

## TABLE OF CONTENTS

<b>Foreword by the Minister for EU Affairs and Chief Negotiator</b>	2
Abbreviations	4
Introduction and Explanations	5
<b>1. Political Criteria</b>	7
<b>2. Economic Criteria</b>	44
2.1. The existence of a functioning market economy	44
2.2. The capacity to cope with competitive pressure and market forces within the union	55
<b>3. Capacity to Assume Obligations of Membership</b>	59
Chapter 1: Free Movement of Goods	59
Chapter 2: Freedom of Movement for Workers	71
Chapter 3: Right of Establishment and Freedom to Provide Services	72
Chapter 4: Free Movement of Capital	74
Chapter 5: Public Procurement	76
Chapter 6: Company Law	78
Chapter 7: Intellectual Property Law	83
Chapter 8: Competition Policy	88
Chapter 9: Financial Services	91
Chapter 10: Information Society and Media	93
Chapter 11: Agriculture and Rural Development	98
Chapter 12: Food Safety, Veterinary and Phytosanitary Policy	105
Chapter 13: Fisheries	118
Chapter 14: Transport Policy	120
Chapter 15: Energy	125
Chapter 16: Taxation	131
Chapter 17: Economic and Monetary Policy	132
Chapter 18: Statistics	133
Chapter 19: Social Policy and Employment	136
Chapter 20: Enterprise and Industrial Policy	161
Chapter 21: Trans-European Networks	166
Chapter 22: Regional Policy and Coordination of Structural Instruments	167
Chapter 23: Judiciary and Fundamental Rights	172
Chapter 24: Justice, Freedom and Security	173
Chapter 25: Science and Research	183
Chapter 26: Education and Culture	185
Chapter 27: Environment	193
Chapter 28: Consumer and Health Protection	202
Chapter 29: Customs Union	208
Chapter 30: External Relations	210
Chapter 31: Foreign, Security and Defence Policy	212
Chapter 32: Financial Control	223
Chapter 33: Financial and Budgetary Provisions	226
<b>4. Work Under Financial Cooperation</b>	227
<b>5. Projects Carried Out by the Ministry for EU Affairs</b>	239
<b>6. Activities Realized in the Context of the European Union Communication Strategy (EUCS)</b>	250



*Foreword by the Minister for EU Affairs and Chief Negotiator*

*As Prime Minister Recep Tayyip Erdoğan underlines, the EU accession process is the most important modernisation project for Turkey following the proclamation of the Republic. Thus, we continue our intensive and systematic efforts in line with this philosophy.*

*Attaining best standards in all areas and further enhancing the fundamental rights and freedoms of our citizens is of utmost importance. With this understanding, we are currently undertaking efforts to overcome the political blockages in the negotiations through political and diplomatic contacts while continuing the reform process with determination.*

*Since the year 2002, around 2000 primary and secondary legislation have been enacted for alignment with the EU acquis. This silent revolution has substantially transformed Turkey.*

*Our government undoubtedly has become the most reformist government in Europe. At a time when EU Member States have been struggling with crises, Turkey is experiencing the most democratic, transparent and prosperous period of its history. The “2012 Progress Report prepared by Turkey” is a document that lists the reforms realised in Turkey from an objective perspective. This Report is doubtless the best response to those who claim that Turkey’s progress on the EU path has virtually come to a halt.*

**Egemen Bağış**

**Minister for EU Affairs and Chief Negotiator**

## ABBREVIATIONS

<b>AFAD</b>	Disaster & Emergency Management Presidency
<b>AFCOS</b>	Anti-Fraud Coordination Service
<b>BRSA</b>	Banking Regulation and Supervision Agency
<b>CFCU</b>	Central Finance and Contracts Unit
<b>EIPA</b>	European Institute of Public Administration
<b>EUROSTAT</b>	European Union Statistical Office
<b>ICTA</b>	Information and Communication Technologies Authority
<b>ILO</b>	International Labour Organization
<b>ISKUR</b>	Turkish Labour Institution
<b>MoLSS</b>	Ministry of Labour and Social Security
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PETKIM</b>	General Directorate of Petroleum Chemicals Industry
<b>SGK</b>	Social Security Institution
<b>SPK</b>	Capital Markets Board
<b>TAEK</b>	Turkish Atomic Energy Authority
<b>TAIEX</b>	Technical Assistance Information Exchange Office
<b>TCMB</b>	Central Bank of the Republic of Turkey
<b>TEDAS</b>	Turkish Electricity Distribution Corporation
<b>TIKA</b>	Turkish Cooperation and Coordination Agency
<b>SDIF</b>	Savings Deposit Insurance Fund
<b>TPE</b>	Turkish Patent Institute
<b>TSE</b>	Turkish Standards Institution
<b>TUBA</b>	Turkish Academy of Sciences
<b>TUBITAK</b>	Scientific and Technological Research Council of Turkey
<b>TURKSTAT</b>	Turkish Statistical Institute
<b>TURKAK</b>	Turkish Accreditation Agency
<b>VQA</b>	Vocational Qualifications Authority
<b>WTO</b>	World Trade Organization
<b>YAYFED</b>	Publisher Collecting Societies Federation
<b>YOIKK</b>	Coordination Council for the Improvement of Investment Environment
<b>YOK</b>	Council of Higher Education

## Introduction and Explanations

This Report summarises the work carried out and the progress achieved regarding the “Political Criteria”, “Economic Criteria” and the “Ability to Assume the Obligations of Membership” within the framework of the European Union (EU) accession process.

The reporting period is from October 2011 to December 2012.

As indicated in the Negotiation Framework for Turkey adopted on 3 October 2005, Turkey-EU Financial Cooperation and Civil Society Dialogue and Communication are two significant components of the process in addition to the accession negotiations. For this reason, Civil Society Dialogue projects carried out by the Ministry for EU Affairs in the past year and activities within the scope of Turkey’s European Union Communication Strategy (EUCS) have been included in the Report. Furthermore, as the Ministry for EU Affairs is one of the institutions responsible for the most effective use of grants provided within the scope of Turkey-EU Financial Cooperation, work undertaken for this purpose has also been summarised in the Report.

This Report has been prepared to present first-hand information on the progress achieved by Turkey in the past year, taking into account EU criticisms and recommendations. Furthermore, the Report aims to inform the relevant stakeholders and the public by demonstrating that, apart from the political criteria, there are many dimensions to the EU accession process, such as economic and financial issues, alignment with the *acquis* and civil society dialogue.

The accomplishment of the work referred to in the Report despite the difficulties encountered in the negotiation process which are summarised below, clearly demonstrates the importance of the reform process for Turkey and its commitment to the EU process.

### *Current State of Play in the Negotiation Process*

Turkey was granted the status of candidate country with unanimity at the Helsinki Summit held on 10-11 December 1999 and EU accession negotiations officially started with the Intergovernmental Conference (IGC) held on 3 October 2005 in Luxembourg.

In the accession negotiations, to date, 13 chapters have been opened and one chapter has been closed. 17 chapters out of the remaining 20 chapters are currently blocked due to the political obstacles posed by the Council of the EU or some Member States.

On the other hand, whereas the screening process ended in 2006, the screening reports and the potential opening benchmarks for 10 chapters have not yet been officially communicated to Turkey.

In accordance with the decision taken by the General Affairs and External Relations Council on 11 December 2006, the full implementation of the Additional Protocol has been considered as the opening benchmark for eight chapters and closing benchmark for all chapters.

Furthermore, the Southern Cypriot Greek Administration has unilaterally declared during the meeting of the General Affairs Council on 8 December 2009 that it linked progress in six chapters to the condition of “normalisation”. In addition, France is currently blocking the opening of five chapters, claiming that these are “directly related to membership”.

There are currently three chapters without any political blocks preventing their opening. However, candidate countries usually address these chapters in the final stage of negotiations as they directly affect the economy of the country.

### ***The Significance of the EU Process for Turkey***

Although seven years have passed since the start of the negotiations and Turkey has realised the necessary reforms on this path with determination, unfortunately the process is not at the desired stage because of the political blocks posed by some Member States. Turkey is steadily continuing for the reform process despite the difficulties in the negotiation process. When this Report, summarising only the work carried in the past year, is examined carefully, it can be seen that the process has resulted in significant achievements for our country.

The EU process supports democratisation and accelerates reforms in this context in Turkey. The scope of citizens’ individual rights and freedoms has been expanded, values such as transparency, accountability and participation which are the fundamental principles of contemporary democracies have become a part of our daily lives.

Turkey is undergoing a process of socio-economic transformation with the contribution of the reforms carried out in the EU process. Every step taken within the scope of alignment with the EU is taken with consideration of whether this step is beneficial for increasing the welfare and raising the living standards of our citizens.

