonia lacked the opportunity to shape the news flow from Europe. For instance, when the farmers in Finland complained about EU policies, it had a negative effect on our public opinion, despite the fact that the situation in Estonia was totally different from Finland. While in Finland, accession meant a cutback in agricultural subsidies, in Estonia the farmers began to receive direct payments only after accession. In the same way, critical articles from the British press reached Estonia, which were often total fabrications (such as the *Sunday Times* story about pets that had to be boiled for 30 minutes at 150 degrees before burial according to EU regulations).

**Referendum**

In the lead up to the accession referendum on 14 September 2003, the EU Information Secretariat organized a campaign called “Decide on Estonia’s Future!” The officials that were responsible for domestic communication did not call on people to vote in favour of the European Union. The objective was to get as many people as possible to participate in the referendum. The objective was to get a better turnout than during the previous parliamentary (*Riigikogu*) elections, in which 58% of citizens qualified to vote participated. In co-operation with the National Electoral Committee, humorous TV ads were produced, entitled “Estonia Decides”, which called up the population to participate in the voting. The ads depicted Estonians in slightly comic situations in other Member States and instilled confidence

The support of the Estonian people for the European Union has constantly increased in the five years after accession and is currently one of the highest among the Member States. One of the underlying factors for the long-term and firm increase of support is undoubtedly the honesty of the accession campaign. Unlike many other acceding countries, the Estonian Government admitted that the accession also had clear negative effects.

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that we would manage in Europe. In addition, ads calling on people to vote were broadcast on the radio and published in national and regional newspapers.

A magazine entitled *Estonia Decides*, issued twice, was sent to all Estonian households. This magazine, with an unusually large circulation for Estonia (over 400,000 copies in Estonian and Russian), focused on factual information and did not directly call on people to support accession. The results of the analyses commissioned by the Government, however, were included showing that accession is economically beneficial for the average Estonian.

Before the referendum, Estonia leaders clearly stated their opinion on the EU. The President, Prime Minister and Speaker of the *Riigikogu* issued a Joint Declaration supporting accession, which inspired many associations to express their support for joining the EU.

**The keyword was co-operation**

Since the outcome of the referendum was uncertain, political parties, non-profit organizations, and entrepreneurs had a great interest in its result and their chance to influence it. Many companies wanted to co-operate with the Government in the name of the referendum. Large banks and service station chains hung referendum posters in their offices and service stations. Banks advertised the referendum on their ATM screens. Mobile communications companies invited people to local EU promotional events (according to mobile phone location). Never before nor after have all of these companies co-operated with the Government or with anyone else in a similar way. The reason for the pre-accession co-operation was clear - the majority of companies had reached the conclusion in their analyses that joining the EU was beneficial not only for Estonia but also for their businesses. Estonia's most influential business organization, the Estonian Chamber of Commerce and Industry, decided to organize a street campaign, which very unequivocally supported accession to the EU.

The pre-accession communication budget of the European Commission's Estonian Delegation was larger than that of any other stakeholder taken separately, but the restrictions related to the status of a Foreign Mission reduced the Delegation's operating possibilities. Therefore, co-operation between the Government and the Delegation was important. Of the Commission's initiatives, the most interesting were the public meetings organized with a network of EU speakers (Team Europe).

Many cultural associations acted on their own to support the accession, while many joined the strong campaign mounted by the Europe Movement Estonia. Among other things, the Movement organized an EU-related theatre tour.

It was difficult for those opposed to the EU to counter this co-operation. They were also troubled by internal conflicts. The most important partners for euro-sceptics in Estonia were anti-EU groups in the United Kingdom, who were among their largest financiers. The greatest trump card of the anti-EU forces was the fact that the Estonian economy was doing quite well, and people were fairly satis-
fied with the development of the country. The eurosceptics could claim that no changes were needed. Those opposed to the EU performed a service by initiating an active debate and consequently developing interest that increased participation in the referendum to 64%.

**Honesty is important**

The current extremely high support for the European Union in Estonia is partly due to the clear backing from the other EU Member States and institutions, received in the summer of 2007, during the high tension in our relations with Russia. However, one of the underlying factors for the long-term and firm increase of support is undoubtedly the honesty of the accession campaign. Unlike many other acceding countries, the Estonian Government admitted that the accession also had clear negative effects. It was especially important to acknowledge that prices would rise faster, so this did not come as a surprise to people and the actual situation turned out to be better than feared. As far as salary increases and real incomes, these grew considerably faster than projected. If before accession, the average salary projected for 2009 was 10,000-11,000 EEK (ca 650–700 EUR), then the average salary 2008 was already about 12,800 EEK (over 800 EUR), which is almost double that of 2003.

In many new Member States, a decrease in support for the EU immediately followed the accession because expectations were too high and they could not be fulfilled. This problem did not develop in Estonia, since the referendum was not the only focus, but a sober approach was maintained and long-term goals established.
Instead, in Estonia, setbacks hit those political parties that tried to take advantage of the short-term situation and flirt with anti-EU forces. When it became clear that the fears being spread were unfounded, the support for parties that had been critical or ambiguous about the accession dropped. Currently many of the politicians that spoke out against the accession are trying to disavow their pre-accession positions.

