

CPS

Corporate & Public Strategy
Advisory Group



EU Corridors

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- **Editorial**

In this edition of EU Corridors' editorial we discuss EU-Turkey relations in light of the EU Presidency of Southern Cyprus in the second half of the year as well as the possible outcome of the French Presidential elections.

- **News**

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

- **Agenda**

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

Editorial

Greek and French obstacle to negotiations...

EU circles reacted to statements made by EU Minister and Chief Negotiator Egemen Bağış, in Brussels, commenting that the annexation of Northern Cyprus to Turkey is an option on the table if a deal for reunification cannot be reached in Cyprus. The EU immediately after claimed that only reunification of the island would be a solution. However, hopes for a solution on Cyprus are diminished among EU circles. 38 year old issue remains at a standstill and was missed during the Annan Plan. The year-long negotiations have done no more than create a buzz. Hence, if no results are achieved, Bağış statements could bring the whole issue an inevitable end because the Greek Cypriots will make every effort to prevent the recognition of the TRNC by the international community. In this case, the existence of Turkish Cypriots, as always, would depend on Turkey. In fact, Bağış' statements point out that the tension between Brussels and Ankara over the Greek Cypriots (who take on the EU Presidency as of July) will continue for the next six months. The Greek administration, it is rumored, may, as a gesture, agree to open two negotiation chapters which it blocked earlier during its EU Presidency. This move could also be explained as an attempt by the Greek administration to sit at the same table with Turkey to be officially acknowledged by the country. However, Ankara clearly stated that Turkey will not sit at the table with Southern Cyprus. So the accession negotiations will continue to idle along over the next months. On the other hand, once the Greek Cypriots hand over the EU presidency seat the way may be paved for progress in the negotiations. However, the prospects depend on the results of Presidential elections in France. The election of French Socialist leader François Hollande instead of Sarkozy in the second round of presidential elections on May 6 could remove the biggest obstacle to Turkey's membership to the EU: The France obstacle...

Duygu Leloglu
Brussels

News

Serbia became an official candidate country for EU membership

European Union heads of state and government, agreed to give candidate status to Serbia. The candidacy of Serbia, the biggest country in the Balkans, with a population of 7.3 million, could only be actualized as the country signed an agreement with Kosovo that recognizes the country's regional representation. Romania had surprisingly objected Belgrade to obtain candidate status with an intention to promote the minority rights of 35 thousands Romanians living in Serbia. The issue was later negotiated between the two countries.

No Solution to Crisis came out of G20 meeting

The meeting of the G-20 finance ministers and Central Bank chairs held in Mexico City could not deliver a remedy to the crisis. G20 leaders called on European countries to strengthen their firewall for the prevention of the transmission of the debt crisis to other countries and for economic recovery, before considering using further IMF resources. The meeting conclusions noted the reevaluation of the strength of Europe's financial firewall in March. The G20 leaders acknowledged that this assessment would lay the foundation for the decision on the allocation of further IMF resources to overcome the debt crisis in Europe.

25 EU Member States sign the Financial Pact

25 EU Member States, apart from the UK and Czech Republic, signed the new intergovernmental agreement which strengthens budgetary discipline in the EU. The Treaty on Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union will come into effect on January 1, 2013 after its adoption by the parliaments of at least 12 Member States. The Treaty, which aims to consolidate budgetary discipline and monitoring in the Eurozone, includes binding sanctions for its parties. Accordingly, the member states are obliged to identify the 'balanced budget' rule in their Constitution. In addition, countries having a budget debt which significantly overruns 0.5% of GDP will face penalties.

EU recognizes Syrian Dissidents

The EU recognized the National Council formed by the rebels as the legitimate representative of the Syrian people. In a statement issued following the last EU Summit the leaders called on the EU foreign ministers to prepare new sanctions against the government in Damascus. Many countries, including the UK and France, have previously recognized the National Council in Syria. EU leaders further reached agreement to collect evidence to bring to account those responsible for oppression and killings in Syria.

Greece succeeded in debt swap

Greece announced the bond programme, conducted in order to escape default and receive a second recovery package worth of €130 billion from the EU and IMF, was a success. The Finance Ministry of Greece declared 85.8% of €177 billion-worth of bonds, regulated under national law, has been tendered. In the program, which foresees sharing the debt burden with the private sector, the creditors swap their bonds with the lower value bonds. The rate is expected to amount to 95.7% with the enactment of collective action provisions, which would oblige reluctant creditors to take part in the programme.

