

# CPS

Corporate & Public Strategy  
Advisory Group



## EU Corridors

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- **Editorial**

This month's editorial concerns developments regarding the report of the European Parliament to be adopted on Turkey at the beginning of next year as well as the two new negotiation chapters expected to open at the end of this year

- **News**

This month's significant events concerning the EU agenda...

- **Agenda**

Crucial dates and milestones along Turkey's EU journey...

## Editorial

### EP's Report a Disappointment

Following the Turkey Progress Report published by the European Commission last November, the European Parliament (EP) started to work on its own 2008 report on Turkey. The report, which is more political than the Commission's report, contains much stronger language than the EP's report last year. Notably, the report is highly critical of Ankara's progress on the reform process since 2005. The draft report, which will be voted on in the EP Plenary next March and become a recommendation decision, is clear in its message to Ankara that it's time to resume the reform process now that the country's political crises are over. The report also advises Turkey to commence a comprehensive study on a civil constitution without delay. During her presentation at the Foreign Affairs Committee of the EP Dutch MEP Ria Oomen-Ruijten stated that Turkey is going through an unproductive period in terms of its reform process. Although the report will only become a recommendation after it is voted upon, EP reports are known to be a reliable reflection of the EU public opinion.

### Will Turkey Speed Up Reforms?

Despite pressure by the EU, Turkish politicians are too wrapped up in local elections to focus on the reform process right now. The EU is not the most popular issue in the country as both parties -- the opposition as well as those currently in power -- are more into election campaigns.

### Remonstrance by Turkey

Turkey has been vocal about its disappointment with the EU. During his previous visits to Brussels, Turkish Foreign Minister Ali Babacan criticized the EU for being very slow in undertaking the negotiation process with Turkey. The EU has instituted an informal policy to open just two chapters with Turkey at the end of each six-month Presidency term. If the process continues as planned, the EU will open two new negotiation chapters -- 'Knowledge Society and Media' and 'Free Circulation of Capital' -- with Turkey on December 19 during the French Presidency. This will increase the opened negotiation chapters with Turkey to ten. Ankara was also willing to open the education, culture and energy chapters but Southern Cyprus remained opposed to this. France and Southern Cyprus have already blocked a total of twelve proposed chapters. If the political situation in Cyprus is not resolved, the reform process could slow down even further in 2009. In addition, Turkey falls short on certain technical matters concerning the remaining chapters and must meet the opening benchmarks to open those chapters. In other words, the course of the negotiation process will become much more difficult in the coming years. As the EU and Turkey reveal their disappointments with each other, relations continue but are becoming very slow and ever more challenging.

**Duygu Leloğlu**  
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## News

### **The European Council met on 11-12 December**

The European Council convened on 11 and 12 December in Brussels. During the Council, the leaders have focused on three top issues on the EU agenda which are the EU recovery plan against the global financial crisis, agreement on energy/climate package as well as the legal guarantees given to Ireland to adopt the Lisbon Treaty before the end of 2009. At the Council, the EU member states have agreed on a 200 billion Euros stimulus package to recover Europe from the latest economic recession. The leaders have also reached agreement on the EU energy/climate package to get the measures finalized by the European Parliament by the end of the year. According to the plan, the EU will ensure 20% carbon emission reduction by 2020 and increase the amount of renewable energy resources among its energy mix to 20%. The Council confirmed to increase emissions reduction to 30% after 2012 only if other developed countries undertake comparable reductions. To ensure its adoption by the end of 2009, the European Council has also agreed on an approach concerning the Lisbon Treaty. In this regard, the Council agreed to take necessary legal procedures to ensure the representation of all member states at the European Commission. In addition, Ireland has been granted the required legal guarantees concerning taxation, defense policy, right to life, education and family in order to ensure a second referendum in the country. At the Council, the leaders committed to give a fresh impetus to the European Security and Defense Policy with a declaration.

### **Countdown for Lisbon Treaty**

The Second referendum emerged as the most powerful option in Ireland to counter the recent no vote in the country against the Lisbon Treaty, which promises to put institutional and structural reforms into effect in the European Union (EU). The report, adopted by the European Parliament (EP) on the issue, highlights the second referendum as an option without making a recommendation to the government. The report signifies that, in case of a second referendum, the government shall respect the concerns inside the country as well as at the EU level. Replacing legally binding protocols to the Treaty with joint declarations by EU member states is offered as a remedy to overcome the concerns of Irish citizens against the Lisbon Treaty. On the other hand, Irish government has committed to hold a second referendum by the end of the term of the current Commission unless the decisions taken during the European Council on December 11 and 12 are respected and implemented in due course. For this end, Ireland is given legal guarantees that the Lisbon Treaty nor the other concerned legislation of the EU will not intervene in controversial home affairs of Ireland such as taxation, defense policy, right to life, education and family.

