

Turkey 2007 Progress Report v. Cyprus

In December 2006 the Council decided that negotiations will not be opened on eight chapters relevant to Turkey's restrictions regarding the Republic of Cyprus and that no chapter will be provisionally closed until the Commission confirms that Turkey has fully implemented the Additional Protocol to the Association Agreement.

The EC-Turkey **customs union** contributed to a further increase in bilateral EU-Turkey trade, which reached € 85 billion in 2006, thereby making Turkey the EU's seventh trading partner. The reduction of national mandatory product standards supported this positive trend. The EU asked Turkey to remove all remaining restrictions on the free movement of goods, including restrictions on means of transport regarding Cyprus. A number of Turkey's commitments on technical barriers to trade, import licenses, state aid and enforcement of intellectual property rights remain unfulfilled. No progress can be reported concerning Turkey's long-standing ban on imports of live bovine animals, beef and other animal products.

However, the armed forces continued to exercise significant political influence. Senior members of the armed forces have stepped up their public comments on domestic and foreign policy questions including Cyprus, secularism and Kurdish issues. On a number of occasions, the General Staff reacted publicly to government statements or decisions. The General Staff directly interfered with the April 2007 presidential election by publishing a memorandum on its website expressing concern at the alleged weakening of secularism in the country.

In the case of Cyprus v. Turkey, the Committee of Ministers decided to close the examination of the violations established in relation to the right to education and freedom of religion at its meeting in April. Issues which remain pending include restrictions on the property rights of Greek Cypriots in the northern part of Cyprus and the issue of missing persons.

As regards the property rights of displaced persons in Cyprus, the December 2006 Court ruling in the Xenidis Arestis case found that the new compensation mechanism has in principle fulfilled the requirements indicated by the Court. However, the Court did not address the effectiveness of the remedy on all relevant issues.

Cyprus

The Turkish government has continued to express its commitment to a comprehensive settlement of the Cyprus problem under the auspices of the United Nations. It is expected that the government will continue to support the launching of fully fledged negotiations on a comprehensive settlement, for which the 8 July 2006 agreement between the leaders of the two communities on the island should prepare the ground.

Following Turkey's non-fulfilment of its obligation of full and non-discriminatory implementation of the Additional Protocol to the Association Agreement, in December 2006 the Council decided that accession negotiations will not be opened on eight chapters relevant to Turkey's restrictions regarding the Republic of Cyprus and that no chapter will be provisionally closed until the Commission confirms that Turkey has fulfilled its commitments. The Council also decided to review progress made on the issues covered by the declaration of 21 September 2005 and invited the Commission to report on this in its annual reports, in particular in 2007, 2008 and 2009.

Since the Council's decision of December 2006, Turkey has made no progress towards fully implementing the Additional Protocol.

Turkey has made no progress on normalising bilateral relations with the Republic of Cyprus. Turkey continues to veto Cyprus's membership of several international organisations and of the Wassenaar Agreement on the Code of Conduct on Arms Exports and on Dual-Use Goods. In January Turkey protested against an agreement concluded by the Republic of Cyprus with Lebanon on delimitation of the maritime exclusive economic zone with a view to oil drilling which it claimed was not in line with the 1960 Treaty of Guarantee and the international law on maritime boundaries. Turkey thus contested the **right** of the Republic of Cyprus to conclude such agreements.

In March Turkey also protested against a defence cooperation agreement between France and the Republic of Cyprus which it claimed was not in line with the 1960 Treaty of Guarantee. In its December 2005 verdict on the Xenides-Arestis case, the European Court of Human Rights (ECtHR) asked Turkey to introduce a remedy which secures effective redress for property right violations in Cyprus. In its follow-up decision of December 2006, the Court accepted, in principle, the Immovable Property Commission established by the Turkish Cypriot Community as a legitimate domestic remedy. However, the Court could not address all the relevant issues concerning the effectiveness of this remedy due to lack of agreement between the parties on the issue of just satisfaction.

The chapter "**Free movement of goods**" is one of eight chapters covered by the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006 and endorsed by the European Council on 14/15 December 2006. As long as restrictions remain in place on the free movement of goods carried by vessels and airplanes registered in Cyprus or where the last port of call was Cyprus, Turkey will not be in a position to fully implement the *acquis* relating to this chapter.

The chapter "**Right of establishment and freedom to provide services**" is one of eight chapters covered by the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006 and endorsed by the European Council on 14/15 December 2006. As long as restrictions remain in place on the free movement of goods carried by vessels and airplanes registered in Cyprus or where the last port of call was Cyprus, Turkey will not be in a position to fully implement the *acquis* relating to this chapter.

The chapter "**Financial Services**" is one of eight chapters covered by the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006 and endorsed by the European Council on 14/15 December 2006. As long as restrictions remain in place on the free movement of goods carried by vessels and airplanes registered in Cyprus or where the last port of call was Cyprus, Turkey will not be in a position to fully implement the *acquis* relating to this chapter.

The chapter "**Agriculture**" is one of eight chapters covered by the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006 and endorsed by the European Council on 14/15 December 2006. As long as restrictions remain in place on the free movement of goods carried by vessels and airplanes registered in Cyprus or where the last port of call was Cyprus, Turkey will not be in a position to fully implement the *acquis* relating to this chapter.

The chapter "**Fisheries**" is one of eight chapters covered by the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006 and endorsed by the European Council on 14/15 December 2006. As long as restrictions remain in place on the free movement of goods carried by vessels and airplanes registered in Cyprus or where the last port of call was Cyprus, Turkey will not be in a position to fully implement the *acquis* relating to this chapter.

Air Traffic Management is suffering from a lack of regional cooperation. The lack of communications between air control centres in Turkey and the Republic of Cyprus is seriously compromising air safety in the Nicosia Flight Information Region. Preparations in this area are underway.

The chapter "**Transport policy**" is one of eight chapters covered by the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006 and endorsed by the European Council on 14/15 December 2006. As long as restrictions remain in place on the free movement of goods carried by vessels and airplanes registered in Cyprus or where the last port of call was Cyprus, Turkey will not be in a position to fully implement the *acquis* relating to this chapter.

The chapter "**Customs Union**" is one of eight chapters covered by the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006 and endorsed by the European Council on 14/15 December 2006. As long as restrictions remain in place on the free movement of goods carried by vessels and airplanes registered in Cyprus or where the last port of call was Cyprus, Turkey will not be in a position to fully implement the *acquis* relating to this chapter.

Turkey provides support for the NATO-led peacekeeping mission in Darfur. In May, Turkey assumed the command of Multinational Task Force South regional command of KFOR for a period of one year. However, as regards EU-NATO cooperation, Turkey objects to the inclusion of the Republic of Cyprus and Malta in the EU-NATO strategic cooperation based on the "Berlin Plus" Agreement.

Turkey contributes substantially to ESDP and seeks increased involvement in ESDP decisionmaking process. As regards EU NATO cooperation, Turkey's position on Cyprus contributes to hamper its functioning. Turkey continues to block Cyprus' membership of the Wassenaar Arrangement.