The EU process, in addition to this change and transformation, plays a significant role in the maintenance of a stable environment for growth in Turkey. Despite the current crisis, the EU is still the largest economy in the world and Turkey’s most important trade partner. Nearly 40% of our external trade is with the EU Member States. The EU is the source of 85% of foreign direct investment and technological capital in Turkey. It should not be overlooked that the continuity of economic benefit is ensured by Turkey’s commitment to the EU process as a candidate country and the environment of stability and opportunities brought by this process.

The EU provides financial assistance to candidate countries for the introduction of political, economic, legal and administrative measures for alignment with and implementation of the *acquis*. This financial assistance ensures the realisation of this transformation without any burden on the state budget through projects that encourage the participation of our citizens and public institutions in the EU process. Within this scope, 1.3 billion euros has been allocated by the EU for 166 projects prepared by our Ministries and other public bodies in the 2002-2006 periods. Bodies such as non-governmental organisations, chambers, universities and local governments have realised 2500 projects through the grant programmes. In the budget period 2007-2013, nearly 4.8 billion euros has been allocated for Turkey from the Instrument of Pre-Accession Assistance (IPA).

Resources are provided through various programmes for the strengthening of administrative capacity, which is very important for Turkey in preparing for EU membership. Within this scope, the administrative capacity of public institutions in Turkey is strengthened through assistance provided freely, such as training, technical assistance and procurement of goods and services. It would be accurate to note that the EU provides free consultation services to Turkey during this process.

## **1. Political Criteria**

### **Introduction**

Turkey, which was given official status as a candidate country at EU Helsinki Summit in 1999 has realized significant reforms in the past ten years for reinforcement of democracy and the institutionalisation of the principle of the rule of law.

In the process from 1999 to this date, legal and administrative reforms have been carried out in the areas of human rights and fundamental freedoms, the judicial system has been strengthened, the status of international agreements in the legal system has been enhanced and significant legislative arrangements have been carried out in areas such as the prevention of torture and ill-treatment and the promotion of gender equality; and in addition, the activities of associations and foundations has been facilitated for a more participatory democracy. Furthermore, through the reforms, significant steps have been taken for widening the area of freedom of thought and expression, facilitating the acquisition and disposal of properties by community foundations and for broadcasting in different languages and dialects that are traditionally used by Turkish citizens in their daily lives and the learning of these languages.

Significant reforms that have been realised in the scope of the political reform process are the amendment of the legislation on closure of political parties, enhancement of the effectiveness of the judiciary, the abolishment of the State Security Courts, the further alignment of the National Security Council to its role as an advisory body, the abolishment of the death penalty from the Constitution and from all related legislation

and the establishment of the EU Harmonisation Committee at the Turkish Grand National Assembly. Furthermore, a wide range of reforms which were realised with social consensus, such as the adoption of the principle of zero tolerance for torture and the enactment of the Law on the Right to Information allowing individuals to exercise their right to information in accordance with the principles of equality, impartiality and clarity required for democratic and transparent government have had positive effects on political life.

In order to strengthen the safeguards regarding fundamental rights and freedoms, the amendment to the Article 90 of the Constitution provides for the supremacy of international agreements regarding fundamental rights and freedoms over national legislation. Significant legislative arrangements have been realised to strengthen the freedom of thought and expression. In this framework, relevant legislation has been revised, in particular the Turkish Penal Code.

In the framework of the Constitutional amendments undertaken in 2001, 2004 and 2010 in the EU harmonisation process, nearly one third of the Constitution is amended and significant progress has been made regarding democracy, the rule of law and the protection and enhancement of human rights.

The work for political reform has continued following the opening of negotiations and the screening meetings.

The Reform Monitoring Group (RMG) has convened 27 times to this date with the participation of the Minister for EU Affairs and Chief Negotiator and the Minister of Justice, Minister of the Interior and Minister of Foreign Affairs and has taken important decisions regarding the political reforms; in 2012, the RMG has convened three times, and in its most recent meeting held on 11 November 2012 in Bursa, the problems of citizens belonging to different faiths and beliefs and the implementation of the Law on Foundations as priority items on the agenda has been addressed.

With the exception of the harmonisation packages, 187 primary and 147 secondary legislative arrangements have been realised within the scope of the Copenhagen Political Criteria and Chapters 23 and 24. Reforms regarding these chapters, which have not yet been opened due to political considerations, are still underway without slowing down even in the seventh year of the negotiations.

The political reforms, which have been realised in the past two years, have been essentially prepared on the basis of the perspective introduced by the Constitutional Amendments, which entered into force following the referendum held on 12 September 2010. Through these amendments, the judicial and political system of Turkey attained modern standards and became further aligned with universal principles. Although these amendments brought the 1982 Constitution closer to the contemporary norms, when



examined as a whole, it can be seen that the Constitution still maintains the spirit and character of the period in which it was prepared.

For this reason, preparing a new constitution based upon social consensus is the main and the first item on Turkey's agenda. With this aim, the work is ongoing within the framework of the TGNA Conciliation Committee, which is based on equal representation of all political party groups in the TGNA. The drafting of the new constitution has started as of May 2012 within the framework of a consultation period with a broad participation<sup>1</sup> in order to ensure the continuity of the reforms realised and to reflect contemporary universal norms to the Constitution. Embedding the fundamental standards and principles of pluralistic democratic societies in the Constitution of Turkish Republic will both ensure that the Turkish people have the contemporary living standards that they deserve and will positively contribute to Turkey's EU accession process.

Following the 2010 Constitutional Amendments, many legislative amendments and subsidiary implementations were put into practice. Within this scope;

- The Third Judicial Reform Package, which was prepared to strengthen democratization, in line with the European Convention on Human Rights (ECHR), and to decrease the workload of the judiciary by speeding up judicial procedures, entered into force.
- With the Third Judicial Reform Package, criminal proceedings and execution of sentences for the offences committed by expressing thoughts through means such as the media and the press or other means have been postponed. The provision in the Anti-Terror Law allowing judges and prosecutors to stop the publication of periodicals was abolished. The work on the Fourth Judicial Reform Package which will further strengthen the freedom of expression and freedom of press is ongoing.
- The procedure of individual application to the Constitutional Court entered into force on 23 September 2012.
- In line with the Law on Mediation in Civil Disputes, the "mediation procedure" was introduced.
- The Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) has been ratified.
- The Law on Turkish National Human Rights Institution and the Law on the Ombudsman Institution entered into force.

<sup>1</sup> 426 institutions and organisations including 104 universities, 5 institutes, 58 foundations, 102 associations, 32 platforms, 19 other NGOs, 21 public institutions, 21 political parties, 34 professional organisations and 30 trade unions submitted their views to Parliamentary Conciliation Committee. Besides, many citizens submitted their views to the Committee in writing.

- A Cooperation Protocol was signed between the Ministry of Justice and Ministry of National Education on 3 December 2012 to improve the practices for raising awareness on legal issues among students and to develop the curriculum of "Law and Justice" course.
- Within the scope of the new 12-year education system, which was revised as 4+4+4, the "Living Languages and Dialects" elective course is offered to students beginning at 5th grade, when there is sufficient demand.
- The Law Amending Law No. 4688 on Civil Servants' Trade Unions entered into force.
- The Law No. 2821 on Trade Unions and the Law No. 2822 on Collective Labour Agreements, Strikes and Lockout were repealed and the Law No. 6356 on **Trade Unions and Collective Labour Agreements**, which revises the operations of workers' and employers' trade unions and confederations and provides for matters related to collective labor agreements, entered into force.
- The Law on the Protection of Family and Prevention of Violence against Women<sup>2</sup> entered into force.
- The scope of the judicial control system was extended.
- A continuous dialogue was carried out with our citizens of different faiths and beliefs.
- The environment of tolerance and mutual understanding in our country continued and was further strengthened.
- Properties owned by foundations of different faith groups which were confiscated for various reasons started to be registered.
- The Action Plan Regarding the Prevention of Violations of Human Rights is being prepared.
- The Strategy for Strengthening Fight against Corruption and Increasing Transparency (2010-2014) started to be implemented in 2010. The work for the Strategy and the Action Plan, the implementation schedule of which comprises the period 2010-2014 has been ongoing.
- Within the framework of Judicial Reform Strategy and Action Plan, which started to be implemented in 2009, significant reforms were carried out in the

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<sup>2</sup> The law introduces the measures to be taken to protect the women, children, the family members who have been subject to violence or at the risk of violence and the victims of stalking, and to prevent the violence against these people.

field of the judiciary. Since a substantial part of the Strategy has been realised, the work on updating the Strategy is currently ongoing, in a transparent and participatory manner, under the coordination of the Ministry of Justice.

- Upon the evaluation of the motions submitted by each political party group represented in TGNA, it was decided in TGNA General Assembly to launch a parliamentary inquiry into military coups and memoranda. Within this framework, a Parliamentary Inquiry Committee was established as per the TGNA Decision No. 1013 in order to examine all aspects of military coups and memoranda which had intervened in the democracy and other military interventions and acts which had hindered democracy in Turkey and to determine the measures to be taken in this respect. The report prepared by the committee was finalised on 28 November 2012.

