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JUNE EUROPEAN COUNCIL AND POSITIVE AGENDA IN TURKEY-EU RELATIONS: IS THERE LIGHT AT THE END OF THE TUNNEL?

It is impossible to conceive a durable cooperation between Turkey and the EU based only on interests since coinciding of interests is closely linked with shared values and world views.

Assoc. Prof. Çiğdem NAS
IKV Secretary General

Relations with Turkey were again on the agenda of the European Council Summit meeting on 24 June 2021. In the previous European Council meeting which convened online on 25 March, the strategy towards Turkey was defined as being “phased, proportionate and reversible” and aiming to “enhance cooperation in a number of areas of common interest”. The primary concern in both Summits was the continuation of de-escalation in the Eastern Mediterranean. On this front, no news was good news for the European Council that expected the positive agenda to kick off a new phase of engagement in Turkey-EU relations.

Customs Union Modernisation: Can It Be the Low-Hanging Fruit?

Expectations regarding the start of talks on the modernisation of the Turkey-EU Customs Union were running high as the European Council in March referred to the June Summit to take further action on the positive agenda. While the matter was deliberated among the leaders, it became evident that the time to finalise the mandate to start negotiations was still not ripe. The Council conclusions stated that the Council “takes note of the start of work at technical level towards a mandate for the modernisation of the EU-Turkey Customs Union and recalls the need to address current difficulties in the implementation of the Customs Union, ensuring its effective application to all Member States”. Hence, technical talks between Turkey and the EU would need to continue with a



view to resolving the current trade irritants in the Customs Union while at the same time; preparations for a mandate for the modernisation of the Customs Union would be pursued. This mandate could be adopted by the Council “subject to additional guidance by the European Council”. This quite tricky expression implied that the European Council would have to specifically task the Council to go ahead with the mandate, a process which would again bring about bargaining and compromise among the Member States at the highest level.

Engagement at the Highest Level: Window Dressing or Sincere Exchange?

While the “jewel in the crown” of the positive agenda can be denoted as the Customs Union modernisation, refugee cooperation, restart of high level dialogues and people-to-people contacts –which was omitted from the 24 June Conclusions- are the other components. The European Council noted that preparatory work was ongoing with regard to the high level dialogues on “issues of mutual interest, such as migration, public health, climate,

counterterrorism and regional issues”. This seems to be a more easily attainable part of the positive agenda and despite the lack of high stakes involved due to the absence of an integration perspective, it may turn out to be a useful tool for engagement between the parties. Taking into account that high level dialogues will address very relevant issues such as climate, public health and counterterrorism, both Turkey and the EU may use this platform to coordinate their respective policies and strategies and engage in meaningful cooperation.

Refugee Cooperation as a Trigger for Closer Relations?

Refugee cooperation remains as the most critical issue on the agenda of Turkey-EU relations especially from the point of view of the EU which finds it difficult to develop a coherent migration policy based on equitable burden sharing. The most concrete step has been taken by the European Council in this issue area by calling on the Commission “to put forward without delay formal proposals for the continuation of financing for Syrian refugees and host communities in Turkey, Jordan, Lebanon and other parts

of the region”. However, refugee cooperation between Turkey and the EU is part of a larger framework of the EU’s support to Syrian refugees and host communities in the region and is not directly linked to the other aspects of Turkey-EU relations. In this respect, it cannot be seen as a continuation of the 18 March 2016 Turkey-EU Statement which included a more general perspective on Turkey-EU relations including targets such as opening of chapters in accession negotiations, visa liberalisation and Customs Union modernisation.

Cyprus Issue and Political Concerns

The Cyprus issue remains a primary concern of the European Council which creates a flash point in Turkey-EU relations due to the differing positions of the parties. The European Council noted its support for a comprehensive settlement of the problem “on the basis of a bicomunal, bizonal federation with political equality, in accordance with the relevant UN Security Council Resolutions”.

The European Council included the political criteria in its new strategy towards Turkey, yet avoided to attribute priority to

this issue area. Reference to rule of law and fundamental rights as a key concern came towards the end of the part on Turkey in the conclusions of the June European Council. It was noted that dialogue in these issues remains “an integral part of the EU-Turkey relationship”. The relevance of democratic and good governance issues for Turkey-EU relations not only in the accession perspective, but also in the other areas of the positive agenda should be taken into account. It is impossible to conceive a durable cooperation between Turkey and the EU based only on interests since coinciding of interests is closely linked with shared values and world views.

In a nutshell, it may be concluded that there is still some way to go in the implementation of the positive agenda. Preparations are underway regarding the current problems in the Customs Union and convening of high level dialogues while a decision has already been taken to continue financial support to Syrian refugees in Turkey. The issue of people to people contacts is not clarified at this point due mostly to the restraining effects of COVID-19 and the unpopularity of the visa liberalisation issue. As supporters of Turkey’s integration to the EU, we very much look forward to an effective implementation of the positive agenda. To answer the question posed in the title of the article, it could be said that there is light at the end of the tunnel but it is up to Turkey and the EU’s resolve to make sure that this light is not just a flicker of a candle but a powerful light source that will shine over the future of the relations and clarify any ambiguities and misunderstandings between the parties.



TOBB PRESIDENT HİSARCİKLIOĞLU ATTENDED THE EUROCHAMBRES GENERAL ASSEMBLY AND ENLARGEMENT COMMITTEE MEETING

The General Assembly of the European Chamber of Commerce and Industry (EUROCHAMBRES), held online on 8 June 2021, was chaired by President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and EUROCHAMBRES Vice President M. Rifat Hisarcıklioğlu. President of the European Economic and Social Committee (EESC) Christa Schweng participated in the meeting as the guest of honour.

On 24 June, TOBB President and EUROCHAMBRES Vice President Hisarcıklioğlu participated in the meeting of the EUROCHAMBRES Enlargement and Neighbourhood Policy Committee of which he is also the Co-Chair. The meeting focused on EU's enlargement policy.



