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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL**

Enlargement Strategy and Main Challenges 2013-2014

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COPENHAGEN TWENTY YEARS ON

FUNDAMENTALS FIRST - RULE OF LAW, DEMOCRACY AND THE ECONOMY

I. THE ENLARGEMENT AGENDA

Twenty years ago, the Western Balkans were torn by conflict. At the same time, the European Union agreed the conditions, known as the Copenhagen criteria, for entry of future Member States into the EU. The Copenhagen criteria reflect the values on which the EU is founded: democracy, the rule of law, respect for fundamental rights, as well as the importance of a functioning market economy. This paved the way for the historic transformation and accession of the countries of Central and Eastern Europe.

Ten years later, at the Thessaloniki Summit in 2003, the EU granted all countries of the Western Balkans a clear perspective of EU membership, subject to fulfilment of the necessary conditions, in particular the Copenhagen criteria and the conditions of the Stabilisation and Association Process (SAP).

Croatia has met these conditions. Following ratification of the Accession Treaty by all Member States, the European Union welcomed Croatia as the 28th Member State on 1 July 2013. Croatia is the first country to complete the Stabilisation and Association Process. Croatia's accession is an example of the transformative power and stabilising effect of the enlargement process and the EU's soft power.

The historic agreement reached by **Serbia** and **Kosovo** in April is further proof of the power of the EU perspective and its role in healing history's deep scars. It also, crucially, reflects the courage of the political leadership in both countries. In June, the European Council decided to open accession negotiations with Serbia and the Council authorised the opening of negotiations for a Stabilisation and Association Agreement between the EU and Kosovo.

It has been a significant year for the other enlargement countries:

In June 2013, **Montenegro** adopted comprehensive actions plans for the chapters on judiciary and fundamental rights and on justice, freedom and security, in line with the new approach to tackle these chapters early in the accession process. In **Albania**, cross-party support for key reforms, orderly conduct of parliamentary elections and further steps in the fight against corruption and organised crime means candidate status is now within reach. **The former Yugoslav Republic of Macedonia** has emerged from its political crisis earlier in the year, but concerns remain, notably as regards freedom of expression and media. Steps have been taken to improve good neighbourly relations. More broadly, a breakthrough in the UN-facilitated name talks is now vital. In **Bosnia and Herzegovina**, a lack of political will to implement reforms and the failure to implement the Sejdic-Finci ruling is hampering the country's EU progress and economic prospects.

In **Turkey**, there has been progress in judicial and other reforms and the much anticipated democratisation package was presented in September. Peace talks with the PKK were pursued with a view to ending terrorism and violence in the southeast of the country, laying the ground for a solution to the Kurdish issue. However, the handling of demonstrations in response to the proposed development of Gezi Park in Istanbul raised serious concerns and underlined the need for the EU to remain the anchor for reform.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.

As regards **Iceland**, the new government has put accession negotiations with the EU on hold and declared that negotiations will not be continued without a referendum.

The **accession process** today is more rigorous and comprehensive than in the past. This reflects the evolution of EU policies as well as lessons learned from previous enlargements. The process is built on strict but fair conditionality with progress towards membership dependent on the steps taken by each country to meet the established criteria. A key lesson from the past is the importance of addressing the **fundamentals first**.

The **rule of law** is now at the heart of the enlargement process. The new approach, endorsed by the Council in December 2011, means that countries need to tackle issues such as judicial reform and the fight against organised crime and corruption early in accession negotiations. This maximises the time countries have to develop a solid track record of reform implementation, thereby ensuring that reforms are deeply rooted and irreversible. This new approach is a key element of the negotiating framework for Montenegro and will shape the Commission's work with the other enlargement countries.

The global economic crisis of the past five years has underlined the need, for all countries, to fundamentally review and strengthen their **economic governance**. This applies in particular to the countries of the Western Balkans, none of which is a functioning market economy. All are affected by high unemployment, particularly among the young. It is essential that these countries intensify reforms to return to sustainable growth and address the challenges necessary to meet the economic criteria and improve competitiveness. This Communication sets out proposals to support this aim, including the introduction of national economic reform strategies and of action plans for public financial management.