As in the past, Turkey continues to carry out the political reforms in line with its target of the EU membership and the aim to sustain modern standards for its citizens.

Within this framework, through the “2023 Vision” the Government has presented its vision of Turkey as an EU member which will be inherited by its future generations and the reforms that will be enacted in the next ten years.

With the “2023 Vision”, the aims are speeding up judicial procedures, improving the efficiency and transparency of the judiciary, strengthening the right to a fair trial, addressing civilian-military relations within democratic standards, fighting against torture and ill-treatment and enhancing fundamental rights and freedoms. Moreover, it provides various targets and reforms that are important in terms of political criteria during Turkey’s EU accession process, such as lifting the obstacles before participation in politics, fully ensuring our citizens’ access to public services and justice without discrimination, transforming law enforcement forces into a civilian structure and taking measures in favour of socially vulnerable people, such as women, children, the elderly and the disabled.

As before, the reforms envisaged will be developed in line with the ECHR, the EU *acquis* and the case law of European Court of Human Rights (ECtHR) until 2023.

Turkey’s sovereign democracy and its growing economy are both invaluable opportunities to establish regional and international peace and stability in the 21st century and a source of inspiration for those who seek modernisation in our region and beyond. Finalisation of the project for integration with the EU will be a historic milestone not only for Turkey, but will also prove the universality of EU’s fundamental values and ensure global stability.

Each step taken for ensuring democracy, the rule of law and fundamental rights and freedoms is first of all for the welfare of our citizens. Whereas the positive results of the

political reforms, which are indicated not only by the legislative amendments but also by a substantial mentality change of the society must reflect on Turkey's EU accession process, the negotiation process cannot progress due to the political considerations of the EU Member States.

The accession negotiations between Turkey and the EU began on 3 October 2005 due to Turkey's fulfillment of the Copenhagen criteria to a sufficient extent. The screening process, the first stage of which started with the explanatory meeting held on the Chapter 25 (Science and Research) on 20 October 2005, was completed on 13 October 2006 with the bilateral meeting held on the Chapter 23 (Judiciary and Fundamental Rights).

Although the screening meetings on the Chapter 23 (Judiciary and Fundamental Rights) and Chapter 24 (Justice, Freedom and Security), which were directly linked to the political reform process were completed as of 2006 and six years has passed since then, the screening reports through which the opening benchmarks are notified to the candidate countries have not been submitted to Turkey for these two chapters. In addition, although the Southern Greek Cypriot Administration politically blocked the mentioned chapters in 2009, the progress made by Turkey on Chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security) and Political Criteria were evaluated in detail in the relevant sections of the Report.

## **Democracy and the Rule of Law**

### ***Institutionalisation in the area of human rights***

Significant progress was achieved in 2012 in public administration with regard to legislative work concerning institutionalisation in the field of human rights and important institutions were established in order to provide institutional safeguards for human rights. A comprehensive consultation process was carried out with the participation of relevant parties during the preparation of the laws on the organisation of these institutions.

**The Law on the Turkish National Human Rights Institution entered into force on 30 June 2012** and the process of establishing the Turkish Human Rights Institution, in compliance with the UN Paris Principles, was initiated.<sup>3</sup> The elections of the members of the Human Rights Board, the decision-making body of the institution, were completed as of 2012 September. It was stipulated in this Law that the institution would be independent in its authorities and while carrying out its duties. This institution is

<sup>3</sup> The criticisms that the Law on Turkish National Human Rights Institution does not comply with the UN Paris Principles are an indication of the existing prejudices. When the practices of the EU Member States are taken into consideration, it can be clearly observed that the criticisms about the appointment procedure of the members of Human Rights Board which is the decision making body of the Institution are groundless. Because during the appointment procedure of the Board members, 7 of them are appointed by the Council of Ministers, 2 by the President, 1 by the Union of Turkish Bar Associations and 1 by the Board of Higher Education, while all members of a similar institution are appointed directly by the Prime Minister or the relevant Minister in some EU Member States.

responsible for carrying out work on the protection and enhancement of human rights, and in this framework, for undertaking investigations and research, preparing reports, submitting opinions and recommendations, conducting activities for information, awareness-raising and training and investigating allegations of human rights violations.

The Turkish National Human Rights Institution is a public legal entity which has administrative and financial autonomy. It is independent regarding its duties and authorities; the Institution may not be given orders or instructions, recommendations or opinions regarding its duties. Due to administrative and financial autonomy, the Institution has its own budget, personnel and property and it is authorised to make its own administrative arrangements regarding matters under its responsibility.

**It is envisaged that the Turkish National Human Rights Institution will assume the role of the independent national monitoring mechanism** to be established in compliance with the UN Additional Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) which entered into force on 2011.

**The Law on the Ombudsman Institution entered into force on 29 June 2012.** With this Law, the Ombudsman Institution was established under the TGNA as a public legal entity with a special budget. Upon complaints concerning the functioning of the administration, the Institution is responsible for examining and investigating all kinds of acts and transactions, attitudes and actions of the administration<sup>4</sup>, regarding their compliance with the rule of law and fairness, within the context of an understanding of justice based on human rights, and for making recommendations to the administration.

The Head Ombudsman and Ombudsmen may not be given orders or instructions by any authority, body, office or person regarding their duties.

The establishment of an Ombudsman system is a first in Turkey and one of the most important steps taken for accountability, fairness and transparency of the public administration. The Ombudsman Institution will improve the quality and effectiveness of public services, by addressing fairly, speedily and free of charge the complaints of citizens regarding public services, in accordance with the law.

On 27 November 2012, Mehmet Nihat Ömeroğlu was appointed as the Head Ombudsman upon voting by the TGNA General Assembly. On 29 October 2012, ombudsmen were elected upon voting by the TGNA Committee on Petitions and the Committee on Human Rights Inquiry.

The Constitutional Amendment Package, which was adopted with the referendum of 12 September 2010, paved the way for the right of individual application to the

<sup>4</sup> Except for the exclusive acts, ex-officio decisions and orders of the President of the Republic, legislative acts, judicial acts, and only military activities of Turkish Armed Forces.

Constitutional Court. The most important aim of adopting an individual application mechanism is to resolve the violation of fundamental rights through domestic law, and thereby, decrease the number of applications filed against Turkey at the European Court of Human Rights (ECtHR). Furthermore, the individual application mechanism paves the way to enhancing the rule of law and improving standards of democracy in Turkey by effectively protecting human rights.

In this framework, the implementation of **the individual application system to the Constitutional Court**, which is an exceptional domestic legal remedy for the violation of individual rights and freedoms guaranteed by the Constitution and the ECHR through transactions, acts or negligence of public authorities, started as of **23 September 2012**. With the initiation of this system, there were 1,615 individual applications were made to the Constitutional Court as of December 2012.

**The Draft Law on the Establishment of Law Enforcement Monitoring Commission and Amending Certain Laws**, which provides for the establishment of the supervisory commission to examine and investigate complaints, such as torture and ill treatment independent of law enforcement forces, **is on the agenda of TGNA**.

The work on the **Draft Law on the Establishment of the Anti-Discrimination and Equality Board**, which has been prepared by the Ministry of Interior, with the participation of all stakeholders to prevent all kinds of discrimination, was finalised and the Draft Law was submitted to the Prime Ministry.

With the amendment to the law of establishment of the TGNA Committee on Human Rights Inquiry, this Committee was authorised to examine law proposals and draft laws as the main or secondary committee. The Committee was given the right to examine first-hand legislative texts on fundamental rights and freedoms. Following this amendment, four draft laws and 20 law proposals were submitted to the Committee.

### ***Reform of the Judicial System***

The judicial system in Turkey entered a period of comprehensive reform with the start of accession negotiations.

The **Judicial Reform Strategy**, which is among the priorities of Chapter 23 (Judiciary and Fundamental Rights) and enhances the independence, impartiality and efficiency of the judiciary, was prepared by the Ministry of Justice and adopted in 2009.

Within the framework of this Strategy, many laws were enacted and a large number of laws were amended, in particular the Judicial Reform Packages, the Law on the High Council of Judges and Prosecutors, the Law on Establishment and Judicial Proceedings of the Constitutional Court and Civil Procedure Code.



The aims envisaged within the strategy were achieved to a large extent and work to update the Strategy started on December 2011. Within this framework, work to update the Strategy continues with the contributions of all relevant stakeholders with an understanding of transparency and participation, taking into account the European Commission's Progress Reports on Turkey and ECtHR rulings against Turkey.

