



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.03.2000
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1998/299 (CNS)

Amended proposal for a

COUNCIL REGULATION

**REGARDING THE IMPLEMENTATION OF MEASURES TO INTENSIFY THE EC-
TURKEY CUSTOMS UNION**

(presented by the Commission pursuant to Article 250 (2) of the EC Treaty)

EXPLANATORY MEMORANDUM

On 2 December 1999, the European Parliament backed the Commission proposal and adopted a report putting forward 22 amendments to the Commission's text.

Out of the total of 22 amendments:

- the Commission accepted eight as they stood and incorporated them into its amended proposal for a Regulation;
- the Commission accepted eight in part, taking them over after making amendments;
- the Commission rejected six.

In the amended proposal, the proposed EP wording taken over by the Commission is underlined. The changes made by the Commission on the basis of the EP amendments are in bold.

The amendments incorporated as they stood are 2, 4, 7, 8, 10, 14, 15 and 22. These add to the Commission's proposed recitals and consolidate and add detail to certain provisions. They in no way hamper the implementation or proper conduct of cooperation.

The amendments accepted in part (i.e. as altered) are 1, 3, 9, 12, 16, 17, 18 and 20.

- **Amendment 1** (recital 5a (new)): "Whereas, on 13 September 1999, the Council took a decision on the allocation of funds to Turkey" **becomes** "having regard to the conclusions of the Council (general affairs) of 13 September 1999". The Council referred to the financial instruments but did not take a decision on their allocation.

N.B. The Commission added a reference to the Helsinki European Council of 10/11 December 1999 to the recitals.

- **Amendment 3** '**Whereas the Council Decision of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission...**' has been replaced by the standard Commission recital relating to the new provisions on committee procedure ("comitology provisions").
- **Amendment 9** (recital 9): "Whereas, without prejudice to the powers of the budgetary authority, a multiannual indicative amount for the period 2000-2002 is proposed as the financial reference which illustrates the will of the legislative authority. Such a reference shall be part of the multiannual financial framework of the MEDA programme."
Replace "Meda programme" with "Mediterranean allocations".
This is because the Meda programme is only one of a variety of instruments using the Mediterranean allocations.
- **Amendment 12** (Article 3(2a) (new)): "The Commission shall, before implementing the actions provided for in this Regulation, draw up a list of priorities and refer its indicative programme to the committee referred to in Article 7 of this Regulation and the bodies set up by the EU-Turkey Association Agreement and the acts adopted on the basis thereof, and notably the joint parliamentary committee and the EU-Turkey

joint economic and social committee."

Replace "refer" with "pass information on". Using the word "refer" would bring interference on the part of the EP and ESC in the Commission's initiative and implementation roles. In institutional terms, this would be unsound. In addition, consultation of the kind envisaged would so lengthen the project preparation cycle that it would be difficult to commit appropriations in time. The Commission is nevertheless perfectly prepared to keep the other institutions as fully informed as possible.

The reference to the bodies set up by the Association Agreement, considered to be too vague, is therefore removed. The list of bodies (proposed by Parliament) to which the indicative programming document should be referred is maintained, however.

- **Amendment 16** (Article 6(3), second subparagraph a (new)): Replace "Special provision shall be made by the Commission for a reduction in the obstacles to small, non-profit-making NGOs taking up grants" with "The Commission shall take all necessary steps to facilitate take-up of grants by small, non-profit-making NGOs." Parliament wishes to give small NGOs easier access. This is already overwhelmingly the case, and the Commission will ensure that the situation continues. The amended wording provides greater opportunity for the Commission to finance technical assistance operations to improve NGOs' management capabilities.
- **Amendment 17** (Article 7) : Comitology provisions The Commission retains the spirit of Parliament's text but has changed the wording in accordance with its standard provisions concerning the new comitology provisions.
- **Amendment 18** (Article 8): "An exchange of views shall take place, once a year, in accordance with the procedures set out by the budgetary authority, on the basis of a presentation by the Commission's representative of the programme for the operations to be carried out in the year ahead, in a meeting of the Committee referred to in Article 7. The European Parliament shall be informed of the proposals and of the outcome of the _____ discussions."
The Commission would **add** "indicative programme" and **delete** "in accordance with the procedures set out by the budgetary authority".
- **Amendment 20** (Article 9): the Commission's obligation to inform Parliament. The Commission is proposing a change in the wording of the first paragraph, adding "indicative" to the existing "programme" and deleting "**to enable Parliament to take note of it and evaluate it in good time before it considers and adopts the Budget of the European Union.**"
This is because:
 - the programming is always indicative because problems can undermine the setting-up of a project at any time;
 - it is for Parliament to decide how it reacts to the indicative programme and no provision is required for that in the regulation.
- **The amendments rejected are 5, 6, 11, 13, 19 and 21.**
- **Amendment 5** (recital 1): "Whereas the Luxembourg European Council on 12 and 13 December 1997 confirmed that Turkey was eligible to accede to the European Union, on the basis of the same criteria applicable to all applicant states." The Commission is rejecting this amendment. The European Council of 12/13 December 1997 did indeed confirm Turkey's eligibility to join the European Union,