IKV CHAIRMAN ZEYTİNOĞLU PARTICIPATED IN TOBB WORKING GROUP MEETINGS

During the first week of the month, IKV Chairman Ayhan Zeytinoğlu attended in the European Green Deal, Digitalisation and Turkey-EU Tax Cooperation Working Group Meetings of TOBB. IKV Chairman Zeytinoğlu took part in the TOBB European Green Deal Working Group Meeting on 3 June 2021. Chairing the meeting in his capacity as TOBB Vice President, IKV Chairman Zeytinoğlu underlined the importance of the European Green Deal. He indicated that the implications of the Green Deal for Turkey as a candidate country and a Customs Union partner are clear, and that this situation requires a significant harmonisation effort.

On 4 June, IKV Chairman Zeytinoğlu attended and chaired the TOBB Digitalisation Working Group Meeting where he emphasized the Green Deal and the Digital Agenda as the two current priorities of the EU. Explaining that digitalisation has radically transformed the way of production and business, IKV Chairman Zeytinoğlu underscored that keeping up with this transformation requires financing, capacity, and know-how. Highlighting the critical role of digital transformation in the EU's economic recovery efforts following the COVID-19 pandemic, Zeytinoğlu emphasized that digitalisation and compliance with



the EU Digital Agenda will play an essential role in the modernisation of the Turkey-EU Customs Union.

Finally, Zeytinoğlu took part in the TOBB Turkey-EU Tax Cooperation Working Group Meeting on 5 June. Chairing the meeting, IKV Chairman Zeytinoğlu pointed out that cooperation on tax and information sharing issues are constantly brought to the agenda of the OECD and G20 while stressing the increasing importance attributed to those by the EU as indicated by the steps taken in recent years. Stating that the EU has taken certain measures against countries that did not sufficiently cooperate with the EU on tax matters, Zeytinoğlu

outlined the steps Turkey should take in order to avoid being included in the EU's blacklist of non-cooperative tax jurisdictions. Highlighting automatic exchange of information on taxation as the most crucial step, he said that Turkey is expected to commit to this issue.

The meetings were also attended by the presidents of certain Chambers and Commodity Exchanges under TOBB, TOBB officials, TEPAV Area Studies Program Director Prof. Güven Sak, researchers from TEPAV as well as IKV Secretary General Assoc. Prof. Çiğdem Nas and TOBB and IKV Brussels Representative Haluk Nuray on behalf of IKV.



TRADE MINISTER MUŞ VISITED THE TOBB-IKV BRUSSELS REPRESENTATION

Minister of Trade of the Republic of Turkey Dr. Mehmet Muş visited the TOBB-IKV Brussels Representation in the context of his visit to Brussels on 14 and 15 June 2021. Following the presentation delivered by TOBB and IKV Brussels Representative Haluk Nuray, Minister Muş and his delegation held exchanges. Founded in 1984, the TOBB-IKV Brussels Representation is the very first representative office of the Turkish business community in Brussels. In the context of his visit to Brussels ahead of the European Council meeting scheduled for 24-25 June 2021, Minister Muş held meetings with Executive Vice-President of the European Commission Valdis Dombrovskis and European Commissioner for Economy Paolo Gentiloni. Stating that the modernisation of the Turkey-EU Customs Union and the positive agenda were the topics mainly emphasized during the talks, Dr. Muş made the following remarks at a press conference held at the Permanent Representation of Turkey to the EU:

"We conducted fruitful meetings on Turkey-EU economic and trade relations and the positive agenda between Turkey and the EU with the two key figures who are in charge of the economy and trade in the EU. In the summit among other issues, the future of the economic relations between Turkey and the EU will be discussed in detail. In our exchanges ahead of the 24-25 June European Council meeting,

we observed that there is a consensus on the importance of strategic cooperation between the EU and our country and that the creation of a positive agenda in Turkey-EU relations is in the interest of both sides. I can say that there is strong determination on the EU side for developing the economic relations with our country. The ongoing process towards the modernisation of the Customs Union will not only develop the economic and trade relations between Turkey and EU, but it will also present economic benefits for both sides while moving into a new chapter in our relations. In terms of diversifying and strengthening the global supply and value chains, Turkey is the most important partner of the EU with its production and export capacity, dynamic economy, and strategic location. A stronger Turkey-EU integration creates crucial opportunities for strengthening the supply chains in our region and increasing their competitiveness. In that sense, we have expressed our concerns and expectations regarding the growing gap between our country and the EU's Free Trade Agreements and also, the ongoing problems in the Customs Union due to Turkey not being sufficiently represented in the EU's decision making processes. In the coming period, we agree with our counterparts that the structural and trade problems faced by both sides should be addressed through closer cooperation and dialogue".

İKVM AGENDA



“IT IS TIME TO MOVE FROM DISCOURSE TO ACTION REGARDING THE POSITIVE AGENDA”

İKVM Chairman Ayhan Zeytinoğlu issued a press statement ahead of the European Council meeting to be held on 24-25 June 2021. Indicating that the positive agenda will be discussed in the context of Turkey-EU relations at the Council meeting, İKV Chairman Zeytinoğlu voiced his expectation for concrete steps in this regard. İKV Chairman Zeytinoğlu emphasized that the positive agenda, the foundations of which were laid at the European Council meeting in October 2020 and has been on the agenda of the EU Summits ever since, should now be translated into practice. He made the following remarks:

“The positive agenda has created hope for a revival in Turkey-EU relations. Our ultimate goal continues to be full EU membership. In this respect, although the positive agenda does not have a scope to replace the negotiation process, it could be instrumental in breaking the vicious circle under the current circumstances. Especially when we take into account the geopolitical developments, consolidating Turkey’s position in Europe and strengthening its relations with the West, including the US, are of great importance in light of the shift in global balances. Here, it is necessary to draw attention to the emphasis on integration around common values, democracy and freedoms. A positive agenda can play an effective role in repairing Turkey’s economic, political and geopolitical relations with the EU. But now is the time to move from rhetoric to action. The positive agenda was first proposed by the European Council in October last year. Its substance was developed at the March European

Council and it was introduced as a gradual, proportional and reversible approach. One of the most important elements under the positive agenda is the modernisation of the Customs Union. It is an issue that has been on the agenda since 2014 and it is essential to move to the implementation phase as soon as possible.