The Draft Judicial Reform Strategy, which was prepared by the Ministry of Justice in accordance with these contributions, including improvements in all areas of judicial system, in particular the independence, impartiality and effectiveness of the judiciary, was made public through the website of the Ministry of Justice. This Draft comprises 11 aims and 103 objectives and introduces important novelties. Improving the implementation of human rights, which is the intellectual context in which the Strategy Document was drawn up, was addressed this time from the perspective of a different area of knowledge, and it was aimed to increase the effectiveness of international relations in the field of the judiciary, increase the effectiveness of the judiciary, introduce a more comprehensive approach to human resources and to create a system of time management in the judiciary to accelerate the judicial proceedings. The Strategy is expected to be finalised, taking into consideration the opinions and contributions of the relevant stakeholders, and adopted as soon as possible.

Within the framework of Judicial Reform Strategy, the First and Second Judicial Reform Packages,<sup>5</sup> which entered into force in 2011 with the aim of speeding up and carrying out the judicial services swiftly, efficiently and economically and tackling the backlog of cases, comprehensive legal arrangements were realised.

With the Second Judicial Reform Package, the "Department of Human Rights" was established at the Ministry of Justice and the work that is particularly relevant for the rulings of the ECtHR has started. In order to effectively carry out the work, a Cooperation Protocol was signed between the Ministry of Justice and the Ministry of Foreign Affairs on 14 November 2011.

The Third Judicial Reform Package<sup>6</sup>, which is the continuation of the First and Second Judicial Reform Packages, entered into force on 5 July 2012, with the aim of further strengthening democratisation and the protection of human rights, in line with the provisions of the ECHR and rulings of the ECtHR, as well as to address the backlog of cases.

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<sup>5</sup> First Judicial Reform Package: The Law Amending Certain Laws to Accelerate the Functioning of the Judiciary dated 31 March 2011 and numbered 6217.

Second Judicial Reform Package: The Decree Law Amending the Decree Law on the Organization and Functions of the Ministry of Justice dated 16 August 2011 and numbered 650.

<sup>6</sup> 3rd Judicial Reform Package: The Law Amending Some Laws for Effectiveness of Judicial Services and Suspension of Cases and Sentences Regarding the Offences Committed via Press Amending Certain Laws for Effectiveness of Judicial Services and Suspension of Cases and Sentences Regarding the Offences Committed via Press dated 2 July 2012 and numbered 6352.

One of the most important amendments introduced with the Third Judicial Reform Package is the abolishment of the heavy criminal courts<sup>7</sup> established under the Article 250 of the Criminal Procedure Code and establishment of **Regional Heavy Criminal Courts** under the Article 10 of the Anti-Terror Law. In addition, another important amendment was that the authority to decide on protective measures regarding defendants (search, seizure, arrest, detention, apprehension etc.) was transferred from judges hearing the case to judges<sup>8</sup> dedicatedly assigned to determine protective measures.

With the amendments to the Criminal Procedure Code, the justification of decisions regarding the protective measures with concrete facts became an obligation. With this amendment, there has been a significant downward trend in the rate of detentions.

As a result of the Third Judicial Package, along with other reforms implemented to decrease **the rate of detention**, this rate which was 49.2% in 2006 decreased to 23.5% in 2012. With this rate Turkey ranks seventeenth among EU Member States.

However, the scope of **judicial control** has been extended by removing the upper limit of the conviction period determined for the judicial control which includes that instead of arrest and imprisonment, the suspect will be subject to one or more obligations, such as not being permitted to travel abroad and having to regularly apply to places that will be specified by the judge within the specified time periods, as stated in the Law.

The Law No. 6291<sup>9</sup>, prepared to extent the scope of probation and decrease the number of detainees, entered into force on 11 April 2012. Within the framework of the Law, a new execution system is envisaged, which stipulates that the final year of the sentence to be served in an open prison shall be served outside the prison. Furthermore, the Law stipulates that suspects, defendants and convicts will be monitored by electronic means in society. The Law aims to ensure the adaptation of the convicts to society and to enable them to continue and strengthen their ties with their families.

With the extending of the scope of the probation system and the amendments introduced with the **Law No. 6291** and the Third Judicial Reform Package, approximately 35,000 convicts were released from prisons.

In case of sentences for conviction of crimes within the scope of the Anti-Terror Law, with reference to general provisions, sentences may be suspended, the judgement may be postponed and a prison sentence may be converted to alternative sanctions

Furthermore, with the amendments to the Turkish Penal Code and the Anti-Terror Law, important steps have been taken to broaden the freedom of press and expression.

<sup>7</sup> These courts are also known as “Specially Authorised Courts”.

<sup>8</sup> These Judges are known as “Freedom Judges” in public opinion.

<sup>9</sup> The Law Amending the Law on the Execution of Sentences and Security Measures and the Law on Probation, Help Centres and Protection Boards



Within the framework of the Package, through the amendment of the legislation on enforcement-bankruptcy and on criminal and administrative justice, the workload of the judiciary has been significantly reduced and judicial services have become more effective.

The Ministry of Justice continues the work on the **Fourth Judicial Reform Package**. With the Fourth Judicial Reform Package, amendments to improve human rights standards are envisaged in view of the ECtHR rulings, in particular the freedom of expression and press. The aim of these amendments is to minimize the number of decisions of violation taken by ECtHR against Turkey.

Through the Audio-Visual Information System (SEGBİS), set up by the Ministry of Justice, interviews, interrogations and trials can be recorded on video and individuals (i.e. suspects, defendants, witnesses, complainants, intervening parties, etc.) who are residing in a location beyond the jurisdiction of the competent court or the Chief Public Prosecutor's Office or who cannot be present in the court (due to hospitalisation, imprisonment or a valid excuse) can be heard through video conferencing and their interviews can be recorded.<sup>10</sup>

The use of SEGBİS will further enable the observation of the principles indicated in the third paragraph of Article 5 of the ECHR, ratified by Turkey, which is "... shall be entitled to trial within a reasonable time" and in the first paragraph of Article 6 of the convention, which is "In the determination of his civil rights and obligations or of any criminal charge against him, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law", thereby further preventing possible violations of human rights.

Moreover, the Project titled "Improving the Efficiency of the Turkish Criminal Justice System" is being implemented, with the cooperation of the Ministry of Justice, the Justice Academy of Turkey and the High Council of Judges and Prosecutors and the Council of Europe, in order to improve Turkey's criminal justice system with a view to European standards, to enhance practices vis-a-vis human rights and increase confidence in this system. The objectives of the project are increasing the capacity of the judiciary to apply the ECHR to the criminal justice system, re-designing the pre-service and in-service training curricula of the Justice Academy in line with the ECHR and strengthening judicial co-operation for international mutual legal assistance.

<sup>10</sup> As a result of using SEGBİS, it will be possible to efficiently practice the regulations regarding the utilisation of technical means in interviews, interrogations and trials and use of audio-visual communication technique and recording by technical means; to interview more reliably with regard to the individual, case and the incidence by hearing or interrogating the individual whose statement is taken in the courts they are attached; to ensure a more effective management of trials and to enable the court have a good command of the statements of the parties and the incidents during the trial; and to eliminate the inconveniences caused by arrests in places out of the jurisdiction, as stated in Articles 52, 58, 94, 147/1-h, 180, 196 and 219 of the Turkish Criminal Procedure Code No. 5271.

The services of **the Probation System**<sup>11</sup>, organisation of which has been completed throughout Turkey, are currently being improved. Within this framework, the number of persons on probation was 104,662 in 2010, 130,402 in 2011 and 197,400 as of December 2012. Work on monitoring, surveillance and rehabilitation of 155,758 suspects, defendants and convicts is on-going.

With the **Law on Mediation of Civil Disputes**, published in the Official Gazette of 22 June 2012, a mediation system, through which the parties may freely dispose for disputes arising from private law procedures, has been established. With this system, disputes can be resolved without recourse to a court, through a “mediator” chosen by the parties, also including foreign nationals. Within this framework, training for mediators will begin on 22 June 2013 and the mediation system will be in force by the end of the year. With this system, workload of courts will be significantly reduced and disputes will be effectively resolved without delay.

Despite rapid progress of the work on judicial reform in the recent years, the length of the judicial proceedings may still at times extend due to various reasons and exceed reasonable time limits. In order to remedy damages arising from this matter, a Draft Law<sup>12</sup> has been prepared to determine the rules and procedures for the resolution of ECtHR applications through compensations. Within the framework of this Draft Law, the case of Ümmühan Kaplan v. Turkey<sup>13</sup> was selected as pilot case so as to create a domestic remedy regarding applications made with similar reasons.

With the enactment of this Draft Law, the Commission provided for in this Draft Law will be able to pay a compensation for applications to the ECtHR on the grounds of lengthy trials, as well as the late and partial execution or non-execution of court rulings, thereby paving the way for the resolution of the 3,600 cases against Turkey filed at ECtHR for these reasons through domestic remedies.

The Ministry of Justice is preparing the **Action Plan to Prevent Human Rights Violations**, with the contributions of all the relevant institutions. The Action Plan aims to increase human rights standards and, in particular, to minimize the number of applications at ECtHR against Turkey.

