



**COUNCIL OF
THE EUROPEAN UNION**

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"I/A" ITEM NOTE

from:	Working Party on Enlargement and Countries Negotiating Accession to the EU
on:	12 April 2011
to:	Permanent Representatives Committee/Council
Subject:	ASSOCIATION WITH TURKEY – Establishment of the position of the European Union for the 49th EU-Turkey Association Council meeting (Brussels, 19 April 2011)

1. In view of the 49th meeting of the Association Council with Turkey, the Working Party has finalised the position of the European Union as it appears in the Annex hereafter.
2. Subject to confirmation by the Permanent Representatives Committee, the Council is invited to endorse the Union's position as set out in the Annex to this note.

49th MEETING OF THE
EU-TURKEY ASSOCIATION COUNCIL
(Brussels – 19 April 2011)

POSITION OF THE EUROPEAN UNION

The European Union welcomes the holding of the 49th 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 2010.

Item 3 **Accession Strategy, in particular in the light of the Accession Partnership and of the Commission's 2010 Progress Report**

In line with the Council conclusions of 14 December 2010, the EU welcomes Turkey's continued commitment to the negotiation process, which has now reached a more demanding stage. At this point in time, out of 35 chapters, 13 have been opened and one provisionally closed. As concerns chapters for which opening benchmarks have been set, the EU invites Turkey to address them accordingly, and to step up its efforts in meeting established conditions.

In this context the EU welcomes the opening of one negotiating chapter in 2010 and recalls that the Council noted in December 2010 the good progress made by Turkey toward the fulfilment of the opening benchmarks in the field of Competition Policy. Further significant efforts are required by Turkey to meet opening benchmarks of the negotiating chapters on public procurement, competition, and social policy.

By advancing in the fulfilment of benchmarks, meeting the requirements of the Negotiating Framework and by respecting its contractual obligations towards the EU Turkey can actively accelerate the pace of negotiations.

In this context, recalling its conclusions of 14 December 2010, 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. 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. Furthermore, Turkey has still not made progress towards the necessary normalisation of its relations with the Republic of Cyprus. 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, in accordance with its conclusions of 11 December 2006 and 14 December 2010. Progress is now expected without further delay.

The EU recalls that progress in implementing the priorities set out in the Accession Partnership is crucial.

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

Turkey has become more active in its wider neighbourhood and is an important regional player, inter alia for security in the Middle East, Western Balkans, Afghanistan/Pakistan, and the Southern Caucasus. As regards the normalisation of relations between Turkey and Armenia, the EU encourages Turkey to remain committed to the process of normalisation and calls on both countries to continue their dialogue and remain committed to the process of normalisation without preconditions. In line with the principles set out in the Negotiating Framework, the EU encourages Turkey to develop its foreign policy as a complement to and in coordination with the EU, and to progressively align with EU policies and positions. By thus acting together, the EU and Turkey can strengthen energy security, address regional conflicts and prevent divisions developing along ethnic or religious lines. In this regard, the EU stands ready to intensify its existing dialogue with Turkey on foreign policy issues of mutual interest including recent developments in North Africa and the Middle East.

The constitutional reform package is an important step in the right direction as it addresses a number of priorities of the Accession Partnership in the area of judiciary, fundamental rights and public administration. Implementation in line with European standards will be key. The EU emphasises that any future constitutional changes should be prepared through the broadest possible consultation, involving all political parties and civil society in a timely manner and in a spirit of dialogue and compromise.

The EU encourages Turkey to further improve the observance of fundamental rights and freedoms in law and in practice, stressing in particular the areas of freedom of expression and freedom of religion where substantial progress is needed. A number of positive steps have been registered on civilian oversight of the security forces and implementation of the judicial reform strategy, but further progress is needed. Further efforts towards fully meeting the Copenhagen criteria are also required, *inter alia*, as regards property rights, trade union rights, rights of persons belonging to minorities, women's and children's rights, anti-discrimination and gender equality, and the fight against torture and ill-treatment.