Events in a number of enlargement countries have underlined the importance of **strengthening democratic institutions** and ensuring inclusive democratic processes that support these institutions and reinforce core democratic principles and common EU values. A stronger role for civil society is key, as are cross-party platforms for EU integration and further progress with electoral, parliamentary and public administration reforms.

The European Union is founded on common values and principles, including respect for **fundamental rights**. All the countries of the Western Balkans and Turkey need to undertake further reforms to ensure that the principles of freedom of expression and the protection of the rights of persons belonging to minorities, including Roma are respected in practice, not just enshrined in law. More robust measures are needed to protect other vulnerable groups from discrimination, in particular on grounds of sexual orientation.

Good neighbourly relations and regional cooperation are essential elements of the Stabilisation and Association process. Developments in Serbia and Kosovo in particular have shown that countries can make progress towards overcoming the legacy of recent conflict, in line with the very principle on which the European Union was founded. **Regional cooperation** needs to be further strengthened, to be inclusive and regionally-owned. The Commission fully supports the work of the South-East Europe Cooperation Process (SEEC) and Regional Cooperation Council, including the Regional 2020 strategy. There needs to be a renewed effort to overcome **bilateral disputes** among enlargement countries and with Member States. Bilateral issues need to be addressed by the parties concerned as early as possible and should not hold up the accession process.

2014 sees the launch of the second **Instrument for Pre-Accession Assistance**. Through IPA II, the EU will continue to provide substantial support to the enlargement countries in their preparation for accession, with a comparable level of funds for the period 2014-2020 (€11.7 billion in current prices) as in the current financial framework. IPA II will also support regional and cross-border cooperation. IPA II will focus on areas of shared interest, in

particular to support reforms and their sustained implementation in the rule of law area, to strengthen democratic institutions and good governance as well as socio-economic development.

The launch of IPA II is also an opportunity to ensure an even closer link between the enlargement strategy and the priorities for assistance. IPA II introduces some important innovations, notably the focus on defining long-term policies and strategies in a limited number of priority sectors, which will be aligned with the needs and capacities of each country. Clear targets and realistic indicators will be set and linked to multi-annual sector assistance. If countries meet the necessary standards of public financial management, they will be able to benefit from budget support – a further incentive for reform. Incentives will be available to countries that advance on their reform path. In case of underperformance, funds will be reallocated. The management of IPA programmes will be further streamlined, mainly through fewer and larger projects.

All enlargement countries have a clear **European perspective**. Progress towards membership depends on the steps taken by each country to meet the established criteria, based on the principle of own merits. This is crucial for the credibility of enlargement policy and for providing incentives to the countries to pursue far-reaching reforms. At the same time, it is essential for Member States, together with the EU institutions, to lead an informed debate on the political, economic and social impact of the enlargement policy. They have a key role in providing citizens with the facts on enlargement policy and, in so doing, to inform them of the benefits, including its major contribution to peace, security and prosperity, and to address any concerns they may have.

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III. CONCLUSIONS AND RECOMMENDATIONS

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17. Turkey is a candidate country and a strategic partner for the European Union. Turkey, with its large, dynamic economy, is an important trading partner for the EU and a valuable component of EU competitiveness through the Customs Union. Turkey has a strategic location, including on energy security, and plays an important regional role. The Commission underlines the importance of ongoing cooperation and dialogue on foreign policy issues. The Positive Agenda, launched in 2012, continues to support and complement accession negotiations with Turkey but is not a substitute for negotiations. The full potential of the EU-Turkey relationship is best fulfilled within the framework of an active and credible accession process, where the EU remains the anchor for Turkey's economic and political reforms. More high level contacts between Turkey, the EU and its Member States would further strengthen cooperation.

Important progress on reforms has been made during the last twelve months. The fourth judicial reform package strengthens the protection of fundamental rights, including freedom of expression and the fight against impunity for cases of torture and ill-treatment. The government has started an historic peace process aimed at ending terrorism and violence in the Southeast of the country and paving the way for a solution of the Kurdish issue. Announced measures in the democratisation package presented in September 2013 foresee further reforms on a range of important issues, including the use of languages other than Turkish, rights of persons belonging to minorities and addressing the current high thresholds for representation in parliament and budget support to political parties. Implementation in cooperation with stakeholders and in line with European standards is key. The cross-party conciliation committee of the parliament, which was set up to draft a new constitution, has achieved agreement on a number of articles. With the adoption of a comprehensive law on foreigners and international protection, an important step has been taken towards adequate protection of asylum seekers. The Ombudsman Institution has been established and is already actively working to fulfil its role. Public debate on topics previously considered sensitive has grown. Turkey has also provided vital humanitarian assistance to large numbers of Syrians fleeing their country. Other positive developments include the ratification by Turkey of the Trans Anatolian Pipeline Agreement aimed at connecting with the Trans Adriatic Pipeline, bringing natural gas to the EU from the Caspian via Turkey.