**Resources allocated to judiciary**, have been increased parallel to the reforms implemented in the judicial system. The amount allocated from the central government budget to the Ministry of Justice of budget was 3.78 billion TL in 2010, 4.88 billion TL in 2011 and 5.27 billion TL in 2012; however, it has been set at 6.83 billion TL for 2013, with an increase of 25%. In addition, the amount allocated to individual budgets

<sup>11</sup> Probation means “a society-based practice providing all kinds of service, programme and resources necessary for the suspect, defendant and the convict to become integrated with the society, under supervision and in line with the inspection plan and in accordance with the conditions and time limits set by the court”.

<sup>12</sup> Draft Law on Paying Compensation due to lengthy trials and late, partial execution or non-execution of court decisions.

<sup>13</sup> The case filed by Ümmühan Kaplan against Turkey in 2007 due to the lengthy trial was selected as a pilot case by the ECtHR and it was finalized on 20 March 2012.

of the high courts and High Council of Judges and Prosecutors have been increased significantly.

**With regard to reducing the workload of the judiciary,** based on the Constitutional amendments of 2010 and the amendments to the legislation through the judicial reform, the workload of the higher courts has been significantly reduced and cases have begun to be finalised more rapidly. A comparison of the 2010 and 2011 data yields that the workload of the Court of Cassation has decreased by 1/3 and the percentage of cases that have been finalised have increased to 40%. Regarding the Council of State, the number of finalised cases increased by 1/3. Further increase in these percentages is envisaged for 2012.

Moreover, the number of courts has been steadily increased in order to reduce the workload. The number of first-instance courts has increased by 30% since 2002. In addition, within the framework of improving specialisation of the judiciary, the number of specialised courts has been increased, in view of the consideration that these courts can more effectively carry out legal proceedings in specific areas. In this respect, there has been a 100% increase in the last decade.

Work for the operation of “Regional Courts of Appeal”, legal infrastructure of which was established in 2004 so as to reduce the workload of the judiciary is currently on-going.

The regional courts of appeal were established in 15 provinces, including Ankara, Bursa, Istanbul, Izmir, Samsun, Antalya, Gaziantep, Kayseri, Sakarya, Trabzon, Van, Adana, Diyarbakır, Erzurum and Konya; and infrastructure work and personnel assignments still continue. To this day, 2,296 personnel have been assigned to regional courts of appeal.

With the amendment of 3 February 2012 to the Cheque Law No. 5941, imprisonment with a maximum period of one year referred to in this Law has been converted into non-criminal fine, with the aim of reducing the workload of the courts and converting the criminal fine into a non-criminal one.<sup>14</sup>

Work is on-going to **increase the number of judges to a sufficient level.** According to the data in the report published by the European Commission for the Efficiency of Justice (CEPEJ) on 20 September 2012, which compared 47 countries, Turkey is one of the 12 member states of the Council of Europe which have increased its number of judges the most between 2008 and 2010. The number of judges in Turkey increased to 10.6 and 11.6 per 100,000 people in 2010 and 2012 respectively, up from 7.5 in 2002.

<sup>14</sup> Law Amending *Cheque Law* No. 6273:

ARTICLE 5 – The phrase “imprisonment up to one year” referred in the ninth paragraph of Article 7 of Law No. 5941 is hereby amended as “administrative fine of from three hundred Turkish Liras up to three thousand Turkish liras to be decided by the public prosecutor.

With the aim of **improving professional competency of the judiciary**, there has been a growing number of pre-service and in-service trainings, seminars and workshops offered to judges and prosecutors and other members of the judiciary in areas such as legislation, the ECHR, ECtHR judgments, human rights, combating violence against women, which are organised by the Ministry of Justice, High Council of Judges and Prosecutors and Justice Academy of Turkey.

Moreover, many judges and prosecutors continue to participate in trainings in the area of judiciary and fundamental rights and in other activities within the scope of various cooperation activities, in particular projects being carried out under Turkey-EU financial cooperation; expert missions, workshops and study visits within the Technical Assistance and Information Exchange Instrument (TAIEX) mechanism framework.

Furthermore, every year, increasing number of judges and prosecutors receive training abroad to improve their foreign language skills, professional knowledge and experience.

**With the aim of improving professional competency of lawyers**, Training on Judiciary and Fundamental Rights for Lawyers Project has been prepared, which includes a comprehensive information programme on Chapter 23 (Judiciary and Fundamental Rights), one of those chapters which is of great importance to negotiations between Turkey and the EU. The project, prepared in cooperation with the Ministry for EU Affairs, Ministry of Justice and Union of Turkish Bar Associations and co-funded by the British Embassy's Reuniting Europe Fund started to be implemented as of November 2012.

With regard to system for **the execution of penalties**, a number of reforms were introduced with a view to protection of human rights and reintegration with the society. Regulations on prison practices, legislative amendments extending the scope of probation and judicial control, increasing the capacity of prisons and modernisation of prisons are among improvements achieved in this area.

Recent developments in the area of execution of penalties are as follows:

- With Law No. 6291, which entered into force on 11 April 2012, the scope of probation that provides alternative preventive measures other than detention has been extended. The same law also provides for monitoring and supervision of suspects, defendants and convicts through electronic devices.
- With the Third Judicial Reform Package, the scope of judicial control has been extended by abolishing the upper limit of 3 years of prescribed imprisonment over which judicial control measures cannot be taken and it is now possible to apply measures of probation in terms of all criminal acts.

- In the last decade, 208 prisons which do not comply with the standards of the UN and the Council of Europe have been closed down.
- In the last decade, 68 prisons with a capacity of 14,509 people have been opened. In 2012, 13 new prisons were opened and 7 annexes were constructed.
- The number of personnel working at prisons amounted to 41,759 as of 2 November 2012, up from 25,405 in 2002. As of November 2012, 76,063 personnel received training in various areas.
- Since 2002, 73 prisons have been adapted to include complete room system. Sanitary and physical infrastructure of prisons has been modernized through large scale modifications. Additional units containing work ateliers, open and closed fields for sports and cultural activities have been constructed in 20 prisons.
- Ministry of Justice signed cooperation protocols with a number of institutions and organisations in order to improve prison practices better meet social, medical and educational needs of prison inmates and improve general living conditions in prisons.
- As regards execution of penalties for juveniles, a cooperation protocol was signed between Ministry of Justice and Ministry of Family and Social Policies, Directorate General of Child Services.
- With the amendments made to Law on the Execution of Penalties and Security Measures, in the event of death of one of their relatives by blood or marriage including third degree or their spouses, prison inmates may be permitted for two days to attend their funeral excluding the route time and in the event of severe disease of their next of kins they may be permitted for one day to visit them excluding the route time.
- It was provided that demands of those detainees who follow a special diet such as vegan and/or vegetarian on grounds of faith would be met within the bounds of possibility.

Moreover, the Draft Law amending the Law on the Execution of Penalties and Security Measures aimed at further modernizing prison practices and improving the conditions of prison inmates is before the TGNA. The Draft Law allows the defendants to defend themselves in another language which they declared they could express themselves better. It also provides for the postponement of the execution of penalties for those who are severely ill or disabled and who cannot sustain their lives alone and makes it possible for convicts and detainees to come together with their spouses and child inmates to spend more time with their parents.

The monitoring of work for the reforms of **Prison Monitoring Boards** is just as important as the reforms. In this framework, Prison Monitoring Boards<sup>15</sup> have been established in 2001 in order to improve conditions in prisons and raise the standards, through independent and impartial monitoring of prison practices and preparation of reports on these. The Prison Monitoring Boards submit the results of their inquiries into prisons falling within their regions of responsibility and their recommendations to the prison administrations as annual reports. Prison administrations have been increasingly implementing the recommendations included in these reports. For example, whereas 73% of the recommendations in the reports of Prison Monitoring Boards were implemented in 2011, this rate has increased to 77% in 2012.

The objective of the “Project for the Dissemination of Model Prison Practices and Promotion of Prison Reform in Turkey” has been the provision of a professional, productive and effective prison service through the promotion of prison reform and the dissemination of model prison practices in Turkey.<sup>16</sup>

Within the scope of the “Project for Training and Work in the Prison System”, a comparison of work ateliers system between prisons in Turkey and in the Netherlands has been made and various work ateliers have been constructed in four prisons housing women and children, who are considered vulnerable groups and prison personnel received training on women’s and children’s rights, human rights and ideal prison administration.

With the “Project for Harm Reduction in the Treatment of Substance Addiction in Prisons”, work has been undertaken to develop practices regarding harm reduction in substance addiction at prisons in Turkey.