but there are no conditions attached to **eligibility**. The criteria applied to all applicant countries are attached to **accession** itself, and the beginning of the **negotiating** process.

- **Amendment 6** (recital 7): "Whereas the provisions of this Regulation are based on respect for democratic principles, the rule of law, fundamental human rights and freedoms, the rights of minorities, and respect for international law and international treaties which underpin the policies of the European Union and its Member States." The Commission is rejecting this amendment. It is adhering to its original proposal, which uses a standard clause, to avoid giving the impression that a particular partner is being discriminated against compared to other partners. It goes without saying that the Commission sets great store by minority rights and respect for international agreements.
- **Amendment 11** (Article 3(2)): "Where obstacles are placed to the implementation of projects, operations and measures in any of the areas defined in Article 4, and particularly in that referring to cooperation seeking to defend and promote democracy, the rule of law, human rights and the protection of minorities, the Council, acting by qualified majority on a proposal from the Commission or the European Parliament, may decide to suspend all cooperation under this Regulation." The Commission is rejecting this amendment. It is adhering to its original proposal for two reasons.
 1. There is no legal or institutional basis for any form of EP initiative to propose to the Council that cooperation under this Regulation be suspended.
 2. It is only logical that the provisions be the same as those for the Meda programme, in order to avoid having more than one procedure for a single country.
- **Amendment 13** (Article 4, indent 3a (new)): "support for programmes to repair damage caused by the recent earthquakes." The Commission is rejecting this amendment. The areas affected by the earthquakes are obviously eligible for EU aid in the same way as any other region. However, post-earthquake reconstruction does not fall within the scope of this Regulation, which is seeking closer relations between Turkey and the EU.
- **Amendment 19** (Article 8a (new)): "The Commission shall submit an annual report on progress with regard to respect for democratic principles, the rule of law, human rights and fundamental freedoms and international law." The Commission is rejecting this amendment. The Commission publishes an annual "regular report" on all the applicant countries, including Turkey. The report includes a section on developments in the human rights situation.
- **Amendment 21** (Article 10): "The Commission shall regularly evaluate operations financed by the Community in order to establish whether the objectives of the operations have been achieved and to provide guidelines for improving the effectiveness of future operations. In accordance with the procedures laid down by the budgetary authority, the Commission shall submit to the Committee referred to in Article 7 a summary of the evaluations made, which the latter may, if necessary, examine. Evaluation reports shall be made available to the European Parliament and to any Member States requesting them." The Commission is rejecting this amendment. Its aim is to include the EP among the recipients of the evaluation report. The Commission agrees with this principle. Since

amendment 20 already provides for all programming and evaluation documents to be submitted to the EP and the Council, however, amendment 21 serves no purpose.

Amended proposal for a

COUNCIL REGULATION

REGARDING THE IMPLEMENTATION OF MEASURES TO INTENSIFY THE EC-TURKEY CUSTOMS UNION

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof,

Having regard to the proposal by the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

- (1) The Luxembourg European Council on 12 and 13 December 1997 confirmed that Turkey was eligible to accede to the European Union.
- (2) On 4 March 1998 the Commission presented to the Council a communication entitled *the European strategy for Turkey: the Commission's initial operational proposals* to prepare Turkey for accession.
- (3) The Cardiff European Council on 15 and 16 June 1998 welcomed the Commission's communication as a platform for developing relations between the European Union and Turkey on a sound and evolutionary basis.
- (4) The Commission was requested by the Cardiff European Council to table any proposals which would be required to implement the European strategy.
- (5) The Cardiff European Council pointed out that the European strategy would require financial support.
- (6) The conclusions of the Council meeting of 13 September 1999 referred to financial assistance for Turkey.
- (7) Since the EC-Turkey customs union came into force on 31 December 1995, Turkey has been pushing ahead with economic reform.
- (8) The Helsinki European Council of 10/11 December 1999 stated that Turkey was an applicant country which could join the EU on the basis of the same criteria as those applicable to the other applicant countries.
- (9) The provisions of this Regulation are based on respect for democratic principles, the rule of law, human rights and fundamental freedoms and respect for international law, which underpin the policies of the European Community and its Member States.