A recommendation for organizing information campaign on the EU, according to Estonia’s experience, is to quickly create a strong database about the advantages and disadvantages of joining the European Union. This can be used by the Government but it must also be made public. There is no need to hide anything about the impact of accession as it must be assumed that there are more plusses than minuses. Otherwise, there would be no reason to join the European Union, would there?
What do we do now, now that we are happy? Following the successful conclusion of our accession negotiations at the European Union Summit in Copenhagen in December 2002, many of Estonia’s negotiators probably asked themselves this very question, originally posed by Samuel Beckett. And with good reason as Estonia’s accession to NATO was confirmed at around the same time.

Two of the main objectives that Estonian society had, for years, jointly struggled to achieve were more or less simultaneously within our reach. For a long time, accession had taken most of our efforts. What exactly membership would be like had remained a question for the future and the answer had seemed somehow self-evident. Suddenly this sought after future was upon us.

The answer to Samuel Beckett’s question became remarkably clear to us immediately after the signing of the Accession Treaty in April 2003. As with previous accessions, the EU opened up all of its working bodies to the acceding countries immediately after the signing of the accession treaties, giving us so-called active observer status. We had the opportunity to participate in the daily activities of the European Union. Unlike full members, however, acceding countries only had the right to take the floor on issues that directly concerned them. Acceding countries also did not have the right to vote, not to mention the right to use the veto. This arrangement held on all working levels of the European Union, starting with the European Council and the Council of Ministers and ending with working groups and committees of the European Commission, which convened regularly. There were also some other restrictions. For example, acceding countries did not generally have access to the European Union’s confidential information. They were also not invited to participate in meetings of the Enlargement working group, where issues related to their accession were being discussed. But with regard to everything else, the observer status of an acceding country did not visibly differ from the status of a full member.

What did all of this mean? What were we supposed to start participating in or what were we going to “actively observe”? Broadly speaking, EU Member States representatives meet with the following regularity: the Heads of State and/or Government meet four times a year at the European Council. During the year, about 100 various meetings of Ministers take place, either as official Councils of Ministers, unofficially in the country which holds the Presidency, or with the
Ministers of so-called third countries. As a rule, every week one meeting of the Committee of Permanent Representatives (COREPER) takes place at the Permanent Representative level as well as two meetings at the Deputy Permanent Representative level and two meetings of the Political and Security Committee (PSC) at the level of Ambassadors to the Political and Security Committee. In addition, another 300 committees or working groups meet more or less regularly.

At the beginning of 2003, to cope with this new reality, we had approximately 30 employees at the Estonian Permanent Representation*, including two secretaries and a driver. By comparison, the Finnish Permanent Representation, which carried out similar tasks and was therefore comparable to Estonia's representation, had 100 employees at the time. Any reader with Foreign Service experience can well imagine what it means to prepare and organize 100 ministerial meetings annually. This entails an average of two Ministers’ meetings per week. Obviously, the acceding countries were not offered any shortcuts with regard to the working arrangements and naturally it was assumed that all the countries would participate actively in all meetings.

Participation in the EU decision-making process was, of course, an entirely different matter. Since their votes did not count, acceding countries had no good reason to have a position on issues that did not directly concern them. Member States, on the other hand, had no good reason to involve the acceding countries in detailed negotiations on complicated issues. This, however, did not mean that the acceding countries’ wishes were ignored.

This new reality hit the Estonian Permanent Representation during the last days of April 2003. After the signing of the Accession Treaty, the General Secretariat of the Council of the European Union started to send us invitations to participate in all EU meetings. At first, since we had not yet developed proper working arrangements appropriate for a Member State, we had to improvise. Every morning, the author of this article, distributed the invitations that had arrived among all available diplomats working in the Representation. Each diplomat got 2-3 meetings per day. This situation continued with varying intensity until the Permanent Representation moved into a new building in 2004 and we achieved the envisaged staffing, which a Government Resolution initially established at 77 employees.

Dealing with substance was not much easier. In the afternoon of the last Friday of April 2003, an invitation arrived at the Representation to participate, for the first time ever, in a Committee of Permanent Representatives’ meeting on the following Wednesday. The meeting’s agenda was attached to the invitation, and it seemed long, although in retrospect, it was average. In total, there were approximately twenty so-called A-points or issues that had been agreed in advance and therefore needed only formal approval and approximately ten so-called B-points.

* Officially, Estonian Mission to the EU „transformed“ into Permanent Representation to the EU as of 1 May 2004. Similarly, the Head of Mission became Permanent Representative to the EU.
that needed to be discussed. This meant that for each item a Government position had to be developed over the weekend. The acceding countries, however, were unfamiliar with most of the issues on the agenda and lacked an institutional memory of previous discussions. The Presidency wanted to have each country's initial positions by the following Tuesday morning.

The initial reaction by the institutions back home in Estonia regarding the possibility of such a quick response was not very encouraging. The request for action that was sent on a Friday afternoon with a reaction deadline of late on Monday was met with a variety of responses. Some refused, claiming that legally, a certain time frame was set for Government institutions to answer requests from other institutions. Others explained that the weekend was starting and it would not be possible to achieve a response by Monday evening, certainly not to develop Government positions. No-one was enthused when the Representation explained that this was exactly how things were going to be done from now on because this is how the European Union works and everyone is in the same position. Discussions would take place and decisions would be made regardless of whether we prepare our topics or not and regardless of how thoroughly we do so. To maintain our “competitiveness” we had to be ready to prepare the Government's positions on different issues in a very short amount of time, regardless of how the domestic legislative procedures were currently organized. Despite all of the initial complaints, the work nevertheless got done, typically for Estonians. Helpful background information along with possible talking points were ready by the deadline.