The Green Deal and the Digital Agenda, which have substantially affected the EU’s trade policy, have rendered the modernisation of the Customs Union even more urgent. The carbon border adjustment mechanism will bring an additional cost in exports to the EU, especially from energy-intensive sectors such as iron and steel, cement and aluminium. In addition, the Green Deal is changing the manufacturing and production standards applicable in the EU market. Reducing environmental impact and carbon footprint has become a key priority. This situation necessitates a revision of the economic and trade relationship between the EU and Turkey. At the same time, the need for alignment in environmental and climate policies is growing. The chapter on Environment is one of the chapters opened in Turkey’s accession negotiations and Turkey’s level of alignment with some EU legislation, such as the SEVESO Directive is well advanced. However, this alignment needs to be reflected in climate change as well. The modernisation of the Customs Union will allow this dimension of relations to be updated and revitalised. We expect concrete steps from the Summit on modernisation of the Customs Union and launching the high-level dialogues.”

İKVM Chairman Zeytinoğlu also touched upon people-to-people contacts and cooperation on refugees in relation to the positive agenda and said: “Another important dimension of the relations is cooperation on migration and refugees and visa liberalisation. Especially on the refugee issue, Turkey plays an indispensable role for the EU. Our country is shouldering the burden of the EU by hosting approximately 4 million refugees. The passage of these refugees to the EU would have created a huge political and economic cost, especially for Member States such as Germany. In this respect, the role assumed by Turkey is crucial. The Turkey-EU Statement of 18 March 2016 did not exclusively focus on refugee cooperation. In addition, there were articles on opening new chapters in the negotiations, ensuring visa liberalisation and the modernisation of the Customs Union. However, no progress has been made on these issues. The EU continued its 3+3 billion euro support to projects for Syrian refugees in Turkey. Currently, the continuation of this financial cooperation is on the agenda. However, its scope needs to be further extended and burden sharing should also be addressed. In addition, we maintain our expectations regarding the visa liberalisation process. The remaining benchmarks should be fulfilled swiftly for the issue to come to agenda of the relations in the post-COVID-19 normalisation process. We expect concrete steps for the effective functioning of the Customs Union and the implementation of the positive agenda.”

TIMELINE JUNE 2021

	1	
	2	İKVM Chairman Zeytinoğlu participated in the TOBB European Green Deal Working Group Meeting.
The EP and the Council reached a political agreement on IPA III for the 2021-2027 period.	3	
	4	İKVM Chairman Zeytinoğlu chaired the TOBB Digitalisation Working Group Meeting.
	5	İKVM Chairman Zeytinoğlu attended the TOBB Turkey-EU Tax Cooperation Working Group Meeting.
Foreign Minister Çavuşoğlu paid a two-day visit to France.	6	
	7	İKVM Secretary General Nas participated in the webinar organised by the Mediterranean Exporter Associations.
	8	
	9	İKVM Secretary General Nas spoke at the webinar on “Future of Industry and the European Green Deal” hosted by the Kocaeli EU Information Center.
	10	
	11	İKVM prepared the Turkish summary of the “5th Annual Report on the on the Facility for Refugees in Turkey”.
	12	
	13	İKVM Secretary General Nas discussed the Green Deal at the 14th Boğaziçi Meeting.
The 31st NATO Leaders Summit was held in Brussels.	14	
Trade Minister Muş paid a two-day visit to Brussels.	15	
	16	
Turkey hosted the South East European Cooperation Process Summit.	17	İKVM published an information note on the EU’s copyright directive.
	18	
World leaders gathered in Antalya for the 1st annual Antalya Diplomacy Forum.	19	
Trade Minister Muş visited Czechia, Hungary and Poland.	20	
	21	The policy brief titled “Pursuit of a Common Ground for a Cyprus Settlement: Geneva Talks and Beyond” was published by İKV Brief Series.
President Erdoğan held a phone call with Commission President von der Leyen.	22	
	23	İKVM Chairman Zeytinoğlu issued a press statement ahead of the June European Council meeting.
Foreign Minister Çavuşoğlu attended the Second Berlin Conference on Libya.	24	
	25	İKVM hosted a webinar entitled “European Identity and the Future of Europe” as part of the “Future of Europe and Turkey” webinar series.
EU leaders met in Brussels to discuss COVID-19, migration and relations with Turkey and Russia.	26	
	27	
Foreign Minister Çavuşoğlu visited Italy.	28	The policy brief titled “Turkey-UK Free Trade Agreement: Its Scope and Future” was published by İKV Brief Series.
	29	
Foreign Minister Çavuşoğlu participated in the G20 Foreign Ministers’ Meeting in Matera.	30	İKVM Secretary General Nas assessed the European Council conclusions on media platforms.

IKV AGENDA



IKV DISCUSSED EUROPEAN IDENTITY AND FUTURE OF EUROPE AT A WEBINAR

IKV hosted a webinar entitled "European Identity and the Future of Europe" as part of the "Future of Europe and Turkey" webinar series held with the support of the Republic of Turkey Ministry of Foreign Affairs Directorate for EU Affairs and in association with Istanbul University FUTUREU Jean Monnet Module on 24 June 2021. IKV Chairman Ayhan Zeytinoğlu and FUTUREU Jean Monnet Module Chair Assoc. Prof. Özgün Erler Bayır delivered the opening speeches of the webinar which was moderated by IKV Deputy Secretary General M. Gökhan Kilit.

Highlighting the EU as a unique integration model, IKV Chairman Zeytinoğlu referred to the problems caused by the unanimity principle in EU foreign policy decision-making and emphasized the need for a more effective, fast, and democratic approach in this regard. Zeytinoğlu also underlined the importance of the European Council meeting to be held on 24-25 June for Turkey-EU relations and stated that Turkey's role should also be taken into account in the discussion on the future of Europe. Delivering the second opening

speech, Assoc. Prof. Özgün Erler Bayır introduced the FUTUREU Jean Monnet Module and indicated that the EU could deepen integration in order to address the challenges posed by migration, climate change, populism, and the COVID-19 crisis.

