

ASSOCIATION  
BETWEEN  
THE EUROPEAN COMMUNITY  
AND TURKEY  

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The Association Council

Brussels, 28 May 2015

UE-TR 4805/15

**COVER NOTE**

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Subject: 53rd meeting of the EU-Turkey Association Council  
(Brussels, 18 May 2015)

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Delegations will find attached the position paper of the European Union tabled on the occasion of the 53rd meeting of the EU-Turkey Association Council.

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**53rd MEETING OF THE**  
**EU-TURKEY ASSOCIATION COUNCIL**  
**(Brussels – 18 May 2015)**

**POSITION OF THE EUROPEAN UNION**

The European Union welcomes the holding of the 53<sup>rd</sup> meeting of the EU-Turkey Association Council. The EU considers that this meeting provides a timely opportunity to review progress in EU-Turkey relations, following the publication of the Commission's Progress Report in October 2014.

**Item 3**      **Accession Strategy, in particular in light of the Commission's 2014 Progress Report**

In line with the Council conclusions of 16 December 2014, the EU reaffirms the importance it attaches to EU relations with Turkey. Turkey is a candidate country and a key partner for the EU. Its dynamic economy provides a valuable contribution to the prosperity of the European continent. Active and credible accession negotiations which respect the EU's commitments and established conditionality, along with all the other dimensions of the EU-Turkey relations addressed below, will enable the EU-Turkey relations to achieve their full potential. Coherent implementation of the renewed consensus on enlargement, approved by the European Council of December 2006, remains the basis for EU action at all stages of the negotiation process. In this respect, the EU recalls that the results of the political and economic dialogues will be fed into the accession negotiations. The EU welcomes the commitment of the Turkish government to EU accession and looks forward to the concrete follow-up of its recently adopted EU Strategy. The EU should remain the anchor for Turkey's political and economic reforms.

Turkey will be able to accelerate the pace of negotiations by advancing in the fulfilment of benchmarks, meeting the requirements of the Negotiating Framework and by respecting its contractual obligations towards the EU, including the full and non-discriminatory implementation of the Additional Protocol to the Association Agreement towards all Member States.

The EU notes positively that a new cycle of sub-committees was launched in February 2015, after a nearly three-year break in such meetings. The EU recalls the acknowledgement by both sides that sub-committees play a useful role in supporting Turkey's efforts of alignment with the *acquis* and of compliance with the opening and closing benchmarks of the negotiation chapters, without prejudice to the Council Conclusions of 11 December 2006.

The EU encourages Turkey to take steps towards meeting the opening benchmarks on chapters 5 – public procurement, 8 – competition and 19 – social policy and employment. The EU looks forward to progress on other negotiating chapters.

The EU recalls the strong economic links between Turkey and the EU and the need for the development of a high level economic dialogue. Progress under chapter 17 – economic and monetary policy would in due course further support such dialogue and encourage alignment with the *acquis*. Turkey submitted on 27 March 2015 to the Council a supplemented Negotiating Position (CONF TR 1/15). The EU points out that it is assessing the Turkish Negotiating Position in view of preparing the EU's Common Position. The EU also underlines that progress on this chapter will depend ultimately on the unanimous decision of the EU Member States, taking into account all relevant factors.

In this context, recalling Council conclusions of 11 December 2006 and the declaration of 21 September 2005, the EU notes with deep regret that Turkey, despite repeated calls, continues refusing to fulfil its obligation of full, non-discriminatory implementation of the Additional Protocol to the Association Agreement towards all Member States, the fulfilment of which could provide a significant boost to the negotiation process. In the absence of progress on this issue, the Council will maintain its measures from 2006, which will have a continuous effect on the overall progress of the negotiations. Furthermore, Turkey has regrettably still not made progress towards the necessary normalisation of its relations with the Republic of Cyprus. In this regard, the EU calls on Turkey to stop blocking the accession of Member States to international organisations and mechanisms. The EU reiterates that recognition of all Member States is a necessary component of the accession process. The EU will continue to closely follow and review progress made on all issues covered by the declaration of the European Community and its Member States of 21 September 2005. Progress is now expected without any further delay.

#### **Political criteria, other requirements of the Negotiating Framework and enhanced political dialogue**

The EU recalls the important regional role of Turkey and its active involvement in its wider neighbourhood. It underlines that the very serious developments in the region, in particular in Syria and Iraq, render it crucial that dialogue and cooperation on foreign policy issues is increased within the framework of the EU-Turkey political dialogue. The EU commends the considerable efforts made by Turkey in hosting around 2 million refugees fleeing the violence in Syria and Iraq. The EU underlines that it will continue to support Turkey so it can deal effectively with the increasing flow of refugees, including through financial assistance.