Estonia transformed from an acceding country to a Member State on 1 May 2004, along with nine other countries. The working arrangements at the Permanent Representation did not change much after that. Routines settled into place during the interim year and work continued in the same way. The only difference was that our vote had gained weight and we now had the right of veto on issues requiring unanimity. Our vote also became important on issues that did not necessarily interest us, but were important for our partners. Also, the number of confidential or restricted documents sent to us increased explosively, which many new countries undoubtedly were not able to handle with appropriate care.

At first, taking positions on issues which either seemed irrelevant to us or did not seem important enough for some other reason, did not come naturally to us. Adjusting to the new situation did not happen overnight. Having become a full member, an understanding developed among the new Member States and to a certain extent in Estonia as well, that the right of veto resulting from the unanimity requirement could help us on all crucial issues. We thought that all we needed to do was to state that we were not going to agree and all the other countries would be forced to immediately take this into account. Of course, various Member States of the European Union have time and again used the right of veto and will continue to do so. However, using the veto has a political price attached to it
and an easy veto has never been the custom in the European Union. Rather, it has been customary to avoid being left in isolation, and if possible, to move toward a common understanding by adjusting one’s own positions.

While believing in the omnipotence of the right of veto, the new Member States at the same time harboured certain doubts about decisions made by majority voting. During the debates on the new EU Treaty, new Member States were mostly opposed to attempts to increase the number of issues decided by majority voting. In reality, the European Union’s modern negotiating culture strives for consensus instead of overruling the interests of individual Member States. That is, deciding by majority voting is a consensus building measure rather than a mechanism for the majority to vote down the minority. The procedure of majority voting in itself has a certain disciplinary effect on the Member States, since by nature it sets stricter requirements for avoiding extreme positions and forces the countries to give greater credence to the interests of their partners already at the start of the negotiations. Indeed, what is the point for the majority to negotiate and to try to reach an agreement with a Member State that declares from the very beginning that it will definitely vote the decision? In other words, being categorically opposed to something essentially removes the countries with positions that are too extreme from the negotiations and therefore their opinions have no influence on the formation of decisions.

In all Member States, thorough discussions have been held on the domestic procedures for forming positions in respect to the decisions to be made in the European Union. Is it a question of foreign policy that should be managed by the Foreign Ministry? Or is it the everyday work of the Government, where the routines developed for domestic decision-making should apply?

There are many answers to these questions, depending on a country’s governmental arrangements and public administration traditions. Indeed, the Member States have arrived at different solutions. From the start, Estonia has proceeded from the principle that in preparing decisions related to the European Union, the relevant Ministers and Ministries should deal with EU issues in the same way as with domestic issues. In other words, when preparing negotiating positions for topics being discussed in EU structures, the Ministers will follow domestic procedures as long as the discussions in the European Union are in reasonable harmony with the Government’s general strategic goals. A collective decision of the Government will only become necessary before decisions are approved by the Council of Ministers or if the Minister finds that a certain decision cannot be approved within the framework of the Government’s political action plan. In such cases, consultations with the political factions represented in the Parliament are

Now that we are a Member State of the European Union, we have been honouring EU rules in our daily work and have always tried to achieve the best result by playing by the rules. When the rules have not been to our liking, we have tried to change them rather than knowingly neglect them.
necessary in order to achieve the required parliamentary approval. The system implemented in Estonia is much more decentralized than in many other Member States. For a small country such as Estonia, it has been effective and operational.

Another important change that took place once we became a full member was the fact that representatives from the new Member States started working in the European Commission, the European Parliament and other main European Union institutions. Strictly speaking, these elected or appointed representatives do not represent Estonia in the European Union institutions. However, there is no doubt that since these politicians and officials working in the EU institutions know Estonia well, it helps the institutions to better understand what is happening in a Member State as well as the attitudes prevailing there. By itself, this should to a great extent guarantee that the proposals submitted for decisions are realistic. They need to be, as all the proposals made by the European Commission have to go through a very thorough co-ordination procedure at various working levels and survive the political discussion by the European Commission with the participation of the Commissioners from all the Member States.
On behalf of whom does the European Union speak in foreign policy when it speaks with one voice? Understandably, all the Member States would like their contribution to be visible when decisions are made. They would like their voice to be heard in common positions and for unanimous decisions to sufficiently represent each individual Member State in each individual case. The common foreign policy of the European Union has been routinely criticised; it has been called inoperative and ineffective. Undoubtedly, to some extent, this is the case.

A common position for 27 countries cannot be formed with the same efficiency as the position of an individual country. Also, when a position that is acceptable to everyone is formed on the basis of the lowest common denominator, many will think it is toothless. There is certainly a dilemma here for the Member States - which is better, a single and forceful foreign policy solo, or a carefully negotiated common position? For many Member States, the answer is evident: the positions of a single Member State may go unnoticed by the broader international public, while common European Union positions should generally be taken into account. The Estonian Government has also been criticized by the public that Estonia’s positions have not been sufficiently forceful or visible in, for instance, the European Union’s foreign policy towards the countries to our East. It is true that not every single one of our wishes in the foreign policy field have been included in the EU's common positions. But there is no doubt that an EU common position attracts noticeably more attention than our individual position would. In implementing EU foreign policy, Estonia has not set a goal of establishing itself at the centre of as many conflicts or problems as possible. Doing so would undoubtedly make our foreign policy more visible to the public, but from the standpoint of actually resolving problems, this might not necessarily produce the best possible results.