- (10) The Community attaches great importance to the need for Turkey to improve and promote its democratic practices and respect for fundamental human rights, and more closely involve civil society in that process.
- (11) The European Parliament has adopted a number of resolutions on the importance of respect for human rights in Turkey to the development of close ties between that country and the European Union, in particular those of 13 December 1995 on the human rights situation in Turkey, 17 September 1998 on the Commission reports on developments in relations with Turkey since the entry into force of the customs union, 3 December 1998 on the communication from the Commission to the Council and the European Parliament on the further development of relations with Turkey and on the communication from the Commission to the Council entitled "European strategy for Turkey: the Commission's initial operational proposals" and 6 October 1999 on the state of relations between Turkey and the European Union.¹
- (12) The European Parliament, the Council and the Commission adopted a declaration on 6 March 1995 on the incorporation of financial provisions into legislative acts.²
- (13) On 6 May 1999 the European Parliament, the Council and the Commission approved an interinstitutional agreement on budgetary discipline and improvement of the budgetary procedure.³
- (14) Without prejudice to the powers of the budgetary authority, a multiannual indicative amount for the period 2000-2002 is proposed as the financial reference which illustrates the will of the legislative authority. Such a reference shall be part of the multiannual financial framework of the **Mediterranean allocations.**
- (15) **The measures needed to implement this Regulation are management measures within the meaning of Article 2 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission;**⁴ **whereas these measures should be adopted in accordance with the management procedure laid down in Article 4 of that Decision.**
- (16) The Treaty does not provide any powers other than those pursuant to Article 308 for the adoption of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The Community shall assist Turkey in preparing for accession by establishing closer links with the European Union in all fields connected with the intensification of the customs union.

¹ OJ C17, 22.01.1996, p.46; OJ C 313, 12.10.1998, p.176; OJ C 398, 21.12.1998, p.57; minutes of that date (respectively).

² OJ C 102, 4.4.1996, p.1.

³ OJ C 172, 18.6.1999, p.1.

⁴ OJ L 184, 17.7.1999, p.23.

Article 2

The financial reference illustrating the will of the legislative authority is EUR 15 million for the period 2000-2002. This reference shall not affect the powers of the budgetary authority as defined in the Treaty. The budgetary authority shall set the annual funding in relation to the appropriations available for each financial year, taking into account the principles of sound management referred to in Article 2 of the Financial Regulation.

Article 3

1. The beneficiaries of cooperation projects and operations may include not only the Turkish state and regions but also local authorities, regional organisations, public agencies, local or traditional communities, business support organisations, cooperatives and civil society, in particular associations, foundations and non-governmental organisations.
2. Where an essential element for the continuation of assistance to Turkey is lacking, in particular in the case of violation of democratic principles, the rule of law, human rights and fundamental freedoms and international law, the Council, acting by qualified majority on a proposal from the Commission, may decide upon appropriate measures.
The Commission shall pass information on its indicative programme to the committee referred to in Article 7 of this Regulation and the EU-Turkey joint economic and social committee.

Article 4

1. Cooperation projects and operations may be financed in the following indicative areas:
 - support for the alignment of Turkish legislation on that of the Community and assistance with the institutional development connected with that adjustment;
 - access to the single market, including development of the requisite certification and quality instruments;
 - assistance for the liberalisation of capital movements between the Community and Turkey;
 - cooperation to develop the customs union between the European Community and Turkey, in particular integrating Turkey into the pan-European rules of origin system and supporting its participation in the Transit and Single Administrative Document Conventions;
 - helping Turkey to adapt its agricultural policy to incorporate the CAP measures needed to establish the free movement of agricultural goods;
 - cooperation in veterinary and plant-health matters;

- Turkish participation in a number of Community programmes and agencies dealing with matters including the environment, research, education, training and youth;
- cooperation on competition policy and consumer policy, new technologies and the information society;
- cooperation on justice and home affairs;
- any form of cooperation seeking to defend and promote democracy, the rule of law, human rights and the protection of minorities.