The EU also proposes that the political dialogue should be used to develop closer cooperation against ISIL/Da'esh and its funding networks, as well as to enhance the cooperation to stem the flow of foreign fighters. The EU also welcomes the active counter-terrorism dialogue between the EU and Turkey, and the exchange of best practice on the prevention of radicalisation and recruitment to terrorism. The EU confirms its intention to strengthen counter-terrorism cooperation. The EU underlines the importance of the EU and Turkey to develop police and judicial cooperation in the fight against terrorism. Operational cooperation will be further enhanced by the adoption by Turkey of further relevant counter-terrorism legislation, including on data protection.

In line with the Negotiating Framework, the EU continues to encourage Turkey to develop its foreign policy as a complement to and in coordination with the EU, and to progressively align with EU Common Foreign and Security Policy. There has been some progress in this regard but further efforts are still needed. The EU welcomes Turkish participation in CSDP missions and operations.

The EU extends the EU's strongest political support to the renewed efforts towards a peaceful settlement of the Kurdish issue. The EU encourages further engagement by all parties to move the process forward. The EU repeats its readiness to provide practical help, including through pre-accession funding.

The EU welcomes the continued implementation of reforms adopted in previous years, and in particular measures announced in the September 2013 democratisation package, and the Action Plan for the Prevention of Violations of the European Convention on Human Rights. The Action Plan needs to be revised to cover the full spectrum of fundamental rights. The Constitutional Court has taken a number of important decisions, which has illustrated the resilience of the country's constitutional system.

At the same time, the EU regrets that the response by the government to the alleged cases of corruption in December 2013, including in the form of substantial reassignments of judges, prosecutors and police officers, cast serious doubts over the independence and impartiality of the judiciary, and demonstrated an increasing intolerance of political opposition, public protest and critical media. In this context, the EU underlines that consolidating the independence, impartiality and efficiency of the judiciary and respecting separation of powers remain of particular importance.

The EU welcomes the publication by the Turkish authorities of the peer reviews on (a) the independence and impartiality of the judiciary, (b) freedom of expression, and (c) the Turkish criminal justice system, and encourages the authorities to address the recommendations of the reports, with the involvement of all stakeholders, as soon as possible.

It recalls the role of the Commission to monitor and report on developments in candidate countries and to assist them in their alignment efforts. The EU invites Turkey to cooperate more closely with the Commission and other relevant bodies such as the Council of Europe, including the Venice Commission, ahead of law-making with potential effects on the rule of law and fundamental rights. The EU underlines the need for Turkey to ensure that reforms, including on a new constitution, are prepared in line with European standards, so as to meet fully the Copenhagen criteria.

The EU expresses concern over undue interference by the executive in the judiciary, frequent changes to key legislation without due consultation of stakeholders, and restrictions on access to information. The EU continues to encourage Turkey to work on reforms which should provide for adequate checks and balances fully guaranteeing freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. Implementation fully in line with European standards will be key. The EU is ready to continue and to step up cooperation and strengthen common activities in these areas. The EU takes positive note of the growing and active civil society in Turkey, which should be supported and encouraged as legitimate stakeholder.

Further efforts will be needed to improve the observance of fundamental rights and freedoms in law and in practice in Turkey, including in the areas of freedom of religion and property rights. The EU calls on Turkey to enhance its efforts to implement all the judgements of the European Court of Human Rights. The EU recalls that under Article 46 of the European Convention of Human Rights the contracting parties undertake to abide by the final judgements of the Court in any case to which they are parties.

Legislation on the right to association and the right to assembly, as well as on intervention by law enforcement officers, should be brought in line with European standards. The EU notes that the legislative package on domestic security gave police further powers. The EU stresses the need of proper consultation of all stakeholders for the adoption of such legislation. The EU underlines that a key element to monitor will be the proportionality of the measures and their impact on fundamental rights and freedoms when they are implemented. The EU also recalls the need for a proper oversight, both judicial and non-judicial, over the actions of the police. The EU reiterates its offer to engage with Turkey on all relevant elements of this legislation, with a view to ensure that it is implemented fully in line with European standards and best practices. The EU raises concerns with regard to the amended law on provision of medical assistance, which could prevent the delivery of medical services during emergency situations.

As regards judicial reform, the EU underlines the crucial importance for Turkey's EU accession process of an independent, impartial and efficient judiciary and commends the role played by the Constitutional Court. The EU refers to the recommendations of the peer reviews, especially on the High Council of Judges and Prosecutors, and emphasises the key role of the High Council to protect the credibility and the independence of the judicial system and to maintain public confidence in its orderly functioning in terms of independence and impartiality. It also refers to the recommendations of the peer review on the criminal justice system and encourages Turkey to examine these recommendations with particular care and to develop plans to address the identified shortcomings. The EU requests Turkey to provide information about the package of judicial measures taken in December 2014 and about their implementation.