The EU regrets that the democratic opening, aimed notably at addressing the Kurdish issue, did not meet expectations.

As regards judicial reform, the EU highlights the utmost importance of an impartial, independent, and effective judiciary for strengthening the rule of law and properly implementing the *acquis*. In this respect, the EU welcomes the constitutional reform package and the ensuing implementing legislation as a step in the right direction addressing a number of priorities of the Accession Partnership in the area of the judiciary. The EU invites the Turkish authorities and all stakeholders involved to use their best endeavours and implement the constitutional amendments in line with European standards. Efforts should be stepped up to establish a system of intermediate courts of appeal. There is also a need to continue and enhance training for judges and prosecutors in the application of the European Convention for the Protection of Human Rights (ECHR) and the case-law of the ECtHR also through a strengthened judicial academy.

The EU underlines the importance of a continued reform of the public administration. The EU notes that the constitutional reform package provides the legal basis for the establishment of an Ombudsman; looks forward to the adoption of a law on the Ombudsman based on European standards; and invites Turkey to continue its constructive dialogue with the European Ombudsman.

As regards civil-military relations, the EU notes the positive steps registered on civilian oversight of security forces. The jurisdiction of military courts was limited, the decisions of the Supreme Military Council were opened to judicial review and arrangements were made for high-ranking officers to be tried by civilian courts. Still, senior members of the armed forces should abstain from statements going beyond their remit on both internal and foreign policy matters. No progress was made on parliamentary oversight over extra-budgetary military funds.

The EU welcomes the adoption of the anti-corruption strategy. However, corruption remains widespread and the strategy needs to be implemented swiftly and effectively and Turkey needs to develop a track record of investigations, indictments, and convictions.

The EU welcomes progress on the observance of international human rights law, and in particular the recent ratification by Turkey of the Optional Protocol to the UN Convention against Torture (OPCAT). The EU welcomes the continued downward trend seen in recent years in both the incidence and the severity of ill-treatment by law enforcement officials as highlighted by the Council of Europe's Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) recently. The EU notes also that Turkey has abided by the majority of rulings of the European Court of Human Rights (ECtHR). Turkey needs to ensure its zero tolerance policy on torture and ill treatment and implement all judgments of the ECtHR without delay. The EU calls on Turkey to bring legislation on human rights' institutions further in line with UN principles.

As concerns freedom of expression, the EU stresses that freedom of the press is a fundamental value and that further legal amendments are necessary in order to ensure freedom of expression in line with the European Convention of Human Rights and the case law of the European Court of Human Rights. In this context, the EU is deeply concerned about the recent arrests of journalists, the seizure of a draft book and the frequent closure of Web sites. Increased self-censorship of journalists is a further source of concern.

As regards freedom of religion, the EU Delegation welcomes recent positive steps, as for instance the return of the Buyukada orphanage building to the Ecumenical Patriarchate in accordance with the recent judgment of the European Court of Human Rights, and invites Turkey to take further steps in line with the European Convention on Human Rights and the case law of the European Court of Human Rights, including adoption of legislation, as necessary, in order to guarantee that all non-Muslim religious communities, as well as the Alevi community, can function without undue constraints. In this context, the EU calls on Turkey to guarantee their rights to legal personality, to the election of their religious leaders and to the training of their clergy; in this regard, Turkey needs to follow up on positive statements made to date on the re-opening of the Halki Seminary. The EU underlines that the Ecumenical Patriarchate should be free to use the ecclesiastical title "Ecumenical".

The EU continues to follow-up closely the 2008 law on foundations. In this context, the EU invites Turkey to ensure its full and swift implementation and to address, by means of appropriate amendments, property issues facing non-Muslim foundations that are not covered by the law. The EU is concerned about the continued court cases regarding land ownership against the Syriac Orthodox Mor Gabriel monastery.

As regards persons belonging to minorities, the EU Delegation will recall that 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 or promote inclusiveness.