“The Justice for Children Project” aims to implement the Child Protection Law effectively and improve the standards of fair trial for children.<sup>17</sup>

In addition, preparations are ongoing for the implementation of “Project for Improvement of Psychological Health and Addiction Services in Prisons”, “Project for Improvement of Prison Services in Prisons”, “Project for Development of an Effective Risk Evaluation System for Children in Turkish Probation Services” and “Project for Strengthening of Probation Services’ Institutional Capacity in Transition to Electronic Monitoring System”, which aim to raise the standards for prisons.

Overall, Turkey has addressed its comprehensive work in the area of judicial reform with a holistic approach. Work is continuing with determination to make it possible for the judicial system to meet the needs through updating the Judicial Reform Strategy

<sup>15</sup> The said Boards are also known as the “Monitoring Boards for Prisons” among the public.

<sup>16</sup> Within the framework of the project, 270 vocational training facilities are being constructed for 90 prisons.

<sup>17</sup> Within the framework the Project, it will be provided that all rights of the child will be brought into action in full by efficient inter-sectoral coordination in the system of child justice and by services in accordance with the high standards provided to the child deprived from their freedom within the framework of law.



which comprises improvements, in particular with respect to the independence, impartiality and efficiency of the judiciary.

### **Public Administration and Fight against Corruption**

The Law on the Ombudsman Institution has entered into force on 29 June 2012 and the Law on the Turkish Human Rights Institution entered into force on 30 June 2012.

The new institutional structuring in the area of human rights aims to increase accountability and transparency in public administration and increase the awareness of public administration to violations of human rights.

**Regarding the metropolitan municipalities**, with the Law No. 6360 on the Establishment of Thirteen Metropolitan Municipalities in Thirteen Provinces and Twenty-six Districts and Amending Certain Laws and Decree-laws, published in the Official Gazette on 6 December 2012, the delimitation of the boundaries of metropolitan municipalities have been revised for a more effective and productive provision of public services. With this law, it is aimed to strengthen the democracy in Turkey in local level, to ensure the efficiency in municipality services and to provide better services by municipalities.

Within this scope, the number of metropolitan municipalities increased to 29 from 16. The responsibilities and duties of Metropolitan Municipalities were expanded to include the provincial administrative borders. Furthermore, the financial income resources of the metropolitan municipalities increased.

With the mentioned Law, the Special Provincial Administrations in metropolitans are closed; the neighbourhoods and villages are converted into districts. The duties of Special Provincial Administrations regarding local services are transferred to municipalities. With this amendment, it is aimed to further strengthen the local democracy by building a more effective local administrative structuring.

Furthermore, Departments of Monitoring Investment and Coordination under the Governor will be established in the provinces which are metropolitan municipalities. The main duties of these departments are;

- To efficiently provide, monitor and coordinate the investment and services of the public institutions and organisations,
- To coordinate and conduct the emergency calls, disasters and emergency aid services,
- To provide the publicity of the province,

- To provide and coordinate the investments which the central administration will make in province when required,
- To provide the services of representation, ceremony, reward and protocol,
- To guide and inspect the public institutions and organizations in the province.

Turkey continues the alignment process with the European Charter of Local Self-Government with this new Law.

Within the scope of **anti-corruption**, the determined work is underway in order to enhance an understanding of fair, accountable, transparent and credible administration and to increase the public awareness on anti-corruption.

**Strategy and Action Plan for Improving Transparency and Strengthening the Fight against Corruption** prepared under the coordination of Prime Ministry Inspection Board was approved in 2010. The objective of this Strategy which is a follow-up of the determined reforms realised since 2002, is to develop an understanding of a more fair, accountable, transparent and credible administration by removing the factors which prevent the transparency and reinforce the corruption also by taking into account the improving and changing conditions.

The Executive Committee for Improving Transparency and Strengthening the Fight against Corruption which is responsible for the implementation of the Strategy and Action Plan consists of the representatives of the relevant ministries and NGOs.

Within the scope of this Strategy, Law on the Turkish Court of Accounts (TCA) entered into force on 19 December 2010.

Work on improving the practices regarding the clarity and transparency of the financing of political parties and election campaigns continues.

Furthermore, **the Conciliation Committee on Political Ethics** through which all political parties having groups in the TGNA are represented equally was established on 8 May 2012. With the help of this Committee, it is aimed to introduce a clear, credible and accountable understanding in the politics, to analyze political ethics in detail and to define the ethics principles.

With the **Third Judicial Reform Package**, Article 252 (Bribery) of the Turkish Penal Code was amended. Within this scope, the act of providing or obtaining personal gain in order to behave in line with the requirements of his duty was excluded from the context of the offence of misconduct and included in the context of bribery. By means of this regulation, the Recommendation of Group of States against Corruption (GRECO) following its study visit to Turkey in 19-23 October 2009 was fulfilled.



2011 Evaluation Report regarding the **Right to Access to Information** was submitted to the TGNA by the Board on the Review of Access to Information on 27 April 2012. The applications for access to information in 2011 are included in the report as the following:

**Table 1: Applications for access to information in 2011**

Total Number of Applications	1,423,636
Accepted Applications	1,244,995
Partially Accepted Applications	86,507
Rejected Applications	87,500
Applications upon which the access to information and documents are provided after confidential or secret information being removed.	4,606
Total number of the applications which are submitted to the jurisdiction following their rejection	720

Applications made within the scope of access to information are gradually increasing every year. Likewise, public institutions increasingly provide information in reply to these applications. In 2011, nearly 87.5% of the applications were positively replied.

Within the scope of training activities, the Ministry for EU Affairs provided a three-day basic training course about the EU to 124 District Governor Trainees (96<sup>th</sup> and 97<sup>th</sup> Terms) who are also the members of the Ministry of Interior.

### ***Civilian Oversight of Security Forces***

Within the scope of **Constitutional Amendment Package in 2010**, there have been significant amendments regarding the scope of duties of the military courts. Accordingly, the jurisdiction of military courts is now limited with only the military offences committed by the military persons regarding their military services and duties. Within this framework, the jurisdiction in terms of the crimes committed against the security of the state, constitutional order and the functioning of this order falls under the authority of civil courts in any cases. Furthermore, the provision stipulating that the civilians cannot be tried by the military courts except the state of war was introduced into the Constitution.

Within the framework of the Constitutional amendments, through three annulment decisions given by the Constitutional Court in 2012, the provisions regarding the jurisdiction of military courts which are contrary to the Constitution were repealed.

In accordance with the Decision of the Constitutional Court Docket No: 2011/30 and Decision No: 2012/36 published in the Official Gazette on 26 June 2012, the expression

“...military places...” in Article 9<sup>18</sup> (General Duty) of the Law No. 353 on the Establishment and Trial Procedures of Military Courts was annulled on the grounds that it is contrary to the Article 145 of the Constitution. As a result of this annulment decision, in the event that a non-military offence is committed in military places, civil courts instead of the military ones will have the jurisdiction to try the perpetrators even if they are military persons.

In accordance with the decision of the Constitutional Court Docket No: 2011/80, and Decision No: 2012/122 published in the Official Gazette on 1 December 2012, Article 12<sup>19</sup> (Offences Committed Jointly) of the Law No. 353 on the Establishment and Trial Procedures of Military Courts was annulled on the grounds that it is contrary to the Article 145 of the Constitution. With this annulment decision, the Constitutional Court, recalling the amendment to Article 145 in 2010, indicated the fact that non-military persons, except the state of war, cannot be tried by the military courts because of the offences they commit, was safeguarded by the Constitution.

In accordance with the Decision of the Constitutional Court Docket No: 2012/45 and Decision No: 2012/125 published in the Official Gazette on 1 December 2012, the Article 10(1) (c)<sup>20</sup> (Military Persons) of the Law No. 353 on the Establishment and Trial Procedures of Military Courts was annulled on the grounds that it is contrary to the Article 145 of the Constitution. With this annulment decision, civilian personnel employed in the cadres and institutions of the Ministry of National Defense or the Turkish Armed Forces can no longer be tried by military courts since they are not considered as “military persons”.

**Law on the Turkish Court of Accounts** entered into force on 19 December 2010 is considered to be a very positive step in terms of the civilian-military relations and particularly of the Court of Accounts audit on the properties of the Turkish Armed Forces. Within this scope, the TCA audits on the Ministry of National Defense and the Turkish Armed Forces continues.

<sup>18</sup> General Duty:

Article 9- Unless indicated to the contrary [elsewhere] in the law, military courts shall hear legal cases relating to military offences by military persons and the offences that they have committed against military persons or in military places, or in relation to military service and military duties.

<sup>19</sup> Offences committed jointly :

Article 12- In the event that an offence is committed jointly by persons subject to the jurisdiction of military courts and courts of justice, military courts shall have the jurisdiction to try the defendants if the offence is defined in the Military Criminal Code; otherwise, the courts of justice shall hear the legal case.