The EU notes that repeated and hasty adoption of contradictory measures in such sensitive areas exposes the judicial system to a loss of credibility and efficiency as well as increases interference in its functioning. The EU underlines the importance of sufficient time given to early consultations in the area of the rule of law and fundamental rights ahead of the adoption of the legislation. It is also essential to ensure broad consultations with civil society on all legislation of public interest. Key is to bring new proposals fully in line with European standards and best practice.

The EU requests to be fully informed about the new judicial reform strategy and the evaluation of results achieved by the 2009 strategy. It recalls the European Commission's readiness to provide expertise in view of the preparation of the implementation of the updated strategy.

As regards civil-military relations, the EU welcomes further consolidation of civilian oversight of the security forces, in particular strengthening civilian oversight of the Gendarmerie. However, significant increase in law enforcement powers without sufficient judicial and administrative oversight is worrying. Implementation fully in line with European standard and best practice will be key. Further reforms are needed to improve civilian scrutiny of the military, the police, the gendarmerie and the intelligence services.

Corruption remains a matter of concern. The EU encourages Turkey to evaluate the implementation of its National Anti-Corruption Strategy and Action Plan which expired in 2014 and to adopt a new Strategy and Action Plan. The EU stresses that an effective anti-corruption policy requires greater political engagement and broader civil society participation. Turkey needs to develop a track record of investigations, indictments, and convictions. The EU encourages Turkey to address any allegations of corruption and to align with GRECO's recommendations. Only transparent and impartial way of handling corruption allegations can guarantee public trust in the state and its institutions.

As regards the promotion and enforcement of human rights and observance of international human rights law, the EU invites Turkey to implement the Human Rights Action Plan. The EU also encourages further work on human rights institutions and mechanisms, in particular the continued strengthening of the Ombudsman and National Human Rights Institution. There was a downward trend in the incidence and severity of ill-treatment in official detention. However, the frequent use of excessive force during demonstrations and arrests, and in prisons, remains a matter of concern. Progress needs to be made on tackling impunity.

As concerns freedom of expression, the EU stresses that freedom of the media is a fundamental value. The EU expresses concerns about amendments to the internet law and restrictions in practice on freedom of the media, including the large number of legal cases launched against writers, journalists, academics and human rights defenders, frequent and disproportionate website bans, increasing number of cases for alleged insults to the President of the Republic as well as broad application of the legislation on terrorism and organised crime. The recent access ban on social media raises again concerns. The EU urges Turkey to create appropriate conditions for the exercise of freedom of expression and press, in line with Article 10 of the European Convention for Human Rights and the case-law of the European Court of Human Rights. It calls on Turkey to address the recommendations of the peer reviews on freedom of expression.

As regards freedom of religion, the EU invites Turkey to take steps in line with the European Convention on Human Rights and the case law of the European Court of Human Rights, including establishing a legal framework, so that all non-Muslim religious communities and the Alevi community can function without undue constraints. The EU calls on Turkey to guarantee their right to legal personality, to the election of their religious leaders and to the training of their clergy, including the reopening of the Halki Seminary. The EU underlines that the Ecumenical Patriarchate should be free to use the ecclesiastical title "Ecumenical". The EU commends Turkey for continued implementation of the Law on Foundations and encourages Turkey to continue revising its legislation to eliminate further obstacles for restitution and compensation of properties.

As regards persons belonging to minorities, the EU welcomes continued dialogue between government and the representatives of minorities. The EU recalls that the full respect for and protection of language, culture and fundamental rights, in accordance with European standards, has yet to be fully achieved and that Turkey needs to make further efforts to enhance tolerance and security, to promote inclusiveness and eliminate hate speech.

The EU notes that problems continue to be reported encountered by Greek nationals in inheriting and registering property, in particular as regards, inter alia, the application by the Turkish authorities of the amended Land Registry Law together with the implementation of relevant ECtHR judgements.

As regards trade union rights, the EU acknowledges some progress made through the adoption of new legislation on trade unions and collective agreements in the private sector. The EU invites Turkey to make progress on the Action Plan resulting from the discussions of the High Level Working Group on trade union legislation in order to respond to chapter 19 opening benchmark. This would facilitate the opening of the negotiating chapter on social policy and employment. The EU calls for further progress in order to make Turkey's legal framework fully compliant with EU and International Labour Organisation standards. Progress on this issue remains essential in the interests of Turkish workers and society.

The EU calls on Turkey to further address the situation of the Roma, notably by adopting a comprehensive inclusion strategy, as Roma still frequently face problems of access to services, health, education and employment, as well as discriminatory treatment.