What has been Estonia's key to success in the European Union up until now? Should we consider ourselves successful? The invitation to the accession negotiations in 1997 came because we tried, in areas of importance to the EU, to be demonstrably better than the countries we thought were guaranteed an invitation. In our view, this would have made it impossible not to invite us. And indeed, we were invited. Now that we are a Member State of the European Union, we have been honouring EU rules in our daily work and have always tried to achieve the best result by playing by the rules. When the rules have not been to our liking, we have tried to change them rather than knowingly neglect them. One can always question the expediency of this attitude and, indeed, sometimes it has been done. At the same time, there is no convincing evidence that by a lack of rules or by ignoring them, we would be much better off.

It will take years to gain the experience to start enjoying the “beauty of the game” in the European Union. There is no doubt that Estonia, as well as other countries that have recently become members, have much to learn. For instance,
how to identify problems as early as possible in close and confidential co-operation with the European Commission or how co-operation with the European Parliament can produce an improved result for a Member State.

The author has time and again admired colleagues who, with playful ease, help to resolve complicated issues which go back a long way by using personal recollections or references to meetings that, for instance, took place 30 years ago. Estonia too has a historical experience that can be recalled while shaping many decisions. After all, we have restored our independence and brought our nation into the European Union and NATO in only 13 years. This is definitely an experience that is worth remembering.
Chronology 1991–2004

1991

20 August  The Republic of Estonia restores its independence.
27 August  The Foreign Ministers of the European Community decide to recognize the independence of Estonia.
17 September  Estonia becomes a member of the United Nations.

1992

January  Clyde Kull, Estonian Ambassador to the European Communities, presents his credentials.
April  The representative of the European Commission in the Baltic countries starts work.
11 May  The Agreement between the Republic of Estonia and the European Economic Community on Trade, Commercial and Economic Co-operation is signed. The Agreement enters into force on 1 February 1993.
20 June  Currency reform in Estonia takes place, whereupon the new currency – the Estonian kroon – is released into circulation.
Second half of the year  The PHARE programme for providing training and advisory aid is launched in Estonia.

1993

1 February  The Agreement between the Republic of Estonia and the European Economic Community on Trade, Commercial and Economic Co-operation enters into force.
21–22 June  Three general conditions for the accession of the Central and Eastern European countries to the European Union are set by the Copenhagen European Council (the so-called Copenhagen criteria): (1) a democratic system of government, protection of human rights and minorities, and observance of the principles of the rule of law; (2) a functioning market economy and capacity to cope with competitive pressure of the EU; (3) the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.
1 November  The Maastricht Treaty or the Treaty on European Union enters into force.

7 December  A Government working group is created in Estonia to analyse the consequences of Estonia’s possible accession to the EU.

1994

18 July  The Free Trade Agreement is signed between Estonia and the European Union, which enters into force on 1 January 1995.

7 December  The Estonian Parliament (the Riigikogu) ratifies the Free Trade Agreement with the EU.

9–10 December  The Essen European Council approves the pre-accession strategy for the Central and Eastern European countries, which includes structural dialogue, better access to the internal market and integration into the Trans-European Networks (TENs).

15 December  Negotiations start on the Association Agreement between Estonia and the EU.

1995

1 January  The Free Trade Agreement between Estonia and the EU enters into force without any transition periods.

1 January  The European Economic Area Agreement (EEA Agreement), concluded between the European Communities, its Member States, and the members of the European Free Trade Association (EFTA) – Norway, Iceland, Switzerland, and Liechtenstein – enters into force. The EFTA parties to the EEA Agreement are able participate in the internal market of the Community, while preserving independence from the EU common agricultural and fisheries policies.

12 June  The Association Agreement (Europe Agreement) between Estonia and the EU is signed. The Agreement enters into force on 1 February 1998.

1 August  The Riigikogu unanimously ratifies the Europe Agreement.

15 November  The European Parliament ratifies the Europe Agreement with Estonia.

24 November  Estonia submits its application for European Union membership.

15–16 December  The Madrid European Council requests the European Commission to compile an assessment (avis) of each candidate country.
End of the year  The European Commission Delegation is established in Tallinn.

1996
30 January  A regulation of the Government of Estonia creates the structures necessary for integration into the European Union (Ministers’ Committee, Office of European Integration, Council of Senior Officials) and specifies their assignments.

Spring  The European Commission sends a 160-page questionnaire to the candidate countries, asking them to describe their political, economic and environmental situations.

6 June  The Estonian Government’s first Activity Plan for Joining the EU is completed.

26 July  Estonia submits its answers to the Commission’s questionnaire on the basis of which the Commission starts to compile an avis regarding the compatibility of the country with the EU.

November  The Estonian Mission to the EU is opened in Brussels.

1997
Beginning of the year  Several domestic structural changes take place. The position of Undersecretary for EU Affairs and the European Integration Department are created in the Ministry of Foreign Affairs. The European Affairs Committee is founded in the Riigikogu with the status of a special committee. During the year, five embassies are opened in the EU Member States – in Ireland, the Netherlands, Greece, Portugal, and Spain.