### **EU Financial Crisis Recovery Plan**

The European Council has adopted the financial recovery plan proposed by the European Commission. The stimulus package allocates 200 billion Euro of support in light of the recent global financial crisis. The temporary support will be used over a period of two years and that individual EU governments will provide 170 billion Euros of the fund. The remainder will be

supplied through EU funds and through loans from European Investment Bank (EIB). The plan, which is expected to recover millions of jobs in Europe, is equal to 1.5% of the EU GDP. The aid plan also gives green light to the EU governments to loosen their tight budget policies over the next two years in light of the crisis. The recovery package, which includes a total of ten measures in response to the crisis, suggests utilizing environmentally friendly products for industry and to apply VAT reduction in labor-intensive sectors.

### **Commission Includes Candidate Countries in Recovery Plan**

The European Commission announced that it has expanded its recovery plan to cope with the latest global crisis to the candidate countries as well as potential candidate countries in the Western Balkans. The Commission formed a "Crisis Response Package" of 120 million Euros for the continuation of economic development in those countries. At the same time, candidate countries will benefit from 500 million Euros in funds from international finance institutions.

### **US Speaks on Turkey's Behalf**

The National Intelligence Council (NIC), Washington's main intelligence body, urged the European Union (EU) to proceed on Turkey's membership to the union with its recent report "Global Trends 2025: A transformed world". The report highlighted that rejection of Turkey's membership to the EU would have large scale negative implications. The report also states that the country's membership will help protect political stability in the region and promote democratization in areas surrounding Europe. NIC, which forecasts global political trends every four years, warned the EU regarding Turkey, saying "The question of Turkey's EU membership will be a test of Europe's outward focus between now and 2025. Increasing doubts about Turkey's chances are likely to slow its implementation of political and human rights reforms. Any outright rejection risks wider repercussions, reinforcing arguments in the Muslim world—including among Europe's Muslim minorities—about the incompatibility of the West and Islam." The report, which is not optimistic in its evaluation of the EU's prospects over the next fifteen years, implies that if the EU fails to promote social, political and economic integration with EU's periphery and to enact painful reforms internally it may turn into a "hobbled giant distracted by internal bickering and competing national agendas, and less able to translate its economic clout into global influence"

### **Regional Representation of the Year Award for Istanbul Center in Brussels**

Established by the Metropolitan Municipality of Istanbul with the goal of creating a dialogue and cultural platform between the city of Istanbul and the EU, the Istanbul Centre in Brussels was awarded the "Regional Representation of the Year" award. Considered to be one of the two leading magazines in the EU, "European Agenda" awarded the title to the ICiB during the gala on December 3rd. The prize was given to Chairwoman of the Joint Coordination and Management Board Tulû Gümüştekin. During the gala, European Parliament President Hans-Gert Pöttering won the "Politician of the Year" award while member of the European Commission Maglena Kuneva was awarded the "Commissioner of the Year" title. Istanbul Centre has also launched an important publicity campaign in Brussels in the name of Istanbul, which will be the European Capital of Culture in 2010. The Centre which was unveiled last April

by Istanbul Metropolitan Municipality Mayor Kadir Topbas, opened its new art gallery on December the 2nd. The new gallery is opened with two respected Turkish modern art exhibitions: the first is titled "1950s to 2000: a selection from santralistanbul collection" and the second exhibition; "Istanbul Diptychs: Contemporary Visual and Verbal Positions" was curated by Beral Madra. In order to provide the infrastructure for its current and future exhibitions and events, the Istanbul Centre also rented the remaining areas in its building floor, doubling its size.

## **EU Restarts Talks with Russia**

The European Union (EU) has once again opened the Partnership and Co-operation Agreement with Russia, which was frozen due to the war with Georgia. The decision, made last month by the 27 Ministers of Foreign Affairs in Brussels was opposed by Lithuania which did not want to see the EU backing away from the Abkhazia and South Ossetia regions. Due to the voting rules in the council, which was based on a majority vote, the veto threat by Lithuania did not pose an obstacle. French foreign Minister Bernard Kouchner stated in a press conference that the decision regarding Russia was made because the country agreed to a ceasefire with Georgia, which was the 6th clause of the agreement. Kouchner also added the impossibility of solving international issues unless a dialogue is made with the involved country. The EU leaders met with Russian President Dimitri Medvedev on November 14 in Nice in order to discuss enhancement of the partnership with Russia. The Commission will lead the discussions and represent the EU on the matter.

## **European Commission Opens Up to Russia's Neighbors**

The European Commission devised a new proposal regarding six ex-Soviet States in order to give them a new European relationship. According to the proposal, the states of Azerbaijan, Ukraine, Armenia, Moldova, Belarus, and Georgia will have a "partnership" with the EU. The Commission announced the need for the creation of a European Economic Area with the goal of pulling these states closer to the EU. The proposal also underlines that the EU and Russia continue privileged relations. The Commission needs the agreement of all 27 member states to accept the proposal before it can be enacted. Commission President Jose Manuel Barroso also stated that this proposition should not be seen as an EU enlargement case, and that these states do not have accession perspectives.