The EU reiterates that in line with the Negotiating Framework and previous European Council and Council conclusions, Turkey needs to commit itself unequivocally to good neighbourly relations and to the peaceful settlement of disputes in accordance with the United Nations Charter, having recourse, if necessary, to the International Court of Justice. In this context, the Union expresses once again serious concern and urges Turkey to avoid any kind of threat or action directed against a Member State, or source of friction or actions, which damage good neighbourly relations and the peaceful settlement of disputes. The EU stresses again all the sovereign rights of EU Member States which include, inter alia, the right to enter into bilateral agreements, and to explore and exploit their natural resources in accordance with the EU *acquis* and international law, including the UN Convention on the Law of the Sea, and also stresses the need to respect the sovereignty of Member States over their territorial sea and airspace. While noting the recent cessation of Turkey's unauthorised activities in the exclusive economic zone of Cyprus, the EU continues to urge Turkey to show restraint and to respect Cyprus' sovereignty over its territorial sea and Cyprus' sovereign rights in its exclusive economic zone.

The EU welcomes that the co-operation initiatives between Greece and Turkey to improve bilateral relations are continuing.

The EU notes that Turkey remains actively engaged in regional initiatives including the South-East European Cooperation Process and the Regional Cooperation Council.

As emphasised by the Negotiating Framework, the EU also expects Turkey to actively support the negotiations aimed at a fair, comprehensive and viable settlement of the Cyprus problem within the UN framework, in accordance with the relevant UN Security Council resolutions and in line with the principles on which the Union is founded. Turkey's commitment and contribution in concrete terms to such a comprehensive settlement remains crucial. Under the current circumstances, the Council considers it more important than ever to ensure a positive climate so that negotiations for a comprehensive Cyprus' settlement can resume with a view to achieving progress. As stated in its conclusions of March 2014, the **European Council** stands ready to play its part in supporting the negotiations.

### **Economic criteria**

Turkey is a functioning market economy and will remain so as long as it firmly maintains its stabilisation and reform achievements. The EU underlines that Turkey's dynamic economy is closely integrated with the EU's economy and that both sides continue to benefit from this integration. It notes the challenges facing the Turkish economy with a still large current account deficit and a high inflation rate. The EU stresses that Turkey's continuous dependence on large and sustained capital inflows requires investor confidence and a favourable investment climate. This, in turn, requires the strengthening of the rule of law, separation of powers, political pluralism and property rights. The EU underlines the importance of transparency with regard to the budget and government spending in the framework of pre-accession economic surveillance, with the objective to facilitate parliamentary control.

The EU states that the assessment of Turkey's Economic Reform Programme 2015-2017 is limited only to the main features of the programme due to its late submission. A timely submission of the NERP is a fundamental requirement for successful participation in the economic surveillance of Candidate Countries.

## Acquis

Turkey continued improving its ability to take on the obligations of membership. The EU welcomes that progress was made in a number of areas. As regards the overall level of alignment and administrative capacity, much remains to be done. A number of obligations by Turkey under its Customs Union with the EU remain unfulfilled including the removal of all restrictions to trade also with the Republic of Cyprus in accordance with the Council Conclusions of 11 December 2006.

Taking into account, in particular, the meeting of the 123<sup>rd</sup> EU-Turkey Association Committee of 30 April 2015, the EU has observations and comments on the following chapters.

As regards free movement of capital, the EU commends the Turkish authorities for the progress made with regard to compliance with the recommendations of the Financial Action Task Force (FATF) on counter-financing of terrorism thanks to which in October 2014 FATF removed Turkey from the follow-up process. The EU encourages Turkey to continue strengthening MASAK's capacity to fulfil its tasks in the area of prevention of the financing of terrorism and money laundering. The EU recommends Turkey to continue working closely with FATF in order to address the issues identified in the latest mutual evaluation report and ensure further progress. The EU invites Turkey to continue to make progress on further enforcement of its anti-money laundering and terrorist financing framework, in particular by strengthening its administrative capacity in order to assure the effective implementation of all preventive measures.

Turkey's legal framework for the acquisition of real estate by foreigners is not transparent as the list of eligible countries whose citizens are allowed to purchase real estate is not made public. Additional restrictions apply to Greek, Bulgarian and Cypriot citizens, for which the rationale is not clear. There are still obstacles to acquisition of real estate by foreign natural and legal persons. Restrictions on foreign ownership remain in several areas. The EU invites Turkey to liberalise gradually the acquisition of real estate by foreigners in line with the *acquis*.

The EU welcomes the advanced alignment in the field of competition as regards anti-trust and merger control. As regards state aid, the EU regrets that Turkey has interrupted its alignment with commitments under the Customs Union. In this context, the EU reiterates its request to Turkey for further information regarding the progress in the alignment of implementing legislation under the state aid law.