In the panel session, distinguished speakers from Turkey and abroad discussed the future of the EU on the basis of values and identity with a particular focus on Turkey's role. Examining the historical evolution of European identity in her speech, Ministry of Foreign Affairs Director General for Relations with the EU Ambassador Başak Türkoğlu indicated that a strong European identity was often linked to the objective of political union. Head of the Center for Applied Turkey Studies (CATS) at the German Institute for International and Security Studies (SWP), Günter Seufert analysed European identity as a two-fold concept and pointed out to the clash between its two dimensions consisting of values enshrined in the Copenhagen criteria and historical legacies. Director of the European Institute at Istanbul Bilgi University

Prof. Ayhan Kaya started his remarks by providing a historical overview of the concept of European identity and underscored that Europe would be stronger if it is more open and would be bound to lose if it shut itself to the outside world. Head of the Middle East and Africa Program at the Polish Institute of International Affairs (PISM) Karol Wasilewski engaged in a foresight exercise on the future of the Europe in 2030 whereby he focused on a scenario based on closer integration with increasing emphasis on democracy and examined Turkey's possible role. Senior Research Fellow at Chatham House Hans Kundnani referred to populism as a prominent element in the discussions on European identity and analysed the differences between ethnic identity and cultural identity. Finally, IKV Secretary General Assoc. Prof. Çiğdem Nas discussed European identity from the perspective of Turkey-EU relations. Nas highlighted that a majority of the Turkish public is in favour of EU membership as seen in the annual public opinion surveys conducted by IKV.

IKV SECRETARY GENERAL NAS ASSESSED THE EU SUMMIT ON VARIOUS MEDIA PLATFORMS

IKV Secretary General Assoc. Prof. Çiğdem Nas participated in various media programmes to evaluate the conclusions of the European Council meeting held on 24-25 June 2021. Assoc. Prof. Nas underscored that the Turkey section of the European Council conclusions were important in the context of the positive agenda first proposed at the October 2020 European Council meeting.

As to the modernisation of the Customs Union, which is among the key elements under the positive agenda, IKV Secretary General Nas stated that although the process of authorisation for the formal launch of the process was underway, the modernisation process was not expected to start immediately. Assoc. Prof. Nas also underlined that technical talks would be carried out to solve the existing problems in the Customs Union. IKV Secretary General Nas pointed out that one of the most crucial outcomes of the Council meeting was the decision to continue the support for Syrian refugees with a new package of 3 billion euros. Furthermore, she emphasized that speeding up preparations for the launch of high level dialogue meetings on issues such as climate, public health, and counterterrorism was vital for creating an atmosphere of dialogue and trust.

IKV Secretary General Nas appeared on TGRT 18.00 News on 24 June. A day later, she spoke on the Programme "Dünya ve Biz" prepared and presented by Tülin Daloğlu on KRT, as well as on TRT Istanbul Radio and on the "Güne Bakış" programme

broadcast on Medyascope. Nas was a guest in "Ekonomide Kal" conversations presented by Serap Girgin Baykal on Kanal Ekonomi on 28 June. Finally, IKV Secretary General took part in the programme "Dünya Bunu Konuşuyor" presented by İpek Yazdani on Mesele Ekonomi channel and "Dünya ve Biz" programme prepared and presented by Aydın Selcen on Artı TV on 30 June.

Earlier in the month, Assoc. Prof. Nas participated in numerous webinars and online events focusing on the European Green Deal. Nas spoke on the European Green Deal and its effects on Turkey at the webinar organised by the Mediterranean Exporter Associations (AKIB) on 7 June, where she focused on the wide-ranging transformation triggered by the Green Deal across all sectors in the EU and its implications for Turkey. On 9 June, she discussed the same topic at the webinar entitled "Future of Industry and the European Green Deal" hosted by the Kocaeli EU Information Centre. Participating in the 14th Boğaziçi Meeting organised online by the Boğaziçi University Center for European Studies Student Forum (CESSF) on 13 June, Nas delivered a presentation on "The European Green Deal and Its Effects on Turkey".

In addition, IKV Secretary General Nas gave a presentation on "Cooperation on Migration and Refugees in Turkey-EU Relations" as a part of the webinar series hosted by Yıldız Technical University Sosyopark Interdisciplinary Group on Migration Studies on 4 June.

EU INFORMATION CENTRES COORDINATION MEETING TOOK PLACE IN İZMİR

The third coordination meeting of the Support to the EU Information Centres Network in Turkey Project carried out under the coordination of TOBB was held in İzmir on 21 and 22 June 2021.

The coordination meeting, which was hosted by the Aegean Industry and Business Association (ESIAD), was attended by the Head of EU Delegation to Turkey Ambassador Nikolas Meyer-Landrut, ESIAD Chairman Karabağlı, ESIAD Deputy Secretary General Burcu Kurcan Olcay, Communication Officer at the EU Delegation to Turkey Selda Düzenli, TOBB EU Department EU Information Centres (EUIC) Network Project Coordinator Elif



Köyatası as well as project coordinators from 19 cities.

Following the opening speech by ESIAD Chairman Mustafa Karabağlı, Head of the EU Delegation to Turkey Ambassador Nikolas Meyer-Landrut evaluated the state of play in Turkey-EU relations and expectations for the future. Within the scope of the two-day programme, the opening ceremony of

the Cultural Wealth of İzmir - Sustaining Jewish Heritage Project financed by the EU was held at the Hevra Synagogue with the participation of Ambassador Meyer-Landrut and Mayor of İzmir Metropolitan Municipality Tunç Soyer. The coordination meeting continued with training sessions for EUIC coordinators under the themes of positive leadership and using social media more effectively.

The EU Information Centres and Documentation Centres aim to provide information about EU institutions and the EU's core values in order to minimise widely held misconceptions about the EU and Turkey-EU relations.

TURKEY'S ECONOMIC GROWTH OUTPERFORMED ADVANCED ECONOMIES IN THE FIRST QUARTER OF 2021

Registering a 7% GDP growth in the first quarter of the year, Turkey has grown at a faster pace than most fellow G20 countries and advanced economies.

The Turkish Statistical Institute (TurkStat) revealed that Turkey's economy grew by 7% in the first quarter of 2021, outperforming OECD, EU and G7 economies and G20 countries except China, despite the COVID-19 crisis. Concerning the GDP growth rate in the same period, while OECD countries recorded a contraction of 0.8% on average, EU members also registered negative growth with an average of 1.7%. Among the EU countries with positive growth, France recorded the highest GDP increase with 1.5%, while the largest contraction was registered in Portugal with -5.4%. The G7 countries' average GDP growth rate was -0.8% in the same period. The Turkish economy also grew at a faster pace than the economies of G7 countries consisting of Canada (0.3%), France (1.5%),

Germany (-3.1%), Italy (-1.4%), Japan (-1.8%), the UK (-6.1%), and the US (0.4%).