4 February  The Government approves its 1997 action programme, which sets the objective of getting into the first round of EU enlargement.

April  Hans van den Broek, the European Commissioner for External Relations, visits Tallinn. After his meetings, the Commissioner acknowledges that Estonia’s success in building a market economy based on liberal trade and enthusiastic privatization is impressive. The only shortcoming mentioned by the European Commissioner is the slow pace of legislative harmonization.

Summer  The Riigikogu convenes for an extraordinary summer session to accelerate the harmonization process with the EU acquis.

16 July  The European Commission presents its assessment (avis), which recommends that accession negotiations be started
with Estonia, Poland, the Czech Republic, Hungary, Slovenia and Cyprus.

**October**

In response to the avis, Estonia submits a document entitled “The Roadmap to Reform” to the European Commission and the Member States, which summarizes the steps planned for resolving the problems identified in the Commission’s assessment.

**November**

The European Commission, in co-operation with Estonia, starts compiling the Accession Partnership Programme. Domestically, the drafting of the National Programme for the Adoption of the Acquis (NPAA) begins.

**19 November**

Following approval by the French Senate, the ratification process of Estonia’s Association Agreement (Europe Agreement) is completed.

**12–13 December**

The Luxembourg European Council decides to invite six countries to the accession negotiations – Estonia, Poland, the Czech Republic, Hungary, Slovenia, and Cyprus.

**1998**

**15 January**

Priit Kolbre, Estonian Ambassador to the European Union, presents his credentials to Jacques Santer, President of the European Commission.

**1 February**

The Association Agreement or Europe Agreement between Estonia and the EU enters into force without any transition periods. This Agreement forms the legal basis for relations between Estonia and the EU until the Accession Treaty enters into force on 1 May 2004.

**3 February**

The Estonian Government forms a delegation for conducting accession negotiations with the European Union. The Foreign Minister is appointed as the Head of the delegation. The Foreign Ministry’s Undersecretary for EU Affairs is appointed as the Deputy Head of the delegation (chief negotiator).

**23 February**

The first meeting of the Association Council between Estonia and the EU takes place in Brussels. The meeting focuses on the strengthening of bilateral relations (e.g. participation in Community programmes, co-operation in the field of environmental protection, etc.) and Estonia’s accession preparations (NPAA, accession partnership, etc.).

**31 March**

Estonia’s accession negotiations with the European Union begin (i.e the Accession Conference is opened). In his opening statement, Estonian Foreign Minister Ilves mentions energy
policy, agriculture, fisheries, transport, the environment, and regional policy as negotiating topics of special importance to Estonia.

24 April  The first meeting of the Deputy Heads of the Estonian and EU negotiating delegations (chief negotiators) takes place in Brussels. At the meeting, the procedures, principles, and organization of the negotiations are agreed upon, and the work programme is approved, which specify the schedule for the screening of the EU *acquis communautaire*.

27 April  The comparative analysis or screening of the Estonian and EU legislation begins with the Science and Research chapter.

Spring  The Accession Partnership Agreement between Estonia and the EU is signed, which provides the European Commission with the opportunity to monitor how the necessary domestic preparations for Estonia’s accession are progressing and determines the EU aid programmes for Estonia.

4 June  The first debate related to the European integration takes place in the *Riigikogu*.

3 September  Estonia delivers a written overview of developments in the field of European integration from July 1997 to August 1998 to the European Commission. The overview, prepared in cooperation with all the Ministries, includes Estonia’s plans for harmonizing its legislation with that of the EU and for improving administrative capacities. It also outlines the steps to be taken for the fulfilment of the Copenhagen criteria, the implementation of the government plan of action (NPAA), the achievement of accession partnership priorities, and the progress of the screening process.

29–30 September  The chief negotiators of six countries (Estonia, Poland, the Czech Republic, Hungary, Slovenia, and Cyprus), or the so-called Luxembourg Group, meet in Warsaw. At the meeting, the experiences gained during the screening processes are shared and an exchange of views on the domestic organization of the negotiations takes place.

10 November  The second meeting of the Accession Conference between Estonia and the EU on the Foreign Ministers’ level takes place in Brussels, at which the actual negotiations begin. The chapters of Science and Research; Small and Medium-sized Enterprises; and Education, Vocational Training and Youth are provisionally closed.

By the end of the year  Out of 31 chapters, Estonia has screened 20. 3 chapters are provisionally closed.
1999

March

The European Commission resigns due to financial scandals.

24–25 March

At the Berlin European Council, the financial framework for an enlarged Europe until 2007 (Agenda 2000) is agreed upon.

27 April

In Luxembourg, the second meeting of the Association Council between Estonia and the EU takes place, where Estonia’s development is discussed in terms of accession to the EU. Bilateral relations within the framework of the Europe Agreement are also discussed, primarily with respect to questions related to fair competition and trade with agricultural produce.

1 May

The Amsterdam Treaty, amending the Maastricht Treaty, enters into force. The Amsterdam Treaty increases the competence of the EU in the field of police and legal cooperation, as well as the rights of the European Parliament. The new Treaty also creates the position of the High Representative for the EU Common Foreign and Security Policy, to which Javier Solana is later appointed.