In the fields of agriculture and rural development, veterinary and phytosanitary issues, and fisheries, the alignment remains at an early stage. The EU welcomes progress made in the implementation of the IPARD programme as well as progress on resource and fleet management and fisheries inspection and control as well Turkey's active participation in regional fisheries management organisations. Further efforts are needed, *inter alia*, in progressive alignment with the Common Agricultural Policy, upgrading agri-food establishments, the identification and registration of animals, animal welfare, animal by-products, and in the fight against animal diseases. Turkey is strongly urged to remove remaining unjustified technical barriers to trade in beef meat, live bovine animals, and derivate products in line with its obligations under the bilateral agreement for agricultural products. Furthermore, Turkey is invited to pursue its efforts to align with the *acquis* in the field of fisheries with a particular emphasis on legislative alignment, market policy, structural action and state aid.

In transport policy, the EU welcomes the enhanced contacts with Turkey, in particular the launch of the EU - Turkey dialogue across transport modes in December 2013.

The EU would welcome the continuation of the aviation dialogue with Turkey in order to create and implement a roadmap to enhance the aviation relations between both parties in all areas of mutual benefit. The EU and Turkey have not exploited their aviation relations to their full potential and is now time to remedy this. The EU therefore once again calls for the signature without further delay of the "horizontal aviation agreement" initialled in 2010 as it will restore legal certainty for carriers on both sides by bringing bilateral air service agreements in line with the EU law, and recalls that Turkey has several times indicated its readiness to sign the horizontal agreement. The signature of the horizontal agreement will also facilitate further and more ambitious steps in strengthening EU-Turkey aviation relations as identified in the Council Conclusions of December 2012, including moving towards a comprehensive EU-Turkey air transport agreement which should be our ambition.

Both the EU and Turkey have an interest in making progress on aviation safety issues, including the strengthening of Turkey's relationship with EASA. The mandate for the Aviation Safety Agreement was adopted by the College in May 2013. However, signing of the horizontal agreement is a prerequisite for progress in this area.

The EU reiterates the urgent need to address the serious safety risk in the South-East Mediterranean region. The negotiation of an aviation safety agreement should provide a strong impetus for efforts aimed at developing an operational solution to address the absence of communication between air control centres of Turkey with the Republic of Cyprus. Such an operational solution in line with applicable international law, including the Chicago Convention, should be found urgently. An Aviation Safety Agreement with Turkey will only fully achieve its purpose with an operational solution to this serious safety problem. The EU invites Turkey to support the process of addressing the safety risk in the South-East Mediterranean region with a view of achieving an urgent solution.

Both the EU and Turkey have an interest in integrating Turkey into the Single European Sky and solving all pending issues in this area, including aspects related to civil-military coordination.

Regarding road transport, the EU recalls the Commission's readiness to discuss outstanding issues at the meetings of the EU-Turkey transport dialogue.

With regard to energy, the EU recalls the successful launch of the High Level Energy Dialogue. The EU underlines the constructive role Turkey is playing in contributing to reinforcing energy security of both the EU and Turkey with the preparations for the Southern Gas Corridor, including TANAP. This is an important strategic step towards closer energy cooperation between the EU, Turkey and other countries in the region, and remains one of the highest energy security priorities of the EU.

The EU encourages Turkey to establish a fair and non-discriminatory legal framework to allow third party access to gas transit especially in view of projects related to the Southern Gas Corridor. The EU also encourages Turkey, including in the context of the High Level Energy Dialogue, to regularly inform the EU on the potential developments concerning the "Turkish Stream" initiative.

The EU points out that as regards a liberalised natural gas market structure the implementation has remained limited in terms of introducing competition particularly on the import side. The EU notes that amendments to the relevant gas law have not been adopted and encourages Turkey to align the gas sector to the EU's 3<sup>rd</sup> Energy package.

The EU recalls the Council Conclusions of 16 December 2014 and the European Council Conclusions of 20 March 2015 regarding all sovereign rights of EU Member States which include, *inter alia*, the right to enter into bilateral agreements, and to explore and exploit their natural resources in accordance with the EU *acquis* and international law, including the UN Convention on the Law of the Sea.

The EU notes that the liberalisation of Turkey's electricity market and the Electricity Market Law of 30 March 2013 are largely in line with the EU's 3<sup>rd</sup> Energy package. Significant steps have already been taken to introduce a competitive and functioning market in the Turkish electricity sector. The EU also notes with satisfaction the signature on 3 March 2015 of Long-Term Agreement on permanent synchronous operations between ENTSO-E (the European Network of Transmission System Operators - Electricity) and the Turkish Transmission System Operator for electricity TEIAS.