## **ICT PSP 3<sup>rd</sup> Call Draft Working Programme has been announced**

2009 draft work programme of ICT Policy Support Programme (ICT PSP) within Competitiveness and Innovations Framework Programme (CIP) has been announced. Further information can be reached on the Third Call work programme concerning ICT for health, ageing and inclusion; Digital Libraries; ICT for government and governance; ICT for energy efficiency and environment; Multilingual Web; Public Sector information; Internet evolution and security (including RFID); Open innovation, user experience and living labs from [http://ec.europa.eu/information\\_society/activities/ict\\_psp/index\\_en.htm](http://ec.europa.eu/information_society/activities/ict_psp/index_en.htm). The programme will be approved by the European Commission in January 2009. The Commission will hold an information day on 26 January 2009 in Brussels and will accept the proposals for the call between 29 January and 2 June.

## **EU Chemicals Regulations to Conform with UN Standards**

The EU has reached agreement on the UN's Globally Harmonised Systems (GHS) regarding the laws and rules on the classification, labeling, and packaging of chemicals. With the new application, dangerous chemicals in the EU will be classified and labeled with the same criterion as the UN. The ultimate goal of the new regulations is to ease trade among countries that trade globally, and to protect the public and environment from harmful chemicals. The new application will complete the REACH arrangements of the EU and will be put into motion after it is published in the official EU Journal. The regulation also extends to businesses in the EU. EU businesses will now be responsible for classifying, labeling, and packaging dangerous chemicals.

## **EC Says Pharmaceutical Companies Block Generic Medicines**

The European Commission issued a report in which it stated that large pharmaceutical companies engage in activities, which block or make it difficult for medicines with equal generic substances to enter the market. The report concluded that actions taken by big companies increase the costs for the taxpayers as well as the patients. According to a search, in the 17 EU member states, on a sample of original medicines, which faced loss of exclusivity between 2000 and 2007, the report concludes 3 billion Euros worth savings would be possible if the entrance of generic medicines to the market was not delayed. The report also shows that the average time needed for a generic drug to enter the EU market is around seven months, and 20% price reduction occurs in its first year in the market. Commission officials stated that the results of the report will be evaluated with the other stakeholders and, if necessary, anti-trust cases could be opened. The European Federation of Pharmaceutical Industries and Associations (EFPIA) criticized the report for claiming the sector is against competition without regarding the sector's complex structure and balances.

## **EU Opens Door to Iraqi Immigrants**

The EU Ministers of Home Affairs decided to voluntarily accept 10,000 Iraqi immigrants from refugee camps at the Syrian and Jordanian borders to the EU. Despite the objections by Malta, Greece and Southern Cyprus, which have already accepted a large number of refugees, the decision was taken unanimously. It is reported that 1.5 million Iraqi immigrants are living at the borders of Syria and Jordan at the moment.

## **Netherlands Blocks Romanian and Bulgarian Workers for Three More Years**

The establishment of working rights in the Netherlands for workers from Romania and Bulgaria, which became EU member states in 2004, has been postponed for three more years. The Dutch Parliament, which earlier announced that it would grant said rights to Bulgarian and Rumen workers on January 1, 2009, later decided to postpone the rights. Their excuse was the global financial crisis as well as the pressure of opposition parties to postpone the rights until the very end of the legal timeframe, which was determined at the EU level. In accordance with the decision, the Netherlands postponed the free circulation of workers to new member states until January 1, 2012.

## **EU to Pursue Pirates**

The Defense Ministers of the European Union (EU) agreed to start the first-ever maritime operation in the EU's history in defense against the rising pirate threat in Somalia. The British naval forces will command the operation, which will be carried out for one year by nine member states. The fleet will be based at the 'Northwood' region on the shores of the UK and headed by second Admiral Philip Jones. The French Defense Minister Herve Morin said the operation would be held in cooperation with NATO and that the EU is ready to offer total support for the operation.

## **Agenda**

### **8 December**

- EU General Affairs and External Relations Council (8-9 December), Brussels
- EU Ministers for Transport, Telecommunications and Energy Council (8-9 December), Brussels
- EU-New Zealand Troika Meeting, Brussels
- EU-Macedonia Stability and Partnership Council
- European Council Political and Security Committee

### **9 December**

- EU Georgia, Azerbaijan and Armenia Cooperation Council
- European Council Political and Security Committee
- European Conference on Research Infrastructures, Versailles (9-10 December)
- First 'European Sessions on Invention', Paris

### **10 December**

- COREPER I

### **11 December**

- European Council (11-12 December), Brussels
- Energy Community Ministerial Conference

### **15 December**

- EP Plenary, (15-18 December), Strasbourg
- Employment, Social Policies, Health and Consumer Affairs Council (15-16 December), Brussels

### **16 December**

- The address of the EU Term Presidency France's President Mr. Nicolas Sarkozy at the EP Plenary
- European Council Political and Security Committee

### **17 December**

- Agriculture and Fisheries Council (17-19 December), Brussels

### **18 December**

- COREPER II

**19 December**

-European Council Political and Security Committee

**22 December**

-EU-Brazil Summit, Brazil  
-Euro-Med Water Ministerial Conference, Jordan

**23 December**

-European Council Political and Security Committee  
-COREPER I

**24 December**

-EU institutions will be closed due to holidays

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The information in this document was compiled from various EU information sources.