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 women's rights the legal framework guaranteeing women's rights and gender equality has been strengthened through the constitutional amendment permitting the adoption of positive discrimination measures for women. However, the EU reiterates that ensuring women's rights and gender equality in practice remain key challenges for Turkey. Notably sustained further efforts are needed to turn this legal framework into political, social and economic reality. Honour killings, early and forced marriages and domestic violence against women remain serious problems. The EU invites Turkey to implement legislation consistently across the country. Further training and awareness-raising on women's rights and gender equality are needed.

As concerns children's rights the EU welcomes the amendment to the anti-terror law ensuring that children accused of committing terror-related crimes are tried by juvenile courts and the ratification by the Parliament of the Council of Europe Convention against Sexual Exploitation of Children.

As regards trade union rights, the EU welcomes the adoption of constitutional amendments providing for the right to bargaining and to collective agreements for public servants. The EU invites Turkey to further amend its legislation in line with ILO and EU standards. Progress on this issue is key for the opening of the negotiating chapter on social policy and employment, in particular as regards the rights to organise, to bargain collectively, and to strike, for both the private and public sectors.

The EU welcomes progress in the situation of the Roma, as their issues have become more publicly debated, and implementation of some measures is underway. However, Roma still frequently face discriminatory treatment.

As concerns the East and Southeast, the EU regrets that the democratic opening announced by the government in August 2009 to address notably the Kurdish issue, fell short of expectations as few measures have been put into practice. The EU calls on Turkey to amend the anti-terror legislation to avoid undue restrictions on the exercise of fundamental rights. Landmines and the village guard system are still causes for concern.

The EU condemns all terrorist attacks and violence in Turkish territory in the strongest terms, and expresses its solidarity with the people of Turkey. The EU resolutely supports Turkey in its fight against terrorism and in its efforts to protect its population, which must be conducted with due regard for human rights and fundamental freedoms, in particular as regards freedom of expression and freedom of association.

In line with the Negotiating Framework and previous European Council and Council conclusions, the EU underlines that 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 urges the avoidance of any kind of threat, source of friction or actions which could damage good neighbourly relations and the peaceful settlement of disputes. The EU welcomes that the co-operation initiatives between Greece and Turkey to improve bilateral relations are continuing.

As emphasised by the Negotiating Framework, the EU expects Turkey to actively support the ongoing 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 is crucial.

The EU also underlines the importance of progress in the normalisation of relations between Turkey and all EU Member States, including 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. Furthermore, the EU stresses again all the sovereign rights of EU Member States which include, inter alia, entering into bilateral agreements, in accordance with the EU acquis and international law, including the UN Convention on the Law of the Sea.

- Economic criteria

Turkey is an open, largely market-driven economy with broadly adequate public financial management and a well-regulated financial sector. Although Turkey suffered a deep recession in 2008-09, the financial system stress and the volatility of interest- and exchange-rates were limited.

Turkey's subsequent recovery and economic growth performance in 2010 was impressive. Real GDP grew by about 8% in 2010 and expectations are that GDP will grow by 4-6% in 2011. However, due to the strong economic growth - on the back of robust domestic demand and higher imports in combination with higher commodity prices - the current account deficit has increased dramatically and inflationary pressures intensified. At the same time, the quality of the external financing has deteriorated.

Under the current circumstances, the main challenge for Turkey is how to design and implement a more balanced monetary and fiscal policy mix, which will focus on preserving macroeconomic stability and sustainable growth, maintaining price stability and sound public finances, improving competitiveness and enhancing the labour market performance.

- **Acquis**

Turkey continued improving its ability to take on the obligations of membership. The EU warmly 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.

Taking into account, in particular, the meetings of the Customs Union Joint Committee of 17 June 2010 (24th meeting), 4 March 2011 (25th meeting) and 7 April 2011 (26th meeting) and the 119th EU-Turkey Association Committee of 24 March 2011, the EU has observations and comments on the following chapters.