Article 5

1. Financial support under this Regulation shall take the form of grants.
2. The instruments to be employed in the course of the operations covered by this Regulation shall include, within the limits established during the annual budget procedure by the budgetary authority, technical assistance, training or other services, supplies and works, along with audits and evaluation and monitoring missions.
3. Community financing may cover investment, with the exception of the purchase of buildings, and recurring costs (including administrative, maintenance and operational costs), taking account of the fact that the project must aim to have the recurring costs taken over by the beneficiaries.
4. A financial contribution from the partners defined in Article 3 shall be sought for each cooperation operation. The contribution requested shall be within the means of the partners concerned and shall depend on the nature of the operation. In specific cases where the partner is an NGO or a community-based organisation, a contribution in kind may be made.
5. Opportunities may be sought for cofinancing with other providers of funds, especially with Member States.
6. The necessary measures shall be taken to emphasise the Community character of the aid provided under this Regulation.
7. The Commission, in conjunction with the Member States, may take any initiatives necessary for ensuring good coordination with the other providers of funds involved.

Article 6

1. The Commission shall appraise, approve and administer operations covered by this Regulation according to the budgetary and other procedures in force, and in particular those laid down in the Financial Regulation applicable to the general budget of the European Union.
2. Project and programme appraisal shall take into account the following factors:
 - effectiveness and viability of operations,

- cultural, social, gender and environmental aspects,
 - conservation and protection of the environment on the basis of the principles of sustainable development,
 - institutional development necessary to achieve project goals,
 - experience gained from operations of the same kind.
3. Decisions relating to grants of more than EUR 2 million for individual operations financed under this Regulation shall be taken under the procedure laid down in Article 7.
- The Commission shall inform the Committee referred to in Article 7 succinctly of any financing decisions it intends to take with regard to projects and programmes of less than EUR 2 million in value. The information shall be made available at least one week before the decision is taken.
- The Commission shall take all necessary steps to facilitate take-up of grants by small, non-profit-making NGOs.**
4. The Commission is authorised to approve, without seeking the opinion of the Committee referred to in Article 7, any extra commitments needed for covering expected or real cost overruns in connection with the operations, provided that the overrun or additional requirement is not more than 20% of the initial commitment fixed by the financing decision.
- Where the additional commitment referred to in the previous subparagraph is less than EUR 4 million, the Committee referred to in Article 7 is informed of the decision taken by the Commission. Where the additional commitment is more than EUR 4 million but less than 20%, the Committee's opinion shall be sought.
5. All financing agreements or contracts concluded under this Regulation shall provide for the Commission and the Court of Auditors to conduct on-the-spot checks according to the usual procedures laid down by the Commission under the rules in force, and in particular those of the Financial Regulation applicable to the general budget of the European Union.
6. Where operations are the subject of financing agreements between the Community and Turkey, such agreements shall stipulate that the payment of taxes, duties or any other charges is not to be covered by the Community.
7. Participation in invitations to tender and the award of contracts shall be open on equal terms to natural and legal persons of the Member States and Turkey.
8. Supplies shall originate in the Member States or Turkey.

Article 7

1. The Commission shall be assisted by the committee set up by Regulation (EC) No 1488/96 of 23 July 1996,⁵ known as the MED Committee, made up

⁵ OJ L 189, 30.7.1996, p. 1.

of representatives of the Member States and chaired by the representative of the Commission.

2. Where reference is made to this Article, the management procedure provided for in Article 4 of Decision 1999/468/EC shall apply, in accordance with Article 7(3) thereof.

3. The period referred to in Article 4(3) of Decision 1999/468/EC shall be three months.

Article 8

An exchange of views shall take place, once a year, on the basis of a presentation by the Commission's representative of the **indicative programme** for the operations to be carried out in the year ahead, in a meeting of the Committee referred to in Article 7. The European Parliament shall be informed of the proposals and of the outcome of the discussions.

Article 9

The Commission shall submit **an annual** report to the European Parliament and to the Council **during the first quarter** of each year. This report shall contain at least the following:

- a) a detailed summary of the operations financed during the previous financial year;
- b) the planned **indicative** programme for the current financial year and a statement of the progress made with regard to the operations included therein;
- c) the forecasts for the programme and the operations to be undertaken during the following financial year;
- d) a summary of the conclusions of any evaluations, including those relating to specific operations;
- e) information on the bodies with which the agreements or contracts have been concluded.