The EU also underlines that nuclear safety remains a key priority. It recalls the nuclear stress tests, and welcomes Turkey's involvement in this exercise. The EU takes note of Turkey's activities in the nuclear sector and urges Turkey to prioritise the development of an adequate framework for nuclear safety (legislation and administrative capacity), inter alia by acceding to the Joint Convention on the Safety of Spent Fuel Management and Radioactive Waste Management, and in particular on alignment with the relevant EU directives.

Concerning social policy and employment, while acknowledging recent progress, including the adoption of new legislation on trade unions and collective agreements, the EU invites Turkey to sustain its efforts to ensure full trade union rights for both the public and private sector in line with EU standards and the relevant ILO Conventions and to promote social dialogue. The EU welcomes the substantial increase of active labour market policy and encourages Turkey to pursue labour market reforms, notably in order to reduce informal employment and increase the low female labour force participation. The EU encourages Turkey to take effective steps to combat child labour and welcomes Turkey's commitment to put an end to the worst forms of child labour by the end of 2015. The EU welcomes the adoption of implementing legislation on health and safety at work and calls on Turkey to ensure sufficient administrative capacity for implementing the legislation effectively on workplaces in order to minimise occupational accidents and diseases. The EU encourages Turkey to adopt legislation protecting socially vulnerable people including women, children, elderly and disabled people and to prevent discrimination in all its aspects.

Concerning justice, freedom and security, the EU appreciates the entry into force of the EU-Turkey readmission agreement on 1 October 2014 and the ongoing visa liberalisation dialogue. Both the readmission agreement and the visa liberalisation process represent landmark developments providing for the opportunity to fundamentally improve the cooperation between the EU and Turkey for the benefit of both sides.

Progress in the dialogue on visa liberalisation will be founded on a performance-based approach and conditioned on effective and consistent implementation by Turkey of the requirements in the visa roadmap as elaborated by the Commission, vis-à-vis the EU and its Member States. The EU emphasise the key importance of continued efforts to adopt and implement legislation and take measures allowing to better fulfil the requirements set in the visa liberalisation roadmap.

As regards the EU-Turkey readmission agreement, the EU refers to its intention to organise the first meeting of the Joint Readmission Committee on 13 July. The meetings of the joint readmission committee will help monitoring the implementation of the readmission agreement and addressing outstanding issues. While regretting the unilateral statement made by Turkey in that regard, the EU reiterates its expectation of full and effective implementation by Turkey of both the readmission agreement and the visa roadmap vis-à-vis all EU Member States, including non-discriminatory visa-free access to the Turkish territory for the citizens of all EU Member States. The EU recalls that the EU-Turkey readmission agreement includes provisions for Turkey and a Member State to draw up an implementing protocol, on a request of a Member State or Turkey. The EU reiterates the crucial importance of the adequate implementation of the bilateral readmission agreements and readmission provisions contained in similar agreements during the three- year transitional period foreseen in that agreement. The EU refers to the e-visa system in Turkey, which discriminates and may limit the mobility of EU citizens, and stresses that detailed discussions on this issue will continue in the framework of the visa dialogue, with a view of allowing non-discriminatory visa-free access to the Turkish territory for the citizens of all the EU Member States.

The EU underlines the importance to ensure effective implementation of the Law on Foreigners and International Protection. The EU commends Turkey for the adoption of the new Temporary Protection Regulation for the Syrian refugees and encourages Turkey to continue taking steps to support Syrian refugees, in particular the most vulnerable of them, and facilitate their integration in Turkey. The Union has already stepped up its financial support to Turkey in this area and it intends to further increase its financial contribution.

The EU emphasizes the importance that Turkey makes progress in aligning its legislation with the EU *acquis* also in other legislative areas including in the area of integrated border management.

Referring to the European Council statement of 23 April 2015, the EU reiterates its commitment to step up cooperation with Turkey on preventing illegal migration flows. The EU expresses concern about the significant increase in irregular crossings at the sea borders with neighbouring EU Member States. The EU will mobilise all efforts at its disposal to prevent further loss of lives at sea. It recognises improved border cooperation established across the land border with Greece and Bulgaria. The EU encourages the Turkish authorities to continue strengthening border cooperation with Bulgaria and Greece, including through the signature of the agreement establishing the tripartite centre for border cooperation at Capitan Andreevo. The EU appreciates the dialogue developed between the Turkish authorities and the authorities of Greece and Italy in addressing irregular migration across the sea and encourages Turkey to develop such dialogue into a fully-fledged cooperation with a view to prevent illegal migratory flows in the Aegean Sea and the Mediterranean and to fight against smuggling of migrants and trafficking in human beings. The EU also encourages Turkey to share information with the EU Member States about irregular migrants and forged and fraudulent travel documents, notably those identified at the Ataturk airport in Istanbul.