In the field of free movement of goods, alignment is generally quite advanced. However, some key issues, such as the obligation to abolish import permits for alcoholic beverages and the introduction of the mutual recognition principle into Turkish legislation are yet to be solved. Moreover, trade has been increasingly hampered by technical barriers related to conformity assessment and standardisation. For example, in 2010 Turkey has introduced legislation on pharmaceutical products which constitutes a *de facto* ban of import of new EU medicinal products into the Turkish market and may also negatively affect other regulatory aspects linked to the marketing of pharmaceutical products.

As regards free movement of capital, Turkey has made some progress on capital movements and the prevention of money laundering in line with EU and revised FATF standards. Some liberalisation has taken place on foreign ownership in radio and television broadcasting as well as in electricity markets, but restrictions remain in several other areas. There are still obstacles to acquisition of real estate by foreign natural and legal persons. The EU invites Turkey to liberalise gradually the acquisition of real estate by foreigners in line with the *acquis*, to take all necessary measures in order to address efficiently disputes over property purchase and to continue to make progress on 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.

On company law, the EU welcomes the adoption of the Turkish Commercial Code, a key step in a number of important areas, and invites Turkey to make further progress in line with the requirements of the Accession Partnership and of the *acquis*.

With regard to intellectual property law, alignment is well advanced. Implementation and enforcement of the *acquis* in this chapter needs 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. The EU looks forward to the inception of a dialogue on intellectual property rights with Turkey.

The EU welcomes the advanced alignment in the field of competition as regards anti-trust. As regards state aid, the EU welcomes that Turkey has taken steps to meet its commitments under the Customs Union and the Free Trade Agreement on ECSC products. In this context, the EU welcomes the adoption of the state aid law and the setting up of the state aid authority and looks forward to the effective implementation of the law.

In the areas of agriculture and rural development, veterinary and phytosanitary issues, and fisheries, alignment remains uneven, and further efforts are needed, *inter alia* in progressive alignment with the Common Agricultural Policy and in control of 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 market policy, structural action, state aid, resource and fleet management, inspection and control and to strengthen institutional capacity for its implementation.

In transport policy, the EU encourages Turkey to continue effort in order to meet EU technical requirements. The EU welcomes the increased contacts in the field of air transport with Turkey and the finalisation of the negotiations on a 'horizontal aviation agreement'. The EU reiterates the urgent need to address the safety risk in the South-East Mediterranean region. The absence of communication between air control centres in Turkey and the Republic of Cyprus is seriously compromising air safety. In this context, an operational solution in line with applicable international law, including the Chicago Convention, should be found urgently. The EU recalls that in line with the priorities enshrined in the Accession Partnership, Turkey is expected to provide a clear strategy for the progressive alignment to the *acquis* on the Single European Sky, including aspects related to civil-military coordination.

With regard to energy, the EU stresses the constructive role Turkey can play in contributing to Europe's energy security (including its own) and calls on Turkey to fully support the projects on the Southern gas corridor, including the Nabucco and ITGI pipeline projects. The EU welcomes the entry into force of the intergovernmental agreement on Nabucco in Turkey. The EU underlines that in the light of the recent events in Japan, nuclear safety is a priority. The EU invites 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 radio-active waste management as soon as possible, with a view to ensure the implementation of the highest standards for nuclear safety, in accordance with the European Council Conclusions of 25 March. The EU welcomes progress in the area of electricity. The EU also welcomes the legislative developments in energy efficiency and renewable energy, and encourages Turkey to continue its ambitions in order to mirror the EU's very ambitious objectives in these areas. The EU expresses readiness to continue negotiations on Turkey's accession to the Energy Community.

On taxation, Turkey is encouraged to step up its efforts to address the scope and rates of VAT, and the structure and rates of excise duties. The EU also welcomes the adoption of the law on the restructuring of public receivables in February which opens the way for settlements of the taxation disputes between Turkey and the importers of spirit drinks in relation to the valuation of their goods for excise purposes. The EU is looking forward to the conclusion of these disputes in a mutually satisfactory way. The EU also invites Turkey to realign its excise tax rates in accordance with its commitments undertaken in the context of the opening of the Taxation chapter without delay. Abolition of discriminatory practices in taxation is a key element for making further progress on this chapter.