The excessive use of force by police and the overall absence of dialogue during the protests in May/June have raised serious concerns. This underlines the urgent need for further reforms and the promotion of dialogue across the political spectrum and in society more broadly, as well as for respect of fundamental rights in practice. A number of administrative and judicial investigations have been launched into police conduct during the protests. These should be followed through in accordance with European standards and those responsible brought to account. The Ministry of Interior has issued two circulars aimed at improving procedures for police interventions during demonstrations. It is important to proceed with plans to establish a law enforcement monitoring mechanism so as to ensure the independent supervision of police conduct. Further changes are needed in the Turkish legal system, especially to strengthen freedom of expression and of the media, and freedom of assembly and of association; judicial practice should systematically reflect European standards. The fourth judicial reform package should be implemented in full. The wave of protests in June is also the result of the broad democratic reform that has taken place in the past decade and the emergence of a vibrant and diverse civil society that needs to be respected and consulted more systematically at every level of decision making, irrespective of who holds the majority in parliament.

All of these developments underline the importance of EU engagement and of the EU remaining the benchmark for reform in Turkey. To this end, accession negotiations need to regain momentum, respecting the EU's commitments and established conditionality. In this regard, the opening of chapter 22 on regional policy represents an important step; the Commission looks forward to the IGC taking place at the earliest opportunity. Turkey has made progress in a number of other chapters. Turkey can accelerate the pace of negotiations by the fulfilment of benchmarks, meeting the requirements of the negotiating framework and by respecting its contractual obligations towards the EU.

Progress in the accession negotiations and progress in the political reforms in Turkey are two sides of the same coin. It is in the interest of both Turkey and the EU that the opening benchmarks for chapter 23: Judiciary and Fundamental rights and 24: Justice, Freedom and Security are agreed upon and communicated to Turkey as soon as possible with a view to enabling the opening of negotiations under these two chapters so as to enhance the EU's dialogue with Turkey in areas of vital mutual interest and to support ongoing reform efforts. The signature of the EU-Turkey readmission agreement and the simultaneous start of the visa dialogue towards visa liberalisation would give a new momentum to EU-Turkey relations and bring concrete benefits for both. It is important that these two processes move forward and that the signature and ratification of the readmission agreement in Turkey be swiftly finalised. Further strengthening of EU-Turkey energy cooperation and progress in the accession negotiations would facilitate the interconnection and integration of the energy markets of the EU and Turkey.

The Commission stresses all the sovereign rights of EU Member States which include, inter alia, entering 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. In line with the repeated Council and Commission positions from previous years, it is now urgent that Turkey fulfils its obligation of fully implementing the Additional Protocol and makes progress towards normalisation of relations with the Republic of Cyprus. This could provide new momentum to the accession process, allowing in particular progress to be made on the eight chapters covered by the Council conclusions of December 2006. The Commission also urges the avoidance of any kind of threat, source of friction or action that could damage good neighbourly relations and the peaceful settlement of disputes. Turkey's commitment and contribution in concrete terms to a comprehensive settlement to the Cyprus issue is crucial.

18. As regards the **Cyprus issue**, the Commission expects the Greek Cypriot and Turkish Cypriot communities to resume fully-fledged negotiations on a comprehensive settlement under the auspices of the United Nations. The Commission expects both sides to quickly move into substance with the aim of swiftly reaching a successful conclusion. All parties are encouraged to contribute to establishing a positive climate between communities, through steps that benefit Cypriots in their daily lives, and to prepare the public for the necessary compromises. The Commission considers that the benefits of reunification will outweigh any concessions that may need to be made to this end. In particular, all Cypriots would fully profit from the exploitation of hydrocarbon resources. The Commission stands ready to further strengthen its support for the process, should the two parties request it and UN agree.