Moreover, the World Bank increased its growth projection for the Turkish economy by 0.5 percentage points for 2021 in its Global Economic Prospects report published on 8 June 2021. According to the report, the global economy is expected to grow by 5.6% in 2021, 4.3% in 2022 and 3.1% in 2023. Regarding Turkey, the report states that following three years of growth despite the financial market pressures and the COVID-19 crisis, growth is projected to rise to 5% in 2021, as exports benefit from increasing external demand, particularly in the Euro Area. In addition, the growth of the Turkish economy in 2022 is estimated to moderate to 4.5%.



EU REACHED POLITICAL AGREEMENT ON IPA III FOR THE 2021-2027 PERIOD



Following the agreement reached between the EP and Council on 2 June 2021, the new term of the Instrument for Pre-Accession Assistance (IPA III) is planned to be implemented retrospectively from 1 January 2021 with a total budget of 14.162 billion euros during the 2021-2027 Multiannual Financial Framework period. The political agreement for IPA III is set to be converted into a final legal text before being approved in the EP and the Council so that it could be formally adopted in autumn.

The instrument, which provides investment for the enlargement and the future of the EU, aims to support for the political, institutional, social and economic reforms in the accession countries in order to ensure their compliance with the EU standards, rules and policies. The instrument's framework comprises candidate and

potential candidate countries Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia and Turkey. The new period of IPA III financial assistance is expected to be more strategic than the previous period and more supportive of fundamental values thanks to its "relevance" and "maturity" criteria, while providing more investment and fund leverage for the candidate and potential candidate countries.

The funds provided under IPA III will focus on the implementation of reforms for the respect for fundamental values, strengthening of democracy and public administration, improvement of economic governance and competitiveness as well as on the use of the funds on the basis of better governance, consistency and transparency at a critical time for the EU's enlargement policy in the post-COVID-19 recovery period.

WITH VACCINATION EFFORTS AT FULL SPEED TURKEY ADMINISTERED RECORD NUMBER OF DAILY COVID-19 JABS



Turkey is going full speed in vaccinating its adult population. Total number of vaccines administered as of 5 July 2021 is recorded to be nearly 54 million. Nearly 16 million were given the second dose and 1.5 million people have already received their third dose within a matter of days of being offered one. This is a remarkable progress for a country which had daily number of cases reach 60,000 mid-April. At the time, in order to ease the situation, a full lockdown was announced for 17 days from the end of April until 17 May 2021. Since then the scene has changed considerably with a steady decline recorded in the daily new case numbers.

Late in May, the deal to purchase 90 million doses of the BioNTech-Pfizer vaccine with an option to buy 30 million more doses over the next four months helped the vaccination efforts to gain speed. The numbers indicate that the number of people who have received at least one dose of a COVID-19 vaccine available in Turkey- by, Sinovac or BioNTech-Pfizer has increased by 31.29% since 12 February, according to Our World in Data. The Sputnik V vaccine, the first batch of which has already arrived and

is being tested for safety, will be an addition to the vaccine inventory once it is approved. On 15 June, Turkey broke the record of the highest number of doses administered at 1.24 million doses on one day, two days later another record has been reached by administering 1.46 million doses on the same day, significantly contributing to the country's fight against COVID-19.

As the situation is improving due to more people being vaccinated, the restrictions are being lifted in stages. The first stage started on 1 June with businesses like restaurants and cafes reopening for takeaway orders. Gradually, the employees working for different sectors and now all workers registered with the state's social security system together with all people aged 18 and above are added to the list of people eligible to be vaccinated. On 21 June, President Recep Tayyip Erdoğan announced that the next stage of normalisation will start on 1 July when most restrictions including the weekday curfews from 10.00 to 5.00 and the full Sunday lockdowns will be lifted along with restrictions on inner city and intercity travels. The working hours for the public sector will also go back to normal. One very promising development is the recent announcement that Phase 3 trials of the inactive COVID-19 vaccine, being developed domestically in collaboration with Erciyes University and Health Institutes of Turkey and named "Turkovac" by President Erdoğan has begun on 22 June. It is expected to be available by the end of 2021 on the condition that it is approved by the Ministry of Health.

NATO LEADERS MEETING IN BRUSSELS ENDORSED THE NATO 2030 AGENDA

Leaders of the 30 NATO allies convened in Brussels on 14 June 2021 to discuss pressing security issues ranging from Russia's aggressive actions in the eastern flank and the challenges posed by the rise of China to international terrorism, and to strengthen the Alliance in the face of new generation threats such as climate change and disruptive technologies. The NATO Summit was also highly anticipated on both sides of the Atlantic as it provided for the first face-to-face meeting between US President Joe Biden and his Canadian and European counterparts. The NATO Summit was the second stop on Biden's heavy schedule during his first overseas trip to Europe as US President also featuring the G7 and EU-US Summits and a meeting with Russian President Vladimir Putin. Centred on the theme "America is back", Biden's eight-day Europe tour was aimed at repairing and revitalising the US' ties with traditional partners and restoring mutual trust after four turbulent years under Donald Trump. In stark contrast to his predecessor Trump, whose labelling of NATO as "obsolete" and questioning of the US' commitment to the principle of collective defence enshrined in Article 5 of the Washington Treaty rang alarm



bells on the other side of the Atlantic, Biden aimed to reassure the allies of the US' commitment to defending Europe by describing Article 5 as "a sacred obligation".

During the Summit, leaders endorsed the NATO 2030 Agenda to prepare and better equip the Alliance to deal with current and future challenges. As it can be recalled, following French President Emmanuel Macron's controversial branding of NATO as "brain dead", the leaders, during their previous meeting in London in December 2019, had tasked NATO Secretary General Jens Stoltenberg with launching a forward looking reflection process including strengthening the political dimension of NATO. In line with the proposals by Secretary General Stoltenberg under the NATO 2030 initiative, the leaders decided to enhance political consultations, sharpen NATO's

technological edge, strengthen collective defence and deterrence, boost resilience, defend the rules based order and make NATO the leading organisation in dealing with the security implications of climate change. Moreover, they decided to update NATO's Strategic Concept to better reflect the changes in the geostrategic environment by their next summit in Madrid in 2022.