22 June

In Luxembourg, the third meeting of the Accession Conference between Estonia and EU on the Foreign Ministers’ level takes place where four chapters are provisionally closed – Industrial Policy; Telecommunications and Information Technologies; Consumer and Health Protection; and Statistics.

September

The new European Commission, under the direction of Romano Prodi, starts work in a reorganized form. A Directorate-General for Enlargement is established, and Günter Verheugen is appointed the Commissioner for Enlargement.

11–12 October

The Foreign Ministers’ meeting of the Luxembourg Group, takes place in Tallinn. The aim is to discuss political issues related to the accession negotiations, the strengthening of mutual co-operation, and the co-ordination of future activities.

13 October

The European Commission publishes Progress Reports regarding the pre-accession development of the candidate countries. The general tone regarding Estonia is positive – our efforts are recognized and progress compared to the previous year is noticeable. At the same time, the evaluation includes comments regarding the fact that Estonia must still make great efforts to achieve EU membership.
<table>
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<tr>
<th>Date</th>
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<tr>
<td><strong>16 November</strong></td>
<td>The first meeting of the Foreign Minister’s Consultative Committee takes place in Tallinn. The Committee discusses its statute and subsequent plan of action. Information is exchanged on the current state of the accession negotiations and short-term perspectives.</td>
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<td><strong>29 November</strong></td>
<td>The Foreign Minister’s Consultative Committee is established.</td>
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<td><strong>7 December</strong></td>
<td>The fourth meeting of the Accession Conference between Estonia and the EU on the Foreign Ministers’ level takes place in Brussels, at which the Economic and Monetary Union chapter is provisionally closed.</td>
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<tr>
<td><strong>10–11 December</strong></td>
<td>At the Helsinki European Council, six countries – Latvia, Lithuania, Slovakia, Bulgaria, Romania, and Malta – are invited to begin accession negotiations.</td>
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<tr>
<td><strong>By the end of the year</strong></td>
<td>The first screening round is completed. Estonia has 8 chapters provisionally closed, 15 chapters opened for negotiations, and positions in 29 chapters delivered to the EU. During the year, serious and more complicated chapters are brought on the “worktable”. Domestically, a decision is made to be ready for EU accession by 1 January 2003.</td>
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**2000**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td><strong>19 January</strong></td>
<td>A debate on European integration takes place in the Riigikogu.</td>
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<td><strong>14 February</strong></td>
<td>The third meeting of the Association Council between Estonia and the EU is held. The Council approves the conditions for Estonia to participate in the Community training and education programmes Socrates and Leonardo da Vinci and in the second phase of the Community Youth programme. These decisions provide pupils, students, teachers, and faculty members with the opportunity to participate in projects and exchange programmes. Discussions also continue on facilitating the export of processed agricultural and fishery products to the EU market.</td>
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<tr>
<td><strong>14 February</strong></td>
<td>The EU Intergovernmental Conference (IGC) begins. Its objective is to adapt the activities of the institutions to the needs of the enlarging Union. The principal issues are changes in the size and composition of the Commission, the weighting of votes in the Council of Ministers, the extension of qualified majority voting, and so-called enhanced co-operation – the opportunity for countries that so wish to move forward faster in EU integration.</td>
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5 June  A meeting of the Luxembourg Group takes place in Ljubljana. The Ministers emphasize the need to continue the enlarge-
ment process according to existing principles by which each country is evaluated individually based on common criteria. Also, the conviction is expressed that it is possible to complete the negotiations in 2001.

14 June  The fifth meeting of the Accession Conference between Estonia and the EU on the Foreign Ministers’ level takes place, during which five chapters are provisionally closed – Free Movement of Capital; Company Law; Fisheries; External Relations and Common Foreign and Security Policy. Negotiations begin in the extensive chapter of Agriculture.

1 July  A more favourable trade regime between Estonia and the EU for agricultural products enters into force, and many Estonian goods (e.g. dairy products, honey, berries, sauerkraut, flowers, mushrooms, seeds, and more) achieve considerably more free access to the EU market.

8 November  The European Commission publishes Progress Reports on the candidate countries and the enlargement strategy, which include a roadmap for further negotiations. The Commission’s Progress Report on Estonia is objective and generally positive, although it also includes critical assessments. Among other things, the Commission notes that Estonia has a functioning market economy that should be able to cope with the competitive pressures of the internal market in the nearest future.

15 November  A meeting of the Luxembourg Group takes place in Budapest. The Ministers recognize that the Commission’s enlargement strategy is a positive step toward bringing the negotiations to a new level by allowing the discussion and resolution of substantive issues related to transition periods to begin.

4 December  The sixth meeting of the Accession Conference between Estonia and the EU on the Foreign Ministers’ level takes place, where three chapters are provisionally closed – Free Movement of Goods; Social Policy and Employment, and Culture and Audiovisual Policy.

7-9 December  The Nice European Council takes place, where, at the end of the Intergovernmental Conference (IGC), an agreement to reform the EU institutions is reached. In addition, the Member States approve the Commission’s enlargement strategy and the roadmap for further negotiations.
By the end of the year

Estonia has opened all chapters except for Institutions and Other issues; 16 chapters are provisionally closed, 8 of these in 2000. Serious negotiations on substance do not begin, since no transition periods are discussed. During the year, another screening round takes place regarding the *acquis* that has come into force between 1 March 1998 and 31 December 1999. The European Commission starts the monitoring of the fulfilment of the obligations taken during the negotiations.