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ANNEX

Conclusions on Montenegro, Serbia, the former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Kosovo, Turkey and Iceland

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Turkey

Turkey is a candidate country and a strategic partner for the European Union. Turkey, with its large, dynamic economy, is an important trading partner for the EU and a valuable component of EU competitiveness through the Customs Union. Turkey has a strategic location, including on energy security, and plays an important regional role. The Commission underlines the importance of ongoing cooperation and dialogue on foreign policy issues. Equally, the EU remains an important anchor for Turkey's economic and political reforms. The events surrounding Gezi Park have highlighted the importance of promoting dialogue across the political spectrum and society more broadly and the need for respect of fundamental rights in practice.

The Positive Agenda, launched in 2012, continues to support and complement accession negotiations with Turkey through enhanced cooperation in a number of areas of joint interest. While it has delivered some positive results, it is not a substitute for negotiations. The full potential of the EU-Turkey relationship is best fulfilled within the framework of an active and credible accession process. This process remains the most suitable framework for promoting EU-related reforms, developing dialogue on foreign and security policy issues, strengthening economic competitiveness and increasing cooperation in the field of energy and justice and home affairs. Accession negotiations need to regain momentum, respecting the EU's commitments and the established conditionality. In this regard, the opening of chapter 22-Regional policy, after more than three years of stalemate in the negotiations, represents an important step. Turkey can accelerate the pace of negotiations by 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.

A mixed picture emerges from developments over the past twelve months in Turkey under the **political criteria**. Important reform efforts have continued. The fourth judicial reform package adopted in April strengthens the protection of fundamental rights, including freedom of expression and the fight against impunity for cases of torture and ill-treatment. The government has started a peace process aiming to end terrorism and violence in the Southeast of the country and to pave the way for a solution of the Kurdish issue. This process should be pursued in good faith on all sides. Announced measures in the democratisation package presented in September 2013 foresee further reforms on a range of important issues, including the use of languages other than Turkish, rights of persons belonging to minorities and changes to the current high thresholds for representation in parliament and financing of political parties, which should increase pluralism. Progress in cooperation with opposition parties and implementation in line with European standards is key.

The cross-party conciliation committee of the parliament, which was set up to draft a new constitution, has pursued its work and has achieved agreement on a number of articles. This work should continue in a spirit of compromise. With the adoption of a comprehensive law on foreigners and international protection, an important step has been taken towards adequate protection of asylum seekers. Efforts have also continued aimed at protecting women's rights, notably through implementation of the Law on the Protection of Family and Prevention of Violence. The Ombudsman Institution has been established and is already actively working to fulfil its role. The National Human Rights institution also became operational.

In addition, there is more public debate on topics previously considered as sensitive, including the Kurdish issue, the role of the military, the Armenian issue or the rights of persons regardless of their sexual orientation. Democratic debate is spreading, in particular through the social media, and is also being expressed beyond traditional party politics, including through demonstrations. In this respect, the wave of protests in June is also the result of the broad democratic reform that has taken place in the past decade and the emergence of a vibrant and diverse civil society that needs to be respected and consulted more systematically at every level of decision making, irrespective of who holds the majority in parliament.

However, further progress is held back by various persisting factors. The political climate is still marked by polarisation and lacks a spirit of compromise. The government has tended to rely exclusively on its parliamentary majority to pass laws and decisions, including on socially sensitive issues, without sufficient consultation and dialogue with stakeholders. The resulting tensions and frustration eventually peaked in May and June around a controversial urban development project in Gezi Park in Istanbul and overflowed into major protests in many other cities. Attempts to reach out to protestors were limited and overshadowed by excessive use of force by the police, polarising language and an overall absence of dialogue. As a result of the confrontations six people lost their lives and more than 8 000 were injured. The inspections carried out by the Ministry of Interior concluded that police used disproportionate force against protesters in May and June.

The wave of protests in June highlighted a number of issues that need to be urgently tackled. With regard to the excessive use of force by the police, the administrative and judicial investigations launched should be followed through in accordance with the case law of the European Court of Human Rights and those responsible need to be held to account. Legislation on the establishment of a law enforcement monitoring commission as an independent oversight body for police offences should be adopted and implemented in line with European standards. The Minister of the Interior took a first positive step by issuing circulars to regulate the conduct by police officers during demonstrations. However, the overall legal framework and practice on the intervention of law enforcement officers should be brought in line with European standards so as to guarantee under all circumstances respect for human rights and, in particular, the right to freedom of assembly.