NATO leaders described Russia's actions in the eastern flank as a threat to Euro-Atlantic security while stressing the Alliance's "dual track" approach focusing on credible deterrence and defence on the one hand and meaningful dialogue on the other. Meanwhile, acknowledging the systemic challenges posed by the rise of China, NATO leaders urged Beijing to act more responsibly in the international arena while leaving the door open for cooperation in areas

of mutual interest such as climate change.

Discussing climate change for the very first time, NATO leaders adopted a Climate Change and Security Action Plan. Leaders vowed to make climate change an integral part of NATO's strategic planning processes and pledged to substantially reduce military emissions in order to contribute to the recently announced ambitious net zero targets. Regarding disruptive technologies, NATO leaders agreed to launch the Defence Innovation Accelerator for the North Atlantic (DIANA) to improve transatlantic cooperation on emerging technologies and an innovation fund to offer financing to tech start-ups.

Turkish President Recep Tayyip Erdoğan participated in the NATO Summit and held numerous bilateral meetings on the side lines of the summit including with the leaders

of Hungary, Lithuania, Latvia, France, Germany, UK, the Netherlands, Greece and the US. President Erdoğan's meeting with US President Biden was highly anticipated as the first in-person meeting between the two leaders after the latter's taking office as US President in January and in light of the recent downturn in bilateral relations over a number of issues including US' support to terrorist PKK-affiliated YPG/PYD in Syria and the impasse over the S-400 issue.

Constructive messages conveyed by the two leaders signalled the beginning of a more positive period in Turkey-US relations. Speaking at the press conference after the NATO Summit, President Erdoğan evaluated his meeting with Biden as positive and stressed that there was no issue that could not be resolved in Turkey-US relations indicating that areas of cooperation outweighed areas of contention. Similarly, US President Biden stated that they had a very good meeting. On Turkey's potential role in Afghanistan, President Erdoğan pointed out that US' support, Pakistan and Hungary's participation and consent of the Taliban would be crucial if Turkish troops were asked to remain in the country after the drawdown of other allied troops.

TURKEY HOSTED THE FIRST ANTALYA DIPLOMACY FORUM



Leaders and ministers from numerous countries and senior representatives of international organisations gathered in Antalya on 18-20 June 2021 for the first edition of the Antalya Diplomacy Forum held under the theme of "Innovative Diplomacy: New Era, New Approaches". In the three-day forum hosted by Foreign Minister Mevlüt Çavuşoğlu, President Recep Tayyip Erdoğan delivered a keynote speech emphasizing that Turkey aims to turn the Antalya Diplomacy Forum into a global diplomacy platform which will spread dialogue and cooperation messages to the world. Foreign Minister Çavuşoğlu highlighted the symbolic value of the choice of Antalya as the forum's venue, as it was home to the world's first democratic parliament located in the ancient city of Patara.

During the high-level event, which was attended by more than two thousand participants including 11 heads of state and government and 45 foreign ministers, President Erdoğan and Foreign Minister Çavuşoğlu held several bilateral meetings including with EU High Representative for Foreign Affairs and Security Policy Josep Borrell, Foreign Minister of Malta Evarist Bartolo and former Foreign Minister of Germany Sigmar Gabriel.

The meeting between Borrell and Foreign Minister Çavuşoğlu, held ahead of the European Council meeting, focused on the latest developments in Turkey-EU relations and the proposed positive agenda envisioning the modernisation of the Customs Union, enhanced people-to-people contacts, continued cooperation on migration and launching of high level dialogues.

ANNUAL ASSESSMENT ON FRIT RELEASED AMID CALLS FOR RENEWING THE 18 MARCH STATEMENT

The European Commission released its fifth annual report assessing the implementation of the Facility for Refugees in Turkey (FRIT) on 26 May 2021. In the report, the Commission evaluated the functioning of the Facility, the first actions undertaken in view of its implementation, monitoring, the evaluation system, as well as related communication activities.

As stated in the report, Turkey has been hosting around four million refugees 3.6 million of which are registered Syrian refugees, the highest number in the world. The total number of arrivals from Turkey into the EU in 2020 was 18,736 down from 75,974 in 2019, marking a 75% decrease and between April 2016 and February 2021, 28,621 Syrian refugees were resettled from Turkey to the EU. EU assistance under FRIT aims at supporting refugees and host communities in areas such as education, health, protection. According to the report, 2020 saw substantial progress in the implementation of FRIT as the total operational budget worth 6 billion euros was fully contracted with over 4 billion euros disbursed.

As reported by the German newspaper "Die Welt" on 21 June 2021, German Foreign Minister Heiko Maas urged the EU to update the Turkey-EU Statement also known as the refugee deal with Turkey and underscored the



importance of additional funding. Emphasizing that Turkey has shouldered a considerable burden in stemming refugee flows to the EU, German Foreign Minister Maas highlighted the need to renew the Turkey-EU Statement. According to the EU, two years after the Turkey-EU Statement was signed more than a million irregular migrants had been diverted in their efforts to reach Europe which marked a 97% decrease from previous years.

Five years on, while the Turkey-EU Statement has proved successful in stemming the flow of refugees to the EU, the other provisions of the statement such as visa liberalisation for Turkish citizens, Customs Union modernisation and opening of new chapters in Turkey's accession talks are yet to be fulfilled.

The renewal of the 18 March Turkey-EU Statement has been on the agenda of Turkey-EU relations for some time. EU leaders meeting in Brussels on 24-25 June, greenlighted 3 billion euros in additional funding to refugees in Turkey for the 2021-2023 period.

HIGH-LEVEL EXCHANGES

TURKEY HOSTED THE SOUTH EAST EUROPEAN COOPERATION PROCESS SUMMIT



Antalya welcomed the leaders of south east European countries on 17 June 2021 for the South East European Cooperation Process (SEECP) Summit hosted by Turkey as SEECP chairman-in-office. Founded in 1996, SEECP brings together Turkey, Albania, Bosnia and Herzegovina, Bulgaria, North Macedonia, Romania, Serbia, Greece, Croatia, Moldova and Montenegro and aims to strengthen good neighbourly relations among regional states and transform the region into an area of peace, security, stability and cooperation, with the main goal of full integration into European and Euro-Atlantic

institutions. A founding member of the SEECP, Turkey assumed the chairmanship-in-office of the SEECP for the third time on 1 July 2020 for a period of one year.