Concerning social policy and employment, the EU welcomes that the constitutional amendment package brings significant improvements in the area of social dialogue in the public sector and paves the way for positive discrimination towards women, children, elderly and disabled people. The EU encourages Turkey to strengthen further efforts to ensure full trade union rights in line with EU standards and the relevant ILO Conventions. The EU encourages the Government to pursue its efforts to establish a consensus among social partners on trade union reform legislation.

Concerning justice, freedom and security, Turkey continued making uneven progress. Sustained efforts are required in areas such as visa policy, judicial cooperation in criminal and civil matters, asylum, migration, external borders and fight against trafficking in human beings. The EU welcomes the finalisation of the negotiations on an EU-Turkey readmission agreement, looks forward to its swift conclusion and effective implementation after its entry into force and stresses that the adequate implementation of already existing bilateral readmission agreements remains a priority. The EU reminds Turkey that a solid and comprehensive personal data protection system, in terms of legislation and administrative capacity as well as effective application is of key importance. The EU emphasises the importance of the effective implementation of the strategy against organised crime, and measures to tackle money laundering. Building on 24-25 February JHA Council conclusions, the EU underlines its decision to intensify the cooperation with Turkey on visa issues, ensuring harmonised implementation of practical improvements for Turkish visa applicants within the framework of the EU Visa Code, and notes the Commission's intention to initiate a dialogue on visa, mobility and migration with Turkey

In the field of environment, the EU welcomes progress in a number of areas, including waste management. The EU welcomes Turkey's ratification of the Kyoto Protocol. As regards alignment with the Environmental Impact Assessment Directive, the EU encourages Turkey to pay due attention to implementation of this Directive, as well as to alignment with the Directives on Strategic Environmental Assessment and on public access to environmental information; steps need to be undertaken for the transposition of provisions concerning trans-boundary aspects. The EU invites Turkey to take on a more ambitious commitment to reducing greenhouse gas emissions. The EU also stresses the need to pay increased attention to the implementation of the EU requirements as regards the construction of new water infrastructure in Turkey. The EU encourages Turkey to continue efforts in the field of water quality, including waste water, and, industrial pollution control, nature protection, GMOs and international agreements such as Aarhus and Espoo conventions.

As regards the chapter Customs Union, Turkey has reached a high level of alignment and is currently working on the alignment of the Turkish Customs legislation with the EU Modernised Customs Code. However, alignment is not complete with regard to free trade zones, intellectual property rights and customs duty relief. Counterfeit goods remain a cause of concern. Turkey's duty free shops at arrival points are not in line with the *acquis*.

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

With regard to the Customs Union there remain a number of unfulfilled commitments by Turkey. Turkey needs to fully implement Decision 1/95. The import regime introduced by Turkey on 1st January 2009 and revised in January 2010 and in January 2011, its non-automatic license regime for old, second-hand and renovated goods as well as actions undertaken by Turkey in the area of pharmaceuticals and the longstanding application of import permits for alcoholic beverages do not comply with the Customs Union. Furthermore, Turkey is invited to withdraw the burdensome import procedures and to align its duty-free quota system for processed agricultural products which do not comply with the Customs Union. This is particularly serious considering that most of these commitments are long overdue. Turkey is encouraged to consult the Commission before it undertakes any new measure in the area covered by the Customs Union in accordance with the provisions of Decision 1/95.

As regards state aid, the EU welcomes that Turkey has taken first steps to meet its commitments under the Customs Union and the Free Trade Agreement on ECSC products. These commitments include the obligation of Turkey to align its legislation with the EU state aid rules; set up a state aid monitoring authority ensuring effective implementation; adapt all existing aid schemes to the rules laid down in EU framework and guidelines; inform the EU of all existing and future state aid schemes and notify to the EU in advance any individual state aid that should be notified under the EU rules.