**2001**

27 February

The fourth meeting of the Association Council between Estonia and the EU takes place. The issues under discussion include Estonia's preparations for acceding to the EU, bilateral relations and international questions.

25 April

Estonia's chief negotiator, Alar Streimann, provides the European Parliament's External Relations Committee with an overview of the current state of Estonia's accession negotiations.

23 May

A meeting of the Luxembourg Group takes place in Prague. The Ministers emphasize that the negotiations with the best-prepared candidates could be concluded in the first half of 2002. The Ministers also reaffirm their countries’ determination to be ready for membership on 1 January 2003.

12 June

The seventh meeting of the Accession Conference between Estonia and the EU on the Foreign Ministers’ level takes place. Three chapters are provisionally closed – Financial Control, Free Movement of Services and Environment. Transition periods are also agreed in the last two chapters.

17–18 June

A visit by the President of the European Commission Romano Prodi and the Commissioner for Enlargement Günter Verheugen takes place.

1 September

More favourable conditions start to apply to Estonia for the access of processed agricultural products to the European Union market.

13 November

The European Commission publishes Progress Reports on the pre-accession development of the candidate countries. With respect to Estonia, the modernization of the public sector and legal system is acknowledged, along with the overall economic development and the work done on the harmonization of laws. The shortcomings noted by the Commission included
the high level of unemployment, great regional differences, and the current account deficit. With respect to all candidate countries, the Commission stresses the importance of increasing administrative and court capacities and the need to sufficiently inform the public.

23 November
A meeting of the Luxembourg Group is held in Cyprus. At the meeting, it is found that due to the changes in the international situation in connection with the September 11th terrorist attacks in the United States, EU enlargement must be accelerated so that the first countries can accede on 1 January 2004 at the latest.

12 December
The eighth meeting of the Accession Conference between Estonia and the EU at the Foreign Ministers’ level takes place, where the Competition chapter is provisionally closed.

14–15 December
The Laeken European Council is held, during which it is decided that it will be possible to accept 10 new countries to the EU in 2004.

By the end of the year
Estonia has provisionally closed 20 chapters, 4 of them during the last year. Discussions have started on issues where Estonia has specific national interests and which thereby exclude easy agreements (Energy, Taxation, Agriculture). The greatest achievement of the year is the provisional closure of the extensive Environment chapter and agreement on four transition periods therein. The greatest achievements in the second half of the year are many technical agreements (e.g. in the field of organic farming) in the Agriculture chapter.

2002
1 February
More favourable conditions start to apply to Estonia for the access of fish and fish products to the European Union market.

19 February
The fifth meeting of the Association Council between Estonia and the EU is held. Estonia provides an overview of the accession preparations in all fields and expresses hope that the Member States will arrive at an agreement in the financial and budgetary provisions, agriculture, and regional policy chapters during the first half of the year. Estonia also stresses that the liberalization of bilateral trade, the goal of which was to eliminate all trade barriers before Estonia’s accession to the EU, should continue. The high level of unemployment in Estonia is noted as a problem.
28 February The Convention on the Future of the Europe starts work. The goal of the discussions in the Convention is to find an answer to the question of what direction the European Union's development should take in order for it to function efficiently after enlargement, to better conform to the expectations of its citizens, and to fulfil its obligations as a guarantor of stability, well-being and democratic values in Europe and throughout the world.

11 April A debate entitled “Preparations for Estonia’s Accession to the European Union” takes place in the Riigikogu. It is found that although a large part of the success or failure of the negotiations depends on the resolution of problematic issues with the EU, at least as large a part depends on Estonia’s domestic activities.

22 May A meeting of the Foreign Ministers of the ten EU candidate countries (Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Malta, and Cyprus) takes place in Warsaw. Discussions primarily focussed on the chapters of Agriculture, Regional Policy, and Financial and Budgetary Provisions. In a joint statement, the Foreign Ministers confirm their wish to complete the accession negotiations by December.

11 June The ninth meeting of the Accession Conference between Estonia and the EU on the Foreign Ministers’ level takes place. The Transport, Customs Union, Justice and Home Affairs, Free Movement of People, Regional Policy and Institutions chapters are provisionally closed. Transition periods are agreed upon in the chapters of Transport and Free Movement of People as requested by the EU Member States.

12–13 June Günter Verheugen, the Commissioner for Enlargement, visits Estonia. The main topics include the current state of the accession negotiations and the prospects for finding solutions in the chapters of Energy, Taxation, Agriculture, as well as Financial and Budgetary Provisions.

1 October The tenth meeting of the Accession Conference between Estonia and the EU at the Foreign Ministers’ level takes place, where the chapters of Taxation and Energy are provisionally closed. Transition periods are agreed upon in both chapters.

9 October The European Commission publishes Progress Reports on the pre-accession development of the candidate countries,
and in an additional composite paper, recommends that the accession negotiations be completed with ten candidate countries by the end of the year. The Commission acknowledges that Estonia’s accession preparations in 1997-2002 have been productive, and finds that Estonia should be able to fulfil the obligations of a Member State from the time of the planned enlargement, that is from the start of 2004. In the report, criticism is directed at administrative capacities in the fields of fisheries and customs.

