



Procedure file

Basic information		
CNS - Consultation procedure Regulation	1995/0213(CNS)	Procedure lapsed or withdrawn
EC/Turkey relations: special financial cooperation measures		
Subject 6.30.02 Financial and technical cooperation and assistance 6.40.05.08 Relations with Turkey		
Geographical area Turkey		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	RELA External Economic Relations		07/09/1995
		PPE SCHWAIGER Konrad K.	
	Former committee responsible		
	RELA External Economic Relations		07/09/1995
		PPE SCHWAIGER Konrad K.	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs, Security and Defense Policy		
	Former committee for opinion		
	AFET Foreign Affairs, Security and Defense Policy		28/09/1995
		PSE KRANIDIOTIS Yannis	
	BUDG Budgets		07/09/1995
		PSE DANKERT Pieter	
Council of the European Union			

Key events			
26/07/1995	Legislative proposal published	COM(1995)0389	Summary
18/09/1995	Committee referral announced in Parliament		
29/11/1995	Modified legislative proposal published	11070/1995	Summary
11/12/1995	Vote in committee		Summary
11/12/1995	Committee report tabled for plenary, 1st reading/single reading	A4-0324/1995	

13/12/1995	Debate in Parliament		
13/12/1995	Decision by Parliament	T4-0597/1995	Summary
12/02/1996	Vote in committee		Summary
12/02/1996	Committee interim report tabled for plenary	A4-0032/1996	
14/02/1996	Debate in Parliament		Summary
15/02/1996	Decision by Parliament	T4-0060/1996	Summary
26/07/2000	End of procedure in Parliament		

Technical information	
Procedure reference	1995/0213(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	RELA/4/07093; RELA/4/07092

Documentation gateway					
Legislative proposal		COM(1995)0389 OJ C 271 17.10.1995, p. 0012	26/07/1995	EC	Summary
Modified legislative proposal		11070/1995	29/11/1995	CSL	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0324/1995 OJ C 017 22.01.1996, p. 0016	11/12/1995	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0597/1995 OJ C 017 22.01.1996, p. 0035-0043	13/12/1995	EP	Summary
Committee interim report tabled for plenary		A4-0032/1996 OJ C 065 04.03.1996, p. 0016	12/02/1996	EP	
Interim resolution adopted by Parliament		T4-0060/1996 OJ C 065 04.03.1996, p. 0140-0155	15/02/1996	EP	Summary

Additional information	
European Commission	EUR-Lex

EC/Turkey relations: special financial cooperation measures

OBJECTIVE: Implementation of a special financial cooperation measure for Turkey, as part of the final phase of establishing the customs union, in the form of aid to strengthen the country's economic and social structures. **SUBSTANCE:** With a financial envelope of ECU 375 million over five years (1996-2000), this special aid has the following objectives: . support to strengthen the capacity and competitiveness of the Turkish economy: the measures envisaged involve: - strengthening the Turkish public sector and improving infrastructures, - promoting the development of the private sector and job creation, - promoting European private investment (particularly in SMEs); . support to strengthen democracy, develop human resources and preserve the environment: the measures involve: - improving the efficiency of services and local public administrations, - promoting knowledge and the practice of respect for human rights, - promoting civic training and the participation of civil society together with the role of women in development, - promoting education and vocational training, - improving social services,

particularly to the advantage of the underprivileged, - protecting the environment; . support for cooperation between the EU and Turkey in the following areas: trans-European networks, transport, telecommunications, agriculture, the environment, R&D, statistical cooperation, consumer issues, structural cooperation, combating illegal immigration, drug trafficking and organised crime, information, communication and audiovisual measures, and databases; . cross-border regional cooperation as regards: - establishing and strengthening regional cooperation structures with other countries in the region which have concluded association or cooperation agreements with the Union, - improving the infrastructures required for the development of regional and crossborder trade. In implementing the various measures, particular attention is to be given to the participation of associations, cooperatives, etc. and any non-governmental organisations. The measures take the form of technical assistance together with assistance for training and for the development of institutions, etc., on the basis of a multiannual programme lasting three years. Decentralised cooperation is encouraged. - Financing takes the form of non-refundable aid and risk capital. Additional subsidised loans from the EIB are also envisaged (particularly for projects concerning the environment), it being understood that the non-refundable aid and subsidisation of interest (in other words, the ECU 375 million) are financed from the Community budget, whilst the loans are granted directly by the EIB from its own resources (provided that the subsidisation of interest linked to the loan, granted by the Community in its budget, is agreed). - In managing this financial assistance, the Commission is assisted by the MED Committee, which is already established. For financial measures forming part of the EIB loans, the Bank puts forward a set of draft measures to the Committee, which gives a ruling by qualified majority. ?

EC/Turkey relations: special financial cooperation measures

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.?