<sup>20</sup> Military Persons:

Article 10-(Amendment: 8/6/1972-1596/Article 1)

In the implementation of this Law the persons below mentioned shall be considered as military persons:

- (A) (Amendment: 29/6/2006-5530/Article 2) regulars, officers, non-commissioned officers, military students, specialized gendarmeries, specialized sergeants, contracted ranks and files, ranks and files, (2)
- (B) Reserve soldiers (during their military service),
- (C) Civilian personnel employed in the cadres and institutions of the Ministry of National Defense or Turkish Armed Forces,
- (D) Workers employed in military work places and subject to Labour Law,
- (E) Those who join the Turkish Armed Forces of their own accord,
- (F) (Abolishment: 29/6/2006-5530/Article 62).

By-Law on the Instruction of National Security Courses was repealed on 25 January 2012. **National Security Courses** which has been included in the secondary school curriculum for 33 years and given by military officers was removed from the curriculum as of the academic year 2012-2013. Some subjects included in this course will be given by the relevant branch teachers in the civics course and similar courses as of the academic year 2012-2013. This development is a significant step taken in terms of the demilitarization of the education system and the curriculum.

### ***Dialogue with Different Faith Groups***

Turkey carries out a comprehensive reform process regarding the dialogue with different faith groups within the framework of the National Programme of Turkey for the Adoption of the EU *acquis*. Particularly, with the entry into force of the new Foundations Law No. 5737 in 2008, the legislation on community foundations was updated and an approach towards solving the problems in this field was adopted. The new Foundations Law introduces significant changes for the community foundations, on the matters such as utilizing the property rights, carrying out activities abroad, receiving financial assistance abroad, benefiting from the right to change in objective and function, and being represented at the Foundations Council which is the decision-making body of the Directorate General for Foundations.

As regards promoting the respect for and protection of minorities, with the Prime Ministry Circular of 13 May 2010 it is emphasized that citizens of different faith groups are an inseparable part of Turkey and all public institutions are reminded that they should not raise any difficulties and vitiate their rights during their acts and transactions at the public institutions, as required by the Law. The Circular has been implemented meticulously in 2012 as well.

Citizens of different faith groups enjoy their identities freely in the culture of tolerance which is also embedded in Turkey's historical texture.

In February and March 2012, within the context of the works on a new Constitution, the representatives of different faith groups submitted their opinions and recommendations to the TGNA Constitution Conciliation Committee.

On 14 February 2012, the fifth of the Civil Society Dialogue Meetings was held in Istanbul under the auspices of Minister for EU Affairs and Chief Negotiator Egemen Bağış, with the participation of approximately 300 civil society organizations, foundations and associations representing the citizens of different faith groups and spiritual leaders of the communities. During the meeting, the problems faced by the citizens of different faith groups and the proposals and recommendations of civil society organizations regarding their solution were discussed, and assessments regarding Turkey's accession process were made.

On 3 March 2012, Minister of Foreign Affairs Ahmet Davutoğlu paid a courtesy visit to the spiritual leaders of different faith groups in Istanbul.

On 5 July 2012, the President of Religious Affairs, Mehmet Gómez visited Patriarch Bartholomew at Greek Orthodox Patriarchate.

**As regards property rights**, 181 properties were registered in the name of community foundations upon their application, in accordance with the Provisional Article 7 of the Foundations Law which entered into force in 2008.

On 29 November 2010, the orphanage building in Büyükkada was re-registered in the name of Greek Orthodox Patriarchate in compliance with the ruling of ECtHR.

Furthermore, on 27 August 2011, within the scope of the Provisional Article 11 of the Foundations Law, it became possible to return the properties of the community foundations which were confiscated for various reasons. A By-law on the implementation of the Provisional Article 11 entered into force on 1 October 2011.

In accordance with the Provisional Article 11, the applications by the community foundations for restitution of their properties were received until 27 August 2012. In this respect, a total of 116 community foundations made applications for 1,560 properties. As a result of the evaluation made by the Foundations Council, 111 properties were registered in the name of the community foundation, and the payment of compensation for 15 properties to the relevant foundations was approved<sup>21</sup>. The Foundations Council is gradually continuing to process the applications regarding more than 1,220 properties.

After the Foundations Law entered into force, it was allowed that 17 charity properties built as schools be converted into income generating real properties.

In addition to the Provisional Article 11, Izmir Jewish Community under the name of “Izmir Jewish Community Foundation”, Armenian Surp Haç Tıbrevank School under the name of “Armenian Surp Haç Tıbrevank School Foundation” and Beyoğlu Greek High School for Girls under the name of “Beyoğlu Greek High School for Girls Foundation” gained foundation status in accordance with the Decision of the Foundations Council affiliated to the Directorate General for Foundations.

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<sup>21</sup>For instance, Panagia Ayazma Square, a 98,072 square meters land in Anadoluhisarı in Beykoz District of Istanbul, was re-registered in the name of Kandilli Metamorphosis Christos Greek Orthodox Church Foundation. A 59,442 square meters land in Kaptanpaşa quarter in Şişli District of Istanbul was re-registered in the name of Bulgarian Exarchate Orthodox Churches Foundation. An 11,763 square meters masonry building and land in Mecidiye quarter in Beşiktaş District of Istanbul was re-registered in the name of Ortaköy Surp Astvazazin Armenian Church and Mektebi Foundation. A 800 square meters masonry school in Hacmini quarter in Beyoğlu District of Istanbul was re-registered in the name of the Foundation for the Galata Greek Elementary School. As of late 2012, it was also decided that 111 properties, including those mentioned above as well as charity cemeteries and foundations to be registered and that compensation be paid for 15 properties under the possession of third parties.

Within the framework of the legislative amendments to Foundations Law, in addition to the return of properties to the community foundations, places of worship belonging to citizens of different faith groups continued to be renovated.

By means of the Law No. 4928 which entered into force on 19 July 2003, the Law on Public Works No. 3194 was amended so as to extend the freedoms of individuals with different faiths and beliefs regarding their places of worship. In parallel with this amendment and in line with the same understanding, the expression “may undertake construction, maintenance and repair works of sanctuaries” was inserted in the Municipality Law No. 5393 on 12 December 2012 and thus, it is ruled that municipalities may undertake construction, maintenance and restoration of sanctuaries as well as health, educational and cultural facilities and buildings.

Furthermore, positive steps have also continued to be taken in favor of different faith groups in the area of education and culture. Through the fifth paragraph of Article 51 of the By-Law on Private Education Institutions affiliated to the Ministry of National Education, which entered into force following its publication in the Official Gazette on 20 March 2012, foreign students may receive education in the private education institutions considering the student quota of the institution.

General Board Decision of The Press Advertising Institution which was published on 28 February 2012 made it possible for newspapers belonging to the minorities as defined in the Lausanne Treaty to publish official advertisements upon their written application. This development is considered as a significant step towards consolidation of the economic situation of the newspapers belonging to minorities.

On 4 June 2012, a Greek publishing house started its activities for the first time after 50 years.

As regards the freedom of worship, places of worship belonging to citizens of different faith groups have continued to be renovated in addition to the return of properties to the community foundations. In October 2011, Surp Giragos Church in Diyarbakır started its service following a restoration lasting for nearly two years.

After the renovation was carried out within the framework of Istanbul 2010 European Capital of Culture programme, Surp Vortvots Vorodman Church belonging Meryem Ana (Virgin Mary) Armenian Church Foundation located in Kumkapı started its services following a ceremony held on 28 December 2011.

Within the framework of important developments in terms of promoting the environment of tolerance and mutual understanding, religious ceremonies were held in the following:

- The Historical Sumela Monastery in Maçka district of Trabzon on 15 August 2010, 15 August 2011 and 15 August 2012,
- Surp Hac Armenian Church on the Akhdamar Island of Lake Van on 19 September 2010, 11 September 2011 and 9 September 2012,
- Pazar Yeri Mosque, which used to be a church 88 years ago, in Alaçatı District of İzmir, on 28 May 2011,
- Surp Giragos Armenian Orthodox Church in Sur district of Diyarbakır on 23 October 2011.

## **Fundamental Rights and Freedoms**

### ***Freedom of Expression***

With the amendment of Article 301 to the Turkish Penal Code in 2008, filing a case under this article requires the permission of the Minister of Justice. As a result, the number of cases filed under this article has considerably decreased. In 2010, permission to file a case was given only to 10 applications out of 403, and this number further decreased to 8 in 2011.

Freedom of expression has been promoted with the Third Judicial Reform Package,<sup>22</sup> which entered into force on 5 July 2012.

With this package, it has become possible to suspend the cases and execution of penalties for offences committed through the press or other ways of expression.

Regarding the freedom of expression and the freedom of press, with the amendment of Articles 132, 133 and 134 of the Turkish Penal Code, provisions which provide for an increase of the penalty when the crime has been committed through the press or broadcasts have been repealed; in addition, the illegal disclosure of legal tapping has also been constituted as an offence.