EU fully supports Turkey in its fight against terrorism and appreciates the role Turkey plays at the international level. The EU also underlines the importance for the EU and Turkey to develop police and judicial cooperation in the fight against terrorism, building on the relations which already exist between Turkey and most of the EU Member States. The EU encourages Turkey to ensure that the Turkish legislation on terrorism is aligned with the *acquis* and to adopt and implement national legislation on data protection in line with the EU standards. Meanwhile, it is important for the EU and Turkey to continue their dialogue on counter-terrorism. The EU stresses the importance it attaches to holding planned security and counter-terrorism experts' meetings in June. Moreover, the EU stresses the importance of keeping ambitions high regarding the G20 agenda on terrorist financing on which the EU will seek the support of the G20 presidency.

In the field of environment, the EU notes Turkey's intention to progress with chapter 27 and encourages Turkey to speed up convergence of environmental legislation in the enlargement context. The EU expresses concerns with regard to the horizontal legislation which falls short of the requirements of the EU *acquis* especially on Environmental Impact Assessment. It encourages Turkey to undertake steps for transposition and implementation of provisions concerning trans-boundary aspects of the horizontal environmental *acquis*. The EU invites Turkey to consult neighbouring Member States in the course of big infrastructure projects, including nuclear power plants, with potential cross-border environmental impact. It encourages Turkey to align with related *acquis* on access to information, public participation and access to justice in environmental matters (UNECE Aarhus Convention related). It invites Turkey to ensure de facto application of the EU *acquis* with regard to infrastructure projects for which EU co-financing is requested. The EU also reiterates its request to Turkey to extend its active support to EU accession to the Bucharest Convention.

In so far as climate change is concerned, the EU invites Turkey to come forward with its intended nationally determined contributions to the new climate agreement well before the Paris 2015 conference, taking into account the requirements of science, and building on the very significant potential Turkey has on renewables and energy efficiency as already demonstrated by Turkey. The EU reiterates that through the adoption of a national greenhouse gas target and putting it forward internationally, Turkey will articulate a long-term vision and certainty to its investors for carrying out long-term investments in infrastructure and reduce the associated regulatory risks. The EU stresses that it is crucial to ensure the adoption of a legally binding agreement in Paris that is as ambitious as possible from the outset, and capable of keeping us on track to deliver our objective of keeping the temperatures rise below 2° C. As Turkey is currently chairing the G20, the EU would welcome Turkey's role as G20 Chair in shaping and concluding the new climate agreement, in particular in the context of durability of the system which needs to reflect the continuous strengthening of mitigation ambition.

#### **Item 4      State of relations under the Association Agreement and the Customs Union**

As regards the chapter on Customs Union, Turkey has reached a high level of alignment thanks to the existence of the EU-Turkey Customs Union. The introduction of the mutual recognition principle into Turkish legislation in the non-harmonised area in 2012 is currently operational. Turkey should increase its notifications under the relevant *acquis*. However, alignment is not complete in many sectors e.g. for free trade zones and intellectual property rights. Counterfeit goods remain a cause of concern.

There remain a number of unfulfilled commitments by Turkey under the EU-Turkey Customs Union, most of which are long overdue. Turkey needs to fully implement decision 1/95. The number of trade obstacles has been increasing of late. The non-automatic license regime for old, second-hand and renovated goods as well as actions undertaken by Turkey in the area of pharmaceuticals do not comply with the Customs Union. These measures impede the proper functioning of the Customs Union. Furthermore, Turkey is invited to withdraw the burdensome import procedures and to align its tariff quota system for processed agricultural products which is not in line with the Customs Union.

The EU remains committed to engaging constructively with Turkey to maximise the potential of the Customs Union and to resolve outstanding disputes. The EU also recognises the importance for Turkey of the impact on Turkey of EU Free Trade Agreements (FTAs), and has taken steps towards appropriate solutions, notably closer consultation on negotiations for Free Trade Agreements with third countries, including the EU/US Transatlantic Trade and Investment Partnership. In this context, the EU remains ready to explore further solutions with a view to upgrade and intensify mutual trade relations. The Parties are currently informally exploring possible options for enhancing bilateral trade relations and upgrading the Customs Union, without prejudice to either Party's position on future proposals. The EU underlines that in the meantime, it will be important to ensure a correct functioning of the current Customs Union and abstain from any measures hampering this.

As regards state aid, the EU welcomes that Turkey had taken first steps to meet its commitments under the Customs Union and the Free Trade Agreement on ECSC products. These commitments included the obligation of Turkey to align its legislation in the area of state aid rules, such as adapting all existing aid schemes to the rules following from the Customs Union, informing the EU of all existing and planned state aid schemes with relevance under the Customs Union and adopting secondary legislation under the 2010 state aid law. However, Turkey postponed the entry into force of the state aid law repeatedly; currently the envisaged date is 31 December 2015.