EC/Turkey relations: special financial cooperation measures

The EP adopted the report by Mr Konrad SCHWAIGER (PPE, D) on the special financial cooperation measure for Turkey. This special measure accompanies the customs union with Turkey. It aims, in particular, to provide Turkey with financial aid totalling ECU 375 million over a period of five years to begin in 1996. Other possibilities of aid are also available, particularly technical assistance. The rapporteur felt that this aid over five years was a sign of support for the efforts undertaken by the Turkish government to achieve the customs union under positive conditions. However, he also believed that the democratic clause included in the draft Council regulation should be strengthened and extended to include respect for the rule of law and the democratic right of expression of minorities. Moreover, he was in favour of the release and immediate use of the ECU 22 million envisaged for the 1996 financial year. For 1997 and subsequent years, the decision to release appropriations should be taken on the basis of an annual report from the Commission highlighting both the effectiveness of the projects and the progress made in the area of democratisation. ?

EC/Turkey relations: special financial cooperation measures

In adopting the report by Mr SCHWAIGER (PPE, D), the European Parliament approved this proposal for a regulation with the following amendments: - the Regulation is based on the observance of democratic principles, human rights and international law; - should an essential condition for the granting of assistance not be met, whether in the programme as a whole or in a particular sector (violations of human rights, but also denial of the right of democratic expression to minorities) the Council, after consulting the EP, may decide to take measures relating to financial aid; - among the operations to be developed, Parliament stresses those aimed at the promotion of democracy and the rule of law and the right of democratic expression of minorities; - with regard to complementarity, Parliament calls for synergy to be ensured between the

assistance provided to Turkey by this regulation and that provided under MEDA; - Parliament also amends the committee procedure provided by the Commission; - it asks to be kept regularly informed about the implementation of this regulation, with particular reference to the observance of democratic principles and human rights in that country. ?

EC/Turkey relations: special financial cooperation measures

The Committee adopted the report by Mr Konrad SCHWAIGER (EPP, D) which examined the implementation of a special financial cooperation measure for Turkey. This draft decision follows on from the consultation procedure introduced in accordance with the interinstitutional declaration of 1975. The REX Committee noted the result of the conciliation process and, while expressing its reservations, called for some aspects of it to be continued. The REX Committee mainly looked to the Council to: - give rulings based on a qualified majority in cases involving violations of human rights, - formally consult Parliament on matters of this kind. The rapporteur welcomed the outcome of the vote and, referring to the impending Council decision on the MEDA programme (providing, where necessary, for a majority decision by the Council in cases involving violations of human rights), stated that "any suspension of aid should reflect the decision which would be taken, should the need arise, under the MEDA programme ... We expect the Council to do everything necessary to see that the same applies within the framework of the financial measure for Turkey...". The Chairman, Mr DE CLERCQ, expressed his satisfaction at the maintenance of the legal basis (article 235 of the EC Treaty) and at the confirmation of the EP delegation's position on conciliation. "Reconciliation with the Council is real", he concluded, "but is still insufficient". ?

EC/Turkey relations: special financial cooperation measures

The rapporteur, Mr SCHWAIGER, welcomed the many projects that had been undertaken: providing greater support for the correct functioning of the administrative services, for the promotion of democracy under the rule of law and for promoting the role of women. Turkey would moreover introduce a programme of reforms that had been approved by the international financial institutions. The Commission would then provide Parliament with an annual report on the implementation of the aid programme and, along with the EIB, would assess the main projects undertaken. However, the rapporteur was not satisfied with two points, which he considered were of essential importance: the Council's refusal to take a majority-based decision on suspending aid in the event that a violation of human rights or of the rule of law were to be observed, and the absence of any formal consultation of Parliament in the event of the aid in question being suspended. For this reason the process of consultation with the Council should be continued. Commissioner van den Broek said that he was ready to act as Parliament's spokesman to the Council in order to inform the latter of the Members' demands. In addition, in the event of a human rights violation the Commission was willing to provide Parliament with the details of its proposal for suspending cooperation with Turkey. In such a case the Commissioner said that he was almost certain that the Council would unanimously approve the proposal for suspension; besides, this was what had happened when cooperation with Niger was suspended. The Council's representative had been absent from the meeting throughout the debate, when Mr Falconer (PSE, UK), Mr Dankaert (PSE, NL) and others had repeatedly called for Council intervention.

EC/Turkey relations: special financial cooperation measures

In adopting the report by Mr Konrad SCHWAIGER (PPE, D), Parliament urged the Council, as Parliament's delegation had done, to alter its position on majority voting within the Council in the event of a human rights violation being observed and on formal consultation of the European Parliament by the Council on this matter. It also called for continuation of the conciliation procedure over the adoption of the Council regulation regarding the implementation of a special financial cooperation measure for Turkey.?