Key provisions of the Turkish legal framework and their interpretation by members of the judiciary continue to hamper freedom of expression, including freedom of the media. The ownership structure of the Turkish media, dominated by large industrial groups, combined with at times intimidating statements by high-level officials and warnings by the authorities, also makes self-censorship in the media widespread, as shown when mainstream media failed to report on the June protests. This environment has also led to dismissals and resignations of journalists.

A restrictive interpretation by the judiciary of legal provisions on provoking public hatred has led to a number of convictions of public figures for critical remarks on religion. The unclear definition in criminal legislation of membership of an armed organisation continues to be the source of a large number of arrests and prosecutions. An ECHR-compatible legal framework has yet to be established on matters of faith and conscientious objection. Substantial efforts are needed to effectively guarantee the rights of women, children, and lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals. Domestic violence, occasional honour killings and the issue of early and forced marriages remain a serious concern. Turkey needs to ensure full respect for all property rights, including those of non-Muslim religious communities.

These shortcomings need to be addressed and the fourth judicial reform package properly implemented in line with European standards. The authorities need to enhance efforts to protect other fundamental rights and freedoms so that all citizens can exercise their rights without hindrance. The measures announced in the democratisation package hold out the prospect of progress on a number of these issues.

These issues underline the importance for the EU to enhance its engagement with Turkey on fundamental rights. Progress in the accession negotiations and progress in the political reforms in Turkey are two sides of the same coin. It is in the interest of both Turkey and the EU that the opening benchmarks for *chapters 23-Judiciary and Fundamental Rights, and 24-Justice, Freedom and Security* are agreed upon and communicated to Turkey as soon as possible with a view to enabling the opening of negotiations under these two chapters. This would significantly contribute to ensuring that the EU and its standards remain the benchmark for reforms in Turkey.

In view of the reforms required, the overall decision making process, both nationally and locally, should involve more structured and systematic consultation of civil society. It is essential to reform the existing legal environment and make it more conducive to the development of civil society organisations in general. As an example, environmental impact assessments need to be carried out fully respecting the EU *acquis*. Major infrastructure projects should no longer be excluded. Consultation of relevant civil society actors in other policy areas is also strongly encouraged.

The signature of the *EU-Turkey readmission agreement and the simultaneous start of the visa dialogue* are the first steps towards visa liberalisation, which can give a new momentum to EU-Turkey relations and bring concrete benefits for both. It is important that these two processes move forward and that the ratification procedure of the readmission agreement in Turkey is swiftly finalised in view of its full and effective implementation.

On *foreign policy*, Turkey has continued to play an important role in its wider neighbourhood, for example expanding its activities as a non-traditional donor in the Horn of Africa, supporting democratic transition in North Africa, and enhancing cooperation with and between Afghanistan and Pakistan. It has played a particularly important role on Syria, supporting the development of a more unified opposition and providing vital humanitarian assistance to large numbers of Syrians fleeing their country. It has also continued to provide practical support to the E3+3 talks with Iran. The ratification of an intergovernmental agreement on the Trans Anatolian Pipeline Project (TANAP) between Turkey and Azerbaijan was an important contribution to the goal of promoting greater European energy security through the southern energy corridor. The regular political dialogue between the EU and Turkey continued to intensify, covering both international issues of common interest such as the Middle East and Central Asia, and global issues such as counter-terrorism and non-proliferation. Turkey has continued its policy of engagement in the Western Balkans, including through its active participation in the South East European Cooperation Process and its contribution to EU-led military, police and rule of law missions in Bosnia and Herzegovina and Kosovo.

Turkey continued to express support for a resumption of talks aimed at achieving a fair, comprehensive solution and viable settlement of the *Cyprus issue* under the good offices of the United Nations. The willingness of Turkey and Greece to accept contacts with the chief negotiators of the two communities is a positive step that could potentially support the settlement process.

