Turkey: membership application, 12 April 1987

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The Commission has prepared this Regular Report on Turkey with a view to the Laeken European Council in December 2001. The structure followed by this Regular Report is the same as that used for the 2000 Regular Report. It takes into consideration progress since the 2000 Report. It looks at whether intended reforms referred to in the 2000 Regular Report have been carried out, and examines new initiatives. In addition, this Report provides an overall assessment of the global situation for each of the aspects under consideration, setting out for each of them the main steps which remain to be taken by Turkey in preparing for accession. In accordance with this approach, the assessment of progress in meeting the political and acquis criteria focuses on what has been accomplished since the last Regular Report. The Report contains a separate section examining the extent to which Turkey has addressed the Accession Partnership priorities. As regards the programming of aid, 2001 has been a transition year for bringing assistance into line with the Accession Partnership and National Programmes priorities. This should be fully achieved by 2002. In the meantime, Turkey will continue to receive a significant amount for the new EIB mandate for the Mediterranean countries (the EuroMed II Lending Mandate). This amounts to a total of EUR 6 425 billion for the period January 2000-January 2007. Moreover, Turkey was accepted by the EIB as eligible to benefit from the EIB pre-accession facility, which amounts in total to EUR 8.5 billion for the 13 candidate countries. The EIB also approved Special Action Mandate for Turkey (EUR 450 million) and the Turkey earthquake Reconstruction and Rehabilitation Assistance Facility (TERRA: EUR 600m) is also available. The EIB has also adopted a new "Mediterranean Partnership Facility" of EUR 1 billion covering the region from which Turkey may also benefit. With regard to the Copenhagen criteria for membership: 1) Political Criteria : the constitutional amendments adopted by the Turkish Parliament on 3 October 2001 are a significant step towards strengthening guarantees in the field of human rights and fundamental freedoms and limiting such capital punishment. The amendments narrow the grounds for limiting such fundamental freedoms as the freedom of expression and dissemination of thought, freedom of the press and freedom of association. Attention has now turned to the effective implementation of these important changes. The Turkish Government is finalising a package of new draft legislation that is aimed at implementing a number of constitutional amendments, in particular with respect to freedom of expression and thought. It should be facilitated progress towards satisfying the Accession Partnership priorities. Despite these changes, a number of restrictions on the exercise of fundamental freedoms have remained. The extent to which individuals in Turkey will enjoy real improvements in the exercise of fundamental freedoms will depend on the details of implementing the exercise of fundamental freedoms will depend on the details of implementing legislation, and the practical application of the law. It is encouraging that a general principle of proportionality has been introduced and that stated general aim of the reform is effectively to bring to the forefront respect for human rights and the rule of law. The moratorium on the death penalty has been maintained. A number ofsubstantial prison reform have been adopted. Turkey is encouraged to ensure that these reforms are fully implemented. The reform of the judicial system has begun. The independence of the judiciary, the powers of State Security Courts and military courts and compliance with rulings of the European Court of Human Rights remain matters of concern. The basic features of a democratic system exist in Turkey, but a number of fundamental issues, such as civilian control over the military, remain to be effectively addressed. Though it is beginning to make progress in some areas. Turkey does not yet meet the Copenhagen criteria and is therefore encouraged to intensify and accelerate the process of reform to ensure that human rights and fundamental freedoms are fully protected in law and practice, for all citizens, throughout the country. Fuller use should be made of the enhanced political dialogue, to further stimulate progress on key issues which are priorities of the Accession Partnerships, such as human rights, Cyprus and the peaceful settlement of border disputes. 2) Economic Criteria : confronted with two financial crises, Turkey has been unable to make further progress towards achieving a functioning market economy. Considerable parts of its economy are, however, already competing in the EU market, under the framework of the customs union with the EC. The two financial crises brought to a halt economy recovery and put an end to

the preceding economic stabilisation programme. Macroeconomic stability has been shaken, and many macroeconomic imbalances have reappeared. Turkey has adopted, and has been implementing, an ambitious economic reform programme that addresses better than its predecessor the risks and vulnerabilities of the domestic financial sector and seeks to reduce government intervention in many areas of the economy. These problems were at the heart of the crises. Priority has to be given to establishing short term macroeconomic stability, based on disinflation. However, the authorities must also continue to focus on establishing a solid basis for sustainable market-based economic development in the medium term. 3) Legislative alignment of the acquis : - internal market : various pieces of legislation on free movement of goods have been adopted including standards. The adoption of a framework for technical legislation is particularly significant. Further steps need to be taken in a number of areas. The existing regime of public procurement is not in line with the acquis. No progress can be reported in the field of free movement of persons. In the field of free movement capital important restrictions on foreign investment in various sectors have remained. Major efforts are required to further align legislation in the field of non-financial services. The implementation of legislation in the field of money laundering should be given greater attention. - agriculture : Turkey has started a substantial reform in the agricultural sector. However, some of the basic features of the new Turkish direct income policy differ from the current approach in the EU. Turkey has not established a number of basic mechanisms, such as a nation wide land register. It should focus on transposition, implementation and enforcement of EC legislation. It should focus on the transposition, implementation and enforcement of EC legislation in the veterinary and phytosanitary sectors. - environment : further new legislation needs to be adopted including an important framework law, which is pending before Parliament. - transport : Turkey should step up the legislative work necessary to adopt the Community transport acquis. The administrative capacity is still - energy : substantial progress has been achieved in the field of electricity and gas sectors. The two major laws adopted this year are important steps in preparing Turkey for the internal energy market. - employment and social affairs : steps have been taken but not all conform with the acquis. The new law on the Economic and Social Council, for example, fails to create the conditions for a genuine social dialogue. - justice and home affairs : Turkey recently signed three important conventions of the Council of Europe on Money laundering and the fight against corruption. A bilateral agreement with Greece to combat crime has entered into force. Turkey has taken initiatives to align with the EU's visa policy and to conclude readmission agreements in the field of migration. Administrative capacity should be strengthened in the field of border controls and the fight against illegal immigration. 4) Administrative Capacity : administrative capacity in different areas needs to be strengthened to ensure that the acquis is implemented and enforced effectively. A significant reform at all levels of the administration is required. In some cases, this will entail the establishment of new structures, for example in the field of state aid and regional development. In some areas, new regulatory bodies have been set up. Their autonomy should be assured while at the same time sufficient staff and financial resources need to be made available. 5) Accession Partnership : the Accession Partnership was adopted in March 2001 and Turkey has made substantial preparatory efforts for its implementation. Turkey gained greater understanding of the acquis and the government has started an intensive process of preparation of new legislation. In the areas of free movement of goods, intellectual property protection, energy, telecom and customs, the measures taken have partially met the short term Accession Partnership priorities related to the acquis.