The 25th anniversary of the establishment of the SEECP was marked at the summit. Addressing the SEECP Summit, President Recep Tayyip Erdoğan highlighted the importance of Turkey for the EU and underlined that it would not be possible for the EU to achieve its goal of becoming a centre of attraction and power without Turkey. President Erdoğan conveyed Ankara's expectation for moving forward in the accession process through a positive

agenda. On the margins of the summit, President Erdoğan held numerous bilateral meetings with the leaders of participating states, including President of North Macedonia Stevo Pendarovski, Prime Minister of Croatia Andrej Plenković and Prime Minister of Serbia Ana Brnabić.

The SEECP Summit was also attended by EU High Representative for Foreign Affairs and Security Policy Josep Borrell on behalf of the EU. In his address at the summit, High Representative Borrell underscored the key importance of the region for EU's security and stability.

FOREIGN MINISTER ÇAVUŞOĞLU PARTICIPATED IN THE BERLIN II CONFERENCE ON LIBYA



Turkish Foreign Minister Mevlüt Çavuşoğlu participated in the Second Berlin Conference on Libya which was held in Berlin on 23 June 2021. Foreign Minister Çavuşoğlu met with German Foreign Minister Heiko Maas and Prime Minister Abdul Hamid Dbeibeh and Foreign Minister Najla Mangoush of the Government of the National Unity of Libya ahead of the conference co-hosted by Germany and the UN. The main focus of the Conference was to assess the political progress in Libya, ensure a smooth transition until the general elections to be held on 24 December and discuss the situation with respect to the withdrawal of the foreign troops and mercenaries. Alongside the representatives of permanent members of the UN Security Council, Italy, Turkey and Egypt were among those who attended the Conference, the first of which had taken place in January 2020. This time around the Conference was also attended by the head of Libya's Presidential Council Mohammed al-Menfi, Prime Minister Abdul Hamid Dbeibeh of the interim government of

Libya and the UN Special Envoy to Libya Jan Kubis.

Saying that "Libya belongs to Libyans", Foreign Minister Çavuşoğlu emphasized Turkey's dedication to supporting peace, security, stability and sovereignty of Libya. While the US Secretary of State Anthony Blinken said that the US shares "the goal of a sovereign, stable, unified and secure Libya, free from foreign interference", German Foreign Minister Heiko Maas stressed the importance of the withdrawal of the UN estimate of 20,000 foreign troops and mercenaries and putting an end to foreign meddling in order for the Libyans to determine the fate of their country again.

As the election is a turning point for Libya to achieve peace, security and stability, the withdrawal of all foreign forces, including troops and mercenaries is seen critical. It was acknowledged and agreed by all the participants of the conference that the withdrawal needed to happen in a gradual and uniform way so as not to distort the delicate balance in favour of either side.

FOREIGN MINISTER ÇAVUŞOĞLU VISITED FRANCE AND ITALY

Turkish Foreign Minister Mevlüt Çavuşoğlu paid a two-day visit to France on 6 and 7 June 2021 upon the invitation of French Minister of Europe and Foreign Affairs Jean-Yves Le Drian. In the context of the visit, Foreign Minister Çavuşoğlu and his French counterpart Le Drian exchanged views on bilateral relations, Turkey-EU relations as well as on current regional and international developments. Foreign Minister Çavuşoğlu conveyed Turkey's aim to strengthen bilateral relations with France on the basis of mutual respect.

According to the statement by the French Ministry of Foreign Affairs, recent developments in Libya, Syria and the Middle East peace process, cooperation within NATO in the run up to the NATO Summit on 14 June, Turkey-EU relations ahead of the June European Council meeting and the situation in the Eastern Mediterranean were the main topics addressed in the meeting between the two foreign ministers. The statement said that the two ministers agreed to continue dialogue on issues of mutual interest and highlighted the significance of bilateral economic and trade ties. The relations between Ankara and Paris, which were strained due to divergences over the Libyan and Syrian crises and France's involvement in the Eastern Mediterranean last year, have entered a period of normalisation since the beginning of 2021.



At the end of the month, Foreign Minister Çavuşoğlu paid a working visit to Italy. In the context of the visit, Çavuşoğlu participated in the Ministerial Meeting of the Global Coalition to Defeat Daesh/ISIS jointly hosted by Italy and the US and the Ministerial Meeting on Syria held with limited participation in Rome on 28 June. Moreover, he attended the G20 Foreign Ministers' Meeting held in Matera by the Italian G20 Presidency on 29 June. During the G20 ministerial meeting, Çavuşoğlu underscored Ankara's readiness to support the efforts for sustainable and inclusive global development. Highlighting that G20 should assume a leading role in the fight against COVID-19, he stressed that vaccines should be an area of cooperation rather than competition and drew attention to the situation in Africa in this regard.

TRADE MINISTER MUŞ HELD EXCHANGES IN EU COUNTRIES AHEAD OF EU SUMMIT

Turkey's Trade Minister Dr. Mehmet Muş paid official visits to some EU Member States in a bid to hold meetings on the modernisation of the Turkey-EU Customs Union ahead of the European Council meeting scheduled for 24-25 June 2021. Starting off his Europe tour on 14 June with the EU capital, Brussels, Trade Minister Muş met with European Commission Executive Vice-President and Commissioner for Trade Valdis Dombrovskis and Commissioner for Economy Paolo Gentiloni. Emphasizing that both of the meetings were held in a constructive and sincere atmosphere, Trade Minister Muş stated that the parties were on the same page considering the issues in the implementation of the Customs Union and the urgent necessity to deepen its scope. Moreover, Dr. Muş stressed Turkey's expectations for starting the negotiations aimed at the modernisation of the Customs Union immediately and reminded Turkey's commitment both to improving relations around the positive agenda and the strategic goal of EU membership.

Trade Minister Muş continued his Europe tour with Central European countries and visited Hungary, Czechia and Poland on 17-18 June. Dr. Muş met with Deputy Prime Minister and Minister of Industry, Trade and Transport of Czechia Karel Havlíček and representatives of the business community on 17 June. In



addition, the parties signed the Turkey-Czechia Joint Economic and Trade Committee Protocol which will pave the way for boosting trade, investment and economic relations between the two countries.