The EU has also underlined the importance of progress in the normalisation of relations between Turkey and all EU Member States, including the Republic of Cyprus. In this regard, it has called on Turkey to stop blocking the accession of Member States to international organisations and mechanisms. Furthermore, the EU has stressed again all the sovereign rights of EU Member States, which include, inter alia, entering 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.

In this context, in the Council conclusions of 11 December 2012, the EU noted 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 and has not removed all restrictions on vessels and aircraft registered in Cyprus or whose last port of call was in Cyprus. The EU has underlined that fulfilling this obligation could provide a significant boost to the negotiation process. In the absence of progress on this issue, the EU will maintain its measures from 2006, which will have a continuous effect on the overall progress of the negotiations. 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.

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 EU has expressed once again serious concern and urged Turkey to avoid any kind of threat or action directed against a Member State, or source of friction or actions, which could damage good neighbourly relations and the peaceful settlement of disputes.

The EU has welcomed the fact that the co-operation initiatives between Greece and Turkey to improve bilateral relations are continuing. The latest, 55th round of exploratory talks for the delimitation of continental-shelf took place in September. Greece and Cyprus made formal complaints about violations of their territorial waters and airspace by Turkey, including flights over Greek islands.

As regards the **economic criteria**, Turkey is a functioning market economy. It should be able to cope with competitive pressure and market forces within the Union in the medium term, provided that it accelerates the implementation of its comprehensive structural reform programme.

Following strong growth rates of around 9% in the preceding two years, Turkish GDP growth slowed down to 2.2% in 2012. This was accompanied by a rebalancing of growth from domestic demand to foreign trade, a temporary narrowing of the current account deficit, and a decline of inflation. In the first half of 2013, GDP growth strengthened again to 3.7%. At the same time, the current account deficit has widened again and consumer prices have re-accelerated. Public debt as a share of GDP has continued to recede and is now clearly below 40%. Since May, due to domestic and global factors, financial markets have come under pressure which led to immediate reactions by the central bank with a view to stabilising the exchange rate and containing capital outflows.

Turkey's recent economic performance illustrates both the high potential and the continuing imbalances of the economy. On the external side, the reliance on sustained capital inflows to finance a large structural current account deficit makes Turkey vulnerable to changes in global risk sentiment, resulting in large exchange rate fluctuations and boom-bust cycles in economic activity. Addressing this vulnerability calls for measures to increase national saving and fiscal policy has an important role to play in this respect. The adoption of a fiscal rule would enhance budget transparency, provide an important fiscal anchor and enhance credibility. Relatively high inflation continues to be a major challenge. A rebalancing of the macroeconomic policy mix would be helpful to ease the burden on monetary policy. For the medium to longer term, it is essential that the functioning of the markets for goods, services and labour is improved through structural reforms to increase international competitiveness.

The ongoing survey on the functioning of the EU-Turkey **Customs Union** provides an important opportunity to reflect on and discuss the necessary modernisation of this key instrument in EU-Turkey relations, with a view to re-energising trade performance on both sides and economic integration.

Given Turkey's further development potential as an energy hub and the common energy

challenges it shares with the EU, it is important that the enhanced dialogue develops on all issues of joint interest.

As regards the **ability to take on the obligations of membership**, Turkey has continued to align with the *acquis*. There has been good progress on free movement of goods; financial services; energy; regional policy and coordination of structural instruments; science and research; and education. There have been significant developments on establishing the legal framework in the area of migration and asylum. The legal framework against the financing of terrorism has improved. The new legislation on electricity has brought this area to a great extent in line with the *acquis*. The Commission has assessed progress made in the framework of the working groups under the Positive Agenda and informed Turkey and the Member States which benchmarks it considers to be met. The Commission also acknowledged progress achieved on important requirements as regards the judiciary and fundamental rights. Progress has been limited in some chapters, including public procurement, competition policy, agriculture and rural development, food safety, veterinary and phytosanitary policy, and taxation.

Comprehensive efforts should continue in the area of intellectual property law, agriculture and rural development, food safety, veterinary and phytosanitary policy, social policy and employment, environment and climate change as well as consumer protection. Further significant progress is needed on judiciary and fundamental rights and justice, freedom and security. Legislative alignment needs to be pursued especially in public procurement, competition policy, and taxation. Turkey needs to develop its institutional capacity, in particular under chapters on company law, transport as well as regional policy and coordination of structural instruments.

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