Article 10

The Commission shall regularly evaluate operations financed by the Community in order to establish whether the objectives of the operations have been achieved and to provide guidelines for improving the effectiveness of future operations. The Commission shall submit to the Committee referred to in Article 7 a summary of the evaluations made, which the latter may, if necessary, examine. Evaluation reports shall be made available to any Member States requesting them.

Article 11

Six months before the end of the three-year financial framework, the Commission shall submit to the European Parliament and the Council an overall assessment of the operations

financed by the Community under this Regulation, together with suggestions regarding the future of this Regulation and, where necessary, proposals for amending it.

Article 12

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...]

*For the Council
The President*

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Implementation of measures to intensify the EC-Turkey customs union.

2. BUDGET HEADING INVOLVED

New heading B7-4035 to be established for 2000 budget.

3. LEGAL BASIS

Draft proposal for a Council Regulation on measures to intensify the EC-Turkey customs union (attached).

4. DESCRIPTION OF OPERATION

4.1. General objective

Financial support for measures to intensify the EC-Turkey customs union, in particular the alignment of Turkish legislation on Community legislation, action on quality, the integration of Turkey into the pan-European system of rules of origin or participation in certain Community programmes.

4.2. Period covered and arrangements for renewal or extension

The programme will last three years (2000-2002).

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1. Non-compulsory expenditure

5.2. Differentiated appropriations

5.3. Type of revenue involved: none, except the reimbursement of risk capital if the operation financed is an economic success.

6. TYPE OF EXPENDITURE OR REVENUE

Subsidy: yes

Subsidy for joint financing with other sources in the public and/or private sector: yes, for certain operations

Interest subsidy: none

Other

Should the operation prove an economic success, is there provision for all or part of the Community contribution to be reimbursed? no

Will the proposed operation cause any change in the level of revenue? If so, what sort of change and what type of revenue is involved? none

7. FINANCIAL IMPACT

7.1. Method of calculating total cost of operation (definition of unit costs)

Evaluation of the funds needed to implement the operations essential for intensifying EC-Turkey customs union.

7.2. Itemised breakdown of cost

EC EUR million (current prices)

Indicative Breakdown	Year n					n + 5 and subs. yrs	Total
		n + 1	n + 2	n + 3	n + 4		
Technical assistance	1	1	1				3
“institution building”	1	1	1				3
training	1	1	1				3
equipment	1	1	1				3
Other	1	1	1				3
Total	5	5	5				15

7.3. Operational expenditure on studies, experts, etc., included in Part B of Budget

EC EUR million (current prices)

	Year n	n+1	n+2	n+3	n+4	n + 5 and subs. yrs	Total
– Studies							
– Experts' meetings ⁶							
– Information and publications							
Total							

7.4. Indicative schedule of commitment/payment appropriations

EC EUR million

	Year n	N + 1	n + 2	n + 3	n + 4	n + 5 and subs. yrs	Total
Commitment appropriation	5	5	5				15
Payment appropriations							
Year n	2						
n + 1	2						2
n + 2	1	2					2
n + 3		2	2				3
n + 4		1	2				4
n + 5			1				3
and subseq. Years							1
Total	5	5	5				15

⁶ Costs meeting the criteria set out in the Commission Communication of 22 April 1992 (SEC(1992) 769).

8. FRAUD PREVENTION MEASURES

- Specific checks planned

Checks will be carried out at all levels of implementation of projects (invitations to tender, selection, drawing-up of contracts, provision of services and payments) by Commission staff and the Commission's Representation in Turkey and by the Court of Auditors.

The checks will take account of contractual obligations and the principles of sound and efficient management.

Provisions concerning supervision (presentation of reports, coordination with the Commission, etc.) will be included in all the agreements or contracts concluded between the Commission and those receiving payment.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific and quantified objectives; target population.

- Specific and quantified objectives; target population

Implementation of objectives set out in the Commission Communication to the Council of 4 March 1998 entitled "European strategy for Turkey: the Commission's initial operational proposals" and in particular the approximation of legislation and the adoption by Turkey of the EU acquis.

- Target population: distinguish as applicable for each objective; indicate the end-beneficiaries of the Community's financial contribution and the intermediaries involved.
- public administration
- farmers
- industrialists
- research workers
- scientists
- civil society

9.2. Grounds for the operation

- Need for Community financial aid, having particular regard to the principle of subsidiarity: impact of operations, economies of scale, visibility of EU aid
- Choice of ways and means

The various ways and means used will depend on the situation of the country and of each sector involved. The operations to be financed will be preceded by identification and feasibility studies.

