EC/Turkey relations: special financial cooperation measures

1995/0213(CNS) - 29/11/1995 - Modified legislative proposal

In its joint guideline, the Council had made substantial amendments to the text of the Commission's basic proposal, relating primarily to the following points: - addition in the body of the text of the reference amount for the implementation of the financial aid to Turkey (ECU 375 million for the duration of the cooperation). In a declaration annexed to the Regulation, the Council and Commission declared that this amount would be taken from the total budget of ECU 4 685 million allocated by the Council meeting in Cannes to the Mediterranean States, irrespective of the fact that Turkey would be a beneficiary of the future MEDA programme. - The purpose of the aid was not only to help to bolster the economic and social structures of Turkey but also to improve its economic competitiveness. - In the event of a finding that democratic principles and basic human rights were being violated in Turkey, the Council would take the appropriate measures acting unanimously (and not by qualified majority), and would do so without prior consultation of the European Parliament. These measures would be adopted for a limited period that could only be extended by a unanimous vote. - With regard to the objectives of aid, amendments had been made to the type of projects to be implemented: the Council had added, among others, cooperation between customs officials, assistance to professional associations, trade unions and the media in the interests of promoting democracy, and cooperative projects relating to political initiatives of common interest. By contrast, projects relating to the promotion of education and vocational training, training for life in society and the role of women in development, together with projects in the fields of research and development, statistical cooperation, consumer affairs, the campaign against illegal immigration, etc., and information and projects relating to the reinforcement of structures for cooperation with countries in the region associated with the Union had been deleted. A new paragraph had, however, been added on the implementation of projects to support a programme of structural adjustment in Turkey. - Clarifications had been made to the criteria for eligibility for aid: . Turkey must undertake a reform programme approved by the Bretton Woods institutions, . account must be taken of the economic situation of the country, and particularly its level of indebtedness, its monetary situation, and the levels of GDP and unemployment; - clarifications had been made to several aid-specific points, relating in particular to: . the form of technical assistance and, in particular, of risk capital allocated by the EIB (in an attached Council /Commission declaration, it was specified that the rate of interest payments was currently fixed at 3%), . the presentation and selection of projects which, in the first year, would be the subject of a specific procedure, . the fact that this assistance would be complementary to other activities conducted in particular by the Member States (information would be exchanged in this area), . the maximum rate of Community funding: only exceptionally would this be as much as 80% of the total investment cost, and then only in the manufacturing sector, . the opening of markets to third countries: they were currently still open only to Turkey and the Member States of the Community (and no longer to Mediterranean third countries). Finally, the following appeared as annexes to the Regulation: . a draft resolution by the EC-Turkey Association Council relating to political dialogue and institutional cooperation (with the types of meetings to be considered), . the findings of the EC-Turkey Association Committee, dated 23 October 1995, to the effect that the technical conditions necessary for the proper functioning of customs union were satisfied.