EU says Greco-Turkish border wall is 'pointless'

The European Commission refused Greece's application for financial assistance to build a wall border with Turkey, on the grounds that it is unnecessary. Greece began to elevate a barrier of 2.5 meters high and 10 km long through its Turkish border, with the aim of preventing illegal migration to the EU. The border is planned to be completed in 5 months and would cost 5.5 million Euros. European Commission spokesman Michele Cercone stated that "The commission has decided not to follow up the Greek request because it considers it pointless," and "fences and walls are short-term measures that do not solve migration management issues in a structural way," she added.

French Constitutional Council rejects Armenian bill

The Constitutional Council of France cancelled the draft bill, which criminalizes the denial of the alleged "Armenian genocide" on the grounds that the bill violates the Constitution. The Council, examining compliance of the national law with the French Constitution, justified his decision stating that 'the bill is against freedom of expression and communication.' On the other hand, the draft bill is not only supported by ruling party UMP of French President Nicolas Sarkozy but also by the main opposition Socialist Party.

Greek Cypriots want to hold peace talks during their Presidency

Southern Cyprus intends to continue peace talks with the North during the EU Term Presidency they will hold in the second half of the year. Greek Administration spokesman Stefanos Stefanou stated that Greek Cypriot leader Dimitris Christofias already notified the UN Secretary General Ban Ki-moon and the international headquarters that he was ready to continue negotiations during the EU presidency. Stefanou said that they opposed a tight schedule for negotiations, and that consensus on internal issues is a prerequisite to convene an international conference on Cyprus.

Germany said those who wish to leave could go

German Finance Minister Wolfgang Schaeuble stated that a country's voluntary exit from the Eurozone or the EU would be regrettable but the other member states are obliged to accept the fact. The German Minister pointed out that 17 Eurozone countries as well as EU-27 were based on various principles, including freedom, a constitutional state and non-discrimination. "If a country were to decide to leave, it's something we would regret but which it would be necessary to accept in accordance with these principles," he said.

Draft EP Turkey Report adopted

On March 1, the European Parliament (EP) Foreign Affairs Committee adopted the draft Turkey report which covers EP opinion on Turkey's EU accession process. The resolution adopted by 54 votes to 7, with 2 abstentions states that the EU and Turkey will gain from closer ties, given their mutual dependence, Turkey's economic potential and its role as a strategic player in the region. However, the Committee called on Turkey to settle the Cyprus, Armenia and Kurdish issues and to progress with judicial reform and the protection of civil liberties. The report will be voted at the EP Plenary on March 29.

Ajanda

7 March

- Coreper I
- Coreper II

8 March

- Justice and Home Affairs Council
- European Competitiveness and Consumers Day

9 March

- Meeting of the EU Environment Ministers
- Informal meeting of EU Foreign Affairs Ministers
- Political and Security Committee

10 March

- Informal meeting of EU Foreign Affairs Ministers

12 March

- EU Euro group meeting
- The European Parliament Plenary Session, Strasbourg (12-15 March)

13 March

- Economic and Financial Affairs Council
- Political and Security Committee

14 March

- Coreper I
- Coreper II

16 March

- General Affairs Council
- Political and Security Committee
- Coreper I

18 March

- Youth Conference, Soro, Denmark
- Agriculture and Fisheries Council

19 March

- Agriculture and Fisheries Council
- Youth Conference, Soro, Denmark

20 March

- Political and Security Committee

21 March

- Political and Security Committee
- Coreper II
- Coreper I
- Youth Conference, Soro, Denmark
- DG Troika meeting

22 March

- Transport, Telecommunications and Energy Council
- General Affairs Council
- 5th European Regions and Cities Summit, Copenhagen, Denmark

26 March

- General Affairs Council
- Informal meeting of the Employment Council

27 March

- Political and Security Committee
- Informal meeting of the Employment Council

28 March

- Coreper I
- Coreper II
- Information meeting of the Commission on Borders, Migration and Asylum
- European Parliament Mini Plenary, Brussels

29 March

- Coreper II

30 March

- Economic and Financial Affairs Council, Copenhagen
- Coreper I
- Political and Security Committee

31 March

- Economic and Financial Affairs Council, Copenhagen

2 April

- Meeting of Directorate Generals for Higher Education

3 April

- Political and Security Committee

4 April

- Coreper I
- Coreper II

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