22 October
A meeting of the Foreign Ministers of the ten EU candidate countries is held in Prague, where the main topics are the general perspectives for the completion of accession negotiations with the EU, the EU proposals regarding the financing of the enlargement, and the future co-operation of the candidate countries.

24 October
At the invitation of Belgian Prime Minister Guy Verhofstadt, Prime Minister Siim Kallas visits Brussels to discuss European Union enlargement. At the meeting, a common position is agreed that new conditions must not be set for the enlargement and the decision on enlargement must be made in 2002. At the same time, the Estonian Prime Minister recognizes that many problems still remained to be solved and the period leading up to the Copenhagen European Council in December will entail complicated negotiations.

24–25 October
The Brussels European Council takes place, where the state of the enlargement and its future progress is discussed. Financial decisions are confirmed (regarding agricultural direct payments, ceilings for structural funds and own resources etc.) that are necessary for the presentation of EU common positions, in the issues that were open, to the candidate countries by the beginning of November at the latest.

28 October
Prime Minister Siim Kallas attends a meeting of the Heads of State and Government of the EU candidate countries in Copenhagen, where an overview is provided of the decisions made at the Brussels European Council. Although agreements are reached at the European Council on the basic questions related to the enlargement, the candidate countries still do not have sufficient clarity on many negotiating details, and the so-called financial package continues to create problems.

15 November  A meeting of the Foreign Ministers of the ten EU candidate countries takes place in Warsaw. The joint declaration emphasizes that the post-accession financial situation of the candidate countries must not deteriorate and that full agricultural payments must begin as soon as possible. In addition, it is noted that the actual accession of the candidate countries might be postponed for a few months from the planned date at the beginning of January 2004.

18 November  A meeting of the Foreign Ministers of the EU and ten candidate countries takes place in Brussels. Discussions include the enlargement’s financial package and the completion of the accession negotiations by the Copenhagen European Council in December. All the candidate states emphasize the need to guarantee the balance of rights and obligations for the new Member States in the financial field, to shorten the transition period for agricultural direct payments, and to improve the post-accession financial situation of the new Member States.

28 November  President Arnold Rüütel meets with the European Commission President Romano Prodi and Günter Verheugen, the Commissioner for Enlargement, in Brussels. At the meeting, the state of the accession negotiations is discussed, as well as the accession conditions, primarily in the fields of agriculture and the environment.

9 December  The eleventh meeting of the Accession Conference between Estonia and the EU on the Foreign Ministers’ level takes place. At the meeting, initial agreements are reached on issues of specific interest to Estonia, as well as in regard to agriculture and the financial package.

12–13 December  The Copenhagen European Council takes place, during which the ten candidate countries agree to the accession conditions offered to them. The European Council decides to conclude the negotiations, and presents accession invitations to Estonia, Latvia, Lithuania, Poland, the Czech Republic, Hungary, Slovakia, Slovenia, Malta, and Cyprus.

16 December  Estonia’s new Ambassador to the European Union, Väino Reinart, presents his credentials to the European Commission President Romano Prodi.
2003

1 February  The Nice Treaty, which replaces the Amsterdam Treaty, enters into force.

19 February  The European Commission approves the accession of ten countries to the EU.

9 April  The European Parliament approves the recommendations that ten countries accede to the EU.

16 April  President Arnold Rüütel and Foreign Minister Kristiina Ojuland sign Estonia’s Accession Treaty with the European Union in Athens.

30 April  Väino Reinart, Estonian Ambassador to the European Union, and Margus Rahuoja, Deputy Head of the Mission, participate for the first time in the meeting of the Committee of Permanent Representatives (COREPER).

19-20 May  Foreign Minister Kristiina Ojuland participates for the first time in the meeting of the EU General Affairs and External Relations Council (GAERC) in Brussels.
Prime Minister Juhan Parts visits Brussels, where he meets with European Commission President Romano Prodi and the Commissioner for Enlargement Günter Verheugen. At the meeting, discussions include the Convention of the Future of Europe and the future of the EU institutions. The Estonian Prime Minister also provides an overview of the campaign that was organized in Estonia for the referendum on the EU accession.

Prime Minister Juhan Parts and Foreign Minister Kristiina Ojuland participate in the European Council meeting in Thessaloniki.

The Convention for the Future of Europe gathers for the last time.

A referendum on the accession to the European Union and amending the Constitution of the Republic of Estonia is held. 64 percent of eligible citizens participate in the referendum, of which 67% vote in favour of acceding to the EU and amending the Constitution. 33% of voters vote against.

Foreign Minister Kristiina Ojuland signs Estonia’s Accession Treaty with the European Economic Area (EEA).

The European Commission publishes the last Progress Reports on Estonia and the other countries acceding to the European Union. As a whole, the report is positive toward Estonia: Estonia continues to fulfil political and economic accession criteria, and the transposition and implementation of the EU *acquis* has progressed to a great extent as planned. However, the Commission feels that it was necessary to increase the pace of legislative drafting in the fields of social policy, employment, and the free movement of people, in order to guarantee Estonia’s smooth accession on 1 May 2004.

The Estonian Mission to the EU moves into a new building on Rue Guimard in Brussels.

Estonia becomes a NATO Member State.

Estonia, along with Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Malta, and Cyprus, become full members of the European Union.
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