With regard to free movement of goods, there are a number of outstanding commitments under the Customs Union. This relates, inter alia, to local content requirements for renewable energy generation, import duties on aluminium scrap, market access problems in the alcoholic beverages sector, impediments to trade in medicinal products and some veterinary and phytosanitary issues. Market access for EU products is also impeded by additional customs duties on imports from third countries, affecting EU re-exports to Turkey in the sectors of textiles, footwear and other items. Turkey introduced and maintains a restrictive, non-automatic export-licensing regime for copper scrap, aluminium and paper. Surveillance measures, which imply non automatic import licences, continue to affect an increasing number of products imported into Turkey. The Union urges Turkey to remove remaining import and export licences requirements for goods which are in breach of Turkey's commitments under the Customs Union.

As regards pharmaceuticals, the EU urges Turkey to suspend the Turkish requirements on Good Manufacturing Practices which restrict significantly imports of new pharmaceutical products and may also negatively affect other regulatory aspects linked to the marketing of pharmaceutical products.

On taxation, Turkey is encouraged to step up its efforts to further align its VAT legislation and the structure and rates of excise duties. The EU recalls Turkey's commitments on alcohol taxation undertaken in the action plan presented for the opening of the Taxation chapter. The EU requests Turkey to bring the tax differential between local and imported products to the level established in the Action Plan as the differential allowed from April 2015. Discriminatory practices in taxation are not in line with the Customs Union and their abolition is a key element for making further progress on this chapter.

With regard to intellectual property law, alignment is well advanced although some Turkish legislation needs to be updated in line with the *acquis*. Implementation and enforcement of the *acquis* in this chapter need substantial strengthening. Turkey remains one of the countries where, despite advanced legislative alignment, intellectual property rights protection and enforcement is most problematic. Further work remains to be done on deterrents to IPR infringement. Further efforts are also needed to improve common legal understanding with regard to effective protection of Geographical Indications. There is a need for more effective awareness-raising of the importance of appropriate IPR protection. The EU looks forward to Turkey's constructive engagement, particularly regarding issues of counterfeiting and piracy, in line with Turkey's obligations under the Customs Union. Coordination and cooperation between IPR stakeholders and public bodies improved, included in the context of the IPR Working Group, which met for the fifth time in March in Ankara to discuss a number of legislative, implementation and enforcement issues.

With regard to commercial policy, the extension of safeguard measures and the initiation of new safeguard measures investigations by Turkey is a matter of serious concern. Safeguard measures affect EU exports to Turkey even when the EU products are not the cause of the problem. In line with the Customs Union, Turkey is invited to use those means which least disturb the trade between the EU and Turkey. Tariff increases on the imports of some products from third countries are not in line with the common external tariff and are therefore in breach of the Customs Union.

In relation to Decision No 1/98 of the EC-Turkey Association Council on the trade regime for agricultural products, the EU considers that a number of import restrictions are still in place, which continue to be in breach of our bilateral agreement and hamper further development of our bilateral agricultural trade relations. The EU strongly urges Turkey to further change its import requirements and fully lift the restrictions on trade in bovine products. In addition the EU seeks clarifications on the future import policy of Turkey regarding bovine products and on the future plans of the Turkish authorities to fully lift the beef ban.

The EU welcomes the adoption of the Indicative Strategy Paper for Turkey covering the period 2014-2020. The EU also welcomes the adoption of the Framework Agreement covering IPA II and invites Turkey to swiftly complete the ratification and notification procedure.

The EU acknowledges an overall fruitful cooperation in 2014 when developing the new generation of programmes under IPA II. The annual programme for 2014 as well as four sectoral multi-annual programmes for environment and climate change, transport, competitiveness, employment and social inclusion, were adopted in 2014.

The EU underlines that the new approach to programming, more strategic and result-oriented, must underpin the mobilisation of IPA funding. Efforts in this direction, already bearing fruit in areas such as environment or human resource development, should continue in all sectors. The preparations for the annual programme 2015 are under way, although some further efforts are needed to fully embrace the sector-based approach that should underpin programming and ensure the necessary maturity to permit swift contracting.

In terms of implementation, 2014 witnessed progress but a significant backlog exists for all components of IPA I, leading to risks of de-commitment. This calls for simpler and more result-oriented implementation, using instruments such as the Sector Budget Support, which are now available under the new IPA legal framework.

As regards the Syrian crisis, EU acknowledges the considerable pressure the crisis imposes on the Turkish economy, social services and infrastructure. The EU stands ready to further increase its support to Turkey to deal effectively with the increasing flow of refugees.