Articles 285 and 288 of the Turkish Penal Code have been amended so as to address the criticisms that “many investigations and prosecutions are being conducted against press members due to uncertainty of the nature of offense, and this affects the freedom of press and expression in an adverse manner”, which was expressed in connection with the offences regarding violation of the confidentiality of the investigation and the attempts to influence the judiciary.

Article 285 (violation of the confidentiality) of the Turkish Penal Code, has been amended so that the penalties will no longer be increased if the offense has been committed through the press or broadcasting and provided that the restrictions on reporting on investigations and prosecutions are observed, reporting on these matters will not be considered as an offense.

Article 288 (Attempts to influence the judiciary) of the Turkish Penal Code has been amended so as to make the nature of offense more explicit. In addition, imprisonment has been replaced by a criminal fine. Thus, this offense has been designated as subject to pre-payment.

Through the addition of a provisional article to the Law No. 5187 on the Press, a number of decisions, taken by various courts on different dates regarding the

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<sup>22</sup> Law Amending Certain Laws for Effectiveness of Judicial Services and Suspension of Trials and Punishments Regarding Offences via Press.



confiscation of printed works, some of which were later eliminated have been revoked to lift the restrictions on the freedom of press and freedom of expression, in line with the provisions of the ECHR and the rulings of the ECtHR.

Furthermore, the temporary suspension of publications indicated in Article 6 (Announcement and Publication) of the Anti-Terror Law has been repealed.

With the Fourth Judicial Reform Package currently in preparation, important amendments to enhance the standards of human rights are envisaged, in particular in the area of the freedom of press and freedom of expression.

In addition to the provisions in the Judicial Reform Packages, the Ministry of Justice is also carrying out work to further strengthen the freedom of expression within the framework of “Action Plan on the Freedom of Expression”.

### ***Women’s Rights and Gender Equality***

With the 2010 Constitutional amendments, a basis for positive discrimination in favour of women was established by stating that measures to guarantee gender equality in practice could not be interpreted as being contrary to the principle of equality.

With the establishment of the Ministry of Family and Social Policies in June 2011, a number of units developing policies and providing services for the disabled, children, families, the poor and women unified under a single structure.

With a view to ensuring gender equality, work to strengthen the position of women in every aspect of their lives, allow women to equally take advantage of opportunities and take gender equality into account when developing public policies is currently being carried out.

In addition to the work carried out to ensure that women take their place in society as equal and independent individuals, work has been undertaken for the “zero tolerance” principle with respect to the relevant legislation, including the Law on the Protection of Family and Prevention of Violence against Women, and the necessary mechanisms for support have been set up to prevent domestic violence in 2012.

Turkey ratified the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence on 14 March 2012. This Convention is important as it is internationally binding and is the first established legal framework in this area. Furthermore, in addition to physical, sexual and psychological violence, the Convention also refers to forced marriages and different forms of violence and introduces sanctions for these.

Turkey was the first country to sign and ratify this Convention and has taken a leading role in its preparations.

The Law on the Protection of Family and Prevention of Violence against Women entered into force on 20 March 2012. The Law aims to eliminate all forms of violence, including physical, psychological, sexual and economic violence. Furthermore, the Law enables the police, administrative authorities and Family Courts to provide support and protection services to the victims of violence or those at the risk of violence.

Seminars were organised in sixteen provinces between April and June 2012 so as to introduce the Law on the Protection of Family and Prevention of Violence against Women. The seminars aimed at reaching the implementing units of the public institutions/organisations which provide direct service to women victims of violence in 81 provinces and ensuring the standards and the uniformity in implementation in the provision of services.

In 2012, in-service training on interviewing techniques with victims of violence and their families was provided to 442 personnel of the Ministry of Justice, consisting of psychologists, pedagogues and social services experts.

In June 2012, in-service training was provided to 62 prosecutors under the Law on the Protection of Family and Prevention of Violence against Women.

Special units specialised in women's rights and violence against women was established under the Public Prosecutor's Offices in Ankara, Sincan, Samsun, İskenderun, Tekirdağ, Gebze and Adana. Special prosecutors in charge of such trials were appointed to some provinces. Work is on-going for the preparation of a road map to broaden this system throughout the country.

National Action Plan on Combating Domestic Violence against Women (2012-2015) entered into force on 10 July 2012. The plan aims at improvement in five basic areas, including the relevant legislation, awareness raising and changing of attitudes, empowerment of women and preventive services, provision of health care and cooperation among institutions/organisations.

Women's shelters are one of the most important mechanisms in combating domestic violence against women. In Turkey, there are 111 women's shelters in total 78 of which are under the Ministry of Family and Social Policies, 31 under municipalities and 2 under NGOs. 8 women's shelters under the Ministry of Family and Social Policies were established between April and July 2012. Moreover, the number of beds in the shelters was raised to 1,418 from 1,253.

**KOZA Violence Prevention and Monitoring Centres** are being established within the scope of the Law on the Protection of Family and Prevention of Violence against Women.<sup>23</sup> Out of 14 pilot provinces,<sup>24</sup> KOZA Violence Prevention and Monitoring Centres were established in 13 provinces, and the works to establish KOZA Violence Prevention and Monitoring Centres are on-going in 1 province. By the end of 2013, works to establish KOZA Violence Prevention and Monitoring Centres in other provinces also will be completed. In addition to Women's Shelters and KOZA Violence Prevention and Monitoring Centres, there are 14 First Step Stations in 13 provinces.

With the Law on the Protection of Family and Prevention of Violence against Women, the number of rulings on protective measures for victims of violence and on preventive measures for perpetrators of violence has raised significantly in 2012.<sup>25</sup>

A call centre "Alo 183" of the Ministry of Family and Social Policies was reorganised and all call centres operating in Social Assistance and Social Services were gathered under a single structure and the number of the staff was increased. As of July 2012, the call centre receives 4,436 calls on average per day.

Operating under the Ministry of Family and Social Policies, the Directorate General on Women's Status has prepared the "National Action Plan on Gender Equality and Violence against Women (2008-2013)" to promote gender equity. Work is on-going in the areas determined by the Action Plan, including "Women's Education", "Women and Economy", "Women and Poverty", "Women and Health", "Women's Participation in Power and Decision-Making Mechanisms", "Women and Environment", "Women and Media", "Women's Human Rights", "Girls", and "Institutional Mechanisms for the Advancement of Women".

Following its establishment, the Ministry of Family and Social Policies has started to operate actively and signed protocols which aim at raising awareness of the society on women's rights and gender equality and at promoting women's participation in the social and work life.

Ministry of Family and Social Policies and Ministry of Science, Industry and Technology have signed "Cooperation Protocol on Developing Entrepreneurship Activities towards Women, Disabled Persons, Relatives of Martyrs and Veterans and Increasing Women Employment" on 10 February 2012. The Protocol determines the

<sup>23</sup> **KOZA Violence Prevention and Monitoring Centres** are important mechanisms in combating against violence, its causes, existence and results in a centralized and multidimensional way. With respect to preventing violence and effectively implementing the protective and preventive measures, women who are victims of violence or at risk of violence can apply to these centres which provide consultation, guidance and steering services, and strengthening and supportive services in the necessary issues and which operate monitoring activities on a 24/7 bases.

<sup>24</sup> The population density, the existence of women's shelters and first step stations, high number of domestic violence incidents according to the data and the adequate technical infrastructure in terms of security were taken into account in determining the pilot provinces.

<sup>25</sup> The number of protective ruling by the law enforcement bodies is 1,634, whereas it is 4,256 by judges and 502 by the administrative authorities. Number of preventive ruling by the law enforcement bodies is 2,353 whereas it is 45,588 by judges for perpetrators of violence. The total number of ruling on protective measures for victims of violence is 6,392 and the total number of ruling on preventive measures for perpetrators of violence is 47,941 throughout Turkey.

strategies to support women's entrepreneurship and aims at promoting the opening of kindergartens where women working in the organized industrial sites can enrol their children and at making the necessary regulations.

Ministry of Family and Social Policies and Ministry of Labour and Social Security have signed "Cooperation Protocol on Employment, Child Labour and Social Assistance" on 17 February 2012. The Protocol addresses issues that would have significant contributions to increase and strengthen women's participation in economic activities, such as including gender equality, women's human rights, and prevention of violence against women to ISKUR labour training courses, and improving the working and living conditions of women who are seasonal agricultural workers and enabling the women victims of violence or divorced women to have access to ISKUR.

Ministry of Family and Social Policies, Ministry of Food, Agriculture and Livestock and the Union of Turkish Agricultural Chambers have signed "Cooperation Protocol on Training of Women Farmer" on 14 May 2012. With this Protocol, it is aimed that the women who live in rural areas and who are engaged in farming will be trained about agriculture, gender equality, violence against women, individual rights and freedoms and the cooperation among the institutions will be enhanced. Work is on-going on these fields.

The "Protocol on Institutional Capacity Development, Enhancement of Cooperation and