On 18 June, Trade Minister Muş travelled to Budapest and Warsaw to meet with Foreign Affairs and Trade Minister of Hungary Péter Szijjártó and Deputy Prime Minister and Minister of Economic Development, Labour and Technology of Poland Jarosław Gowin. During the meetings, the parties discussed ways to develop bilateral political and economic relations while Trade Minister Muş emphasized the significance of these Member States' support for the modernisation of the Customs Union.

“TOGETHER. RESILIENT. EUROPE”: A CLOSER LOOK INTO THE PRIORITIES OF THE SLOVENIAN EU PRESIDENCY

During its six-month term presidency, Slovenia will aim for streamlining EU's resilience and recovery, discussing EU's future, fortifying the rule of law and European values, and ensuring security and stability in the neighbourhood.

N. Melis BOSTANOĞLU
IKV Researcher

Slovenia took the helm of the Council of the EU for the second time on 1 July 2021. During its six-month EU presidency, Slovenia will shape its work programme on the 2019-2024 EU Strategic Agenda which was adopted by the EU leaders in May 2019, while taking into account the conditions brought by the COVID-19 pandemic. The Slovenian EU Council Presidency also marks the end of the 18-month trio presidency comprised of Germany, Portugal and Slovenia.



Similar to its first Presidency of the Council of the EU in 2008, Slovenia identifies the Western Balkans as a priority area with particular emphasis on their future in Europe and the credible continuation of the enlargement process. By cooperating with the countries of the region, the Slovenian Presidency will work for their economic recovery as well as their effective adaptation to the green and digital transitions. To this end, Slovenia plans to host the EU-Western Balkans Summit in the autumn.

Finally, building a stronger, more robust, and fully functioning Schengen Area and making progress in the negotiations on the New Pact on Migration and Asylum are the other priorities set out by the Slovenian Presidency.

Slovenia's EU Journey Revisited on Its 30th Anniversary of Independence

Slovenia, which took over the presidency of the Council of the EU for the second time this year, had previously assumed the six-month presidency of the Council of the EU in the first half of 2008. During its first presidency, Slovenia carried out the preparations for the implementation of the Lisbon Treaty and worked to ensure stability in the Western Balkans after Kosovo's declaration of independence.

2021 is a special year for Slovenia, not only because of its EU presidency which will last until the end of the year, but also because it marks the 30th anniversary of the country's independence. While it had been part of a multinational state called Yugoslavia since its establishment in 1918, Slovenia gained its independence after the dissolution of Yugoslavia in 1991 and officially became the Republic of Slovenia. Slovenia, whose journey into the EU began with the signature of the "Cooperation Agreement" in 1993, started its EU accession negotiations in 1998 and finally became one of the ten new member states to join the EU in 2004.

The Main Priorities Set Out by the Slovenian Presidency

Under the motto of "Together. Resilient. Europe.", the six-month work programme of the Slovenian Presidency of the Council of the EU is based on four priorities: speeding up the EU's resilience, recovery and strategic autonomy, discussing the future of the EU, strengthening the rule of law and European values, and ensuring security and stability in the European neighbourhood.

- **The resilience, recovery and strategic autonomy of the European Union**

Slovenia has identified "strengthening the EU's resilience" as one of its priorities due to the EU Member States' failure in responding to the health crisis caused by the COVID-19 pandemic. Underlining the importance of "collective efforts" when dealing with crises, Slovenia pledges to focus on establishing a "European Health Union", to strengthen the EU's role and to equip it with the necessary tools in order to protect the European population's health.

The effective implementation of the New Generation EU instrument and the Recovery and Resilience Facility is one of the priorities set

out by Slovenia to deal with the socioeconomic consequences of the COVID-19 pandemic. Slovenia also attaches great importance to the green and digital transitions and wishes to accelerate these processes. The Slovenian EU Presidency is committed to the EU's objective of achieving climate-neutrality by 2050 and a greenhouse emission reduction of at least 55% by 2030 compared to 1990 levels. Ljubljana intends to take advantage of the COP26 to demonstrate the EU's ambition and to persuade the other countries to take swift action.

Attaining digital sovereignty and addressing the challenges in digital transformation such as cyberattacks, the need to set new standards for digital services and goods, and the ethical use and development of AI in connection with big data are also prioritised by the Slovenian Council Presidency.

- **Conference on the Future of Europe**

The Slovenian EU Council Presidency will pay special attention to the Conference on the Future of Europe officially launched on 9 May 2021, making sure that the debates about the future of the EU will be accessible

to all. Slovenia will also act as a host for substantive discussions in this context.

- **A union of the European way of life, the rule of law and equal criteria for all**

During its Council presidency, Slovenia will work to strengthen rule of law as one of the common European values. The Slovenian EU Presidency will initiate annual dialogue on the situation regarding the rule of law at both the EU and the Member State levels. It will also promote rule of law and facilitate an inclusive debate, which would allow the Member States to learn from each other. Moreover, Ljubljana points out to the negative demographic trends in the EU as an important challenge requiring action during its six-month EU Council presidency.

- **A credible and secure EU, capable of ensuring security and stability in its neighbourhood**

With the support of the EU High Representative for the Foreign Affairs and Security Policy Josep Borrell, the Slovenian Presidency aims to work for strengthening the transatlantic ties and promoting close cooperation with the US and NATO based on common principles, values, and interests.

Implications of the Slovenian EU Presidency for Turkey-EU Relations

Slovenia has always voiced its support for Turkey's accession process since its first Council Presidency in January-June 2008. The former Foreign Minister of Slovenia Miro Cerar had stated in February 2020 that "Slovenia will continue to support Turkey's EU membership goal" and called on Turkey to carry out the necessary reforms. Furthermore, the current Slovenian Foreign Minister Anže Logar stated that the Slovenian Presidency will play a constructive role in addressing the current issues that have been plaguing EU-Turkey relations. Underscoring the need to take a step towards the modernisation of the Turkey-EU Customs Union, Foreign Minister Logar also expressed that Slovenia will support visa liberalisation for Turkey.

Unfortunately, Slovenia does not offer a more credible enlargement perspective to Turkey, unlike the way it does to the Western Balkans under its Council presidency priorities. However, in a climate where Turkey-EU relations are relatively moderate and some steps can be taken for the modernisation of the Customs Union and visa liberalisation, the Slovenian EU Presidency could create a chance for Turkey-EU relations to improve further.