- * advantages over possible alternatives (comparative advantages)
- * explanatory reference to similar Community or national operations
- * spin-off and multiplier effects expected

- development and progress of EU-Turkey relations;

- harmonisation of legislation and practices with Community acquis

- * Main factors of uncertainty which could affect the specific results of the operation

Turkey's political and economic stability.

Our partners' determination to implement the planned operations.

9.3. Monitoring and evaluation of the operation

- Performance indicators selected

- * output indicators (measuring activities used)

- the number of cooperation schemes conducted between Turkish and Community institutions

- * impact indicators (measuring performance against objectives)

- harmonisation of Turkey's legislation and standards with the EU's

- increase in trade

- access to new technologies

- transfer of know-how

- impact on European investment in Turkey

- impact on trade balance and balance of payments

- * Details and frequency of planned evaluations

The projects will be monitored and evaluated at regular intervals by the bodies implementing them, Commission staff and independent experts.

On completion of an operation an evaluation report will be produced on its content and on the consequences and follow-up.

- * Assessment of the results obtained (in the event of continuation or repeat of an existing operation)

10. ADMINISTRATIVE EXPENDITURE (PART A OF SECTION III OF THE GENERAL BUDGET)

This section of the financial statement must be sent to DGs IX and XIX; DGIX will then forward it to DG XIX with its opinion.

Actual mobilisation of the necessary administrative resources will result from the annual Commission decision on the allocation of resources, account being taken of the staff and additional amounts granted by the budgetary authority.

10.1 Impact on the number of posts

Types of post		Staff to be allocated to managing the operation		Posts supplied		time
		<u>Permanent posts</u>	<u>Temporary posts</u>	by using resources existing within the DG or department concerned	by using additional resources	
Officials or temporary staff	A		0.25	0.25		3 years
	B					
	C	0.25		0.25		3 years
Other resources						
Total		0.25	0.25	0.50		3 years

For additional resources, indicate at what rate they are to be made available, from the outset of the programme.

10.2 Overall financial impact of additional human resources

(EUR)

	Amounts	Method of calculation
Officials	81 000	0.25 X 108 000 X 3 years
Temporary staff	81 000	0.25 X 108 000 X 3 years
Other resources (indicate budget heading)		
Total	162 000	

Using the existing resources needed to administer the operation.

The calculation is based on A-1, A-2, A-4, A-5, A-7

The amounts express the total cost of the additional posts for the total length of the operation if it is of a specific duration, or for 12 months if it is of unspecified duration.

10.3 Increase in other operating expenditure arising from the operation, in particular costs resulting from meetings of committees and groups of experts

(EUR)

Budget heading (No and title)	Amount	Method of calculation
Total		

The figures give the total cost of the operation if it is of a fixed duration or the cost for 12 months if it is of unlimited duration.

IMPACT ASSESSMENT FORM

THE IMPACT OF THE PROPOSAL ON BUSINESS WITH SPECIAL REFERENCE TO SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)

TITLE OF PROPOSAL:

Council Regulation of ...regarding the implementation of measures to intensify the EC-Turkey customs union

REFERENCE NO:

COM 600/98

THE PROPOSAL:

1. Taking account of the principle of subsidiarity, why is Community legislation necessary in this area and what are its main aims?

It is the financial accompaniment to the European strategy for Turkey, i.e. the strategy which will prepare the country for accession to the EU. Support must therefore be established at Community level.

THE IMPACT ON BUSINESS:

2. Who will be affected by the proposal? All firms
 - which sectors of business? All sectors
 - which sizes of business (what is the concentration of small and medium-sized firms)? All sizes
 - are there particular geographical areas of the Community where these businesses are found?
3. What will business have to do to comply with the proposal? Restructuring; applying new legislation
4. What economic effects is the proposal likely to have?
 - on employment? Favourable
 - on investment and the creation of new businesses? Favourable
 - on the competitive position of businesses? Favourable

5. Does the proposal contain measures to take account of the specific situation of small and medium-sized firms (reduced or different requirements, etc.)?

Yes, mainly through the harmonisation of Turkey's legislation with the Community *acquis*, many projects will facilitate all kinds of cooperation between Turkey's and the EU's SMEs.

CONSULTATION

6. List the organisations which have been consulted about the proposal and outline their main views.

Not applicable