With regard to free movement of goods, there are a number of outstanding commitments under the Customs Union. This relates in particular to the Turkish import regime which requires import permits for old, second-hand and renovated goods. Furthermore, market access for EU products in certain sectors, including alcoholic beverages and textiles, is made difficult through non-tariff barriers. Finally, Turkey recently introduced a restrictive, non-automatic export-licensing regime for copper scrap. 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, and to agree to update Decision 2/97 of the EC-Turkey Association Council on the removal of technical barriers to trade. Turkey is encouraged to adopt the new *acquis* relevant to the Customs Union as it evolves in its entirety.

As regards pharmaceuticals, the EU urges Turkey to suspend the new Turkish requirements on Good Manufacturing Practices which de facto ban imports of new pharmaceutical products and may also negatively affect other regulatory aspects linked to the marketing of pharmaceutical products. Finally, the Union invites Turkey to notify in advance any relevant amendment in its legislation, in accordance with its obligations under the Customs Union.

Concerning taxation, Turkey should ensure that its taxation system does not put imported products at a disadvantage compared to domestic products. In this respect, the non-compliance of Turkey with its commitments on excise tax rates undertaken in the context of the opening of the Taxation chapter has widened the discrimination of EU beverages in the Turkish market, which is incompatible with the Customs Union.

As regards legislation on intellectual property rights, overall alignment with the *acquis* is relatively advanced. However, enforcement remains insufficient. Adoption of the aligned and updated laws regulating intellectual and industrial property rights, including effective enforcement and deterrents to infringement, is crucial. The EU welcomes the establishment of a working group on IPR issues and looks forward to Turkey's constructive engagement, particularly regarding issues of counterfeiting and piracy.

With regard to Commercial Policy, the extension of safeguard measures by Turkey in 2009 and an initiation of another safeguard measure extension investigation in 2011 is a 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.

In relation to Decision No. 1/98 of the EC-Turkey Association Council on trade with agricultural products, Turkey partially lifted its long-standing ban on imports of beef meat and live bovine animals. However, the EU considers that a number of import restrictions are still in place, which continue to constitute a violation of our bilateral agreement and hampers 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. It also stresses that in the coming period Turkish authorities must open all tariff quotas concessions agreed with the EU on a normal yearly basis and that the procedures should be transparent and timely, thereby allowing for a sound implementation of the bilateral trade agreement. In this context, the EU seeks clarifications on the future plans of the Turkish authorities to fully lift the beef ban.

Concerning financial co-operation, the new Multi-Annual Indicative Planning Document for Turkey for 2011-2013 (MIPD) was drafted in cooperation with Turkish authorities, which focuses 2.56 billion euro of assistance on 7 sectors (Justice, Home Affairs and Fundamental Rights; Private Sector Development; Environment and Climate Change; Transport; Energy; Social Development; Agriculture and rural development). The new MIPD was endorsed by the EU Member States in the IPA Management Committee on 25 March 2011. The document will be a good basis for a more focussed use of funds and moving gradually towards a sector-based approach for programming IPA. It should also link the financial assistance closer to Turkey's political reform process and is aimed to enhance the impact of our financial cooperation. As regards programming of IPA funds under the national programme, it remains problematic despite some corrective measures implemented since 2010. Therefore the EU would like to stress the importance of addressing weaknesses in programming as it is a key element for the absorption of funds and for achieving the desired impact and results from assistance.

As concerns the implementation significant efforts were made to improve the management of funds in the course of 2010, but further efforts need to be made to address the remaining weaknesses in the management and control systems. It is essential to create adequate capacity to absorb funds in a speedy manner under all IPA Components. The EU urges the Turkish authorities to take immediately appropriate measures without delay in order to mitigate the risk of losing of IPA funds under all components by the end of 2011 and to inform the EU about all related actions planned. The EU stresses the need for joint efforts and close cooperation by the Turkish authorities. The EU stresses the importance to finalise the accreditation processes for all Operating Structures under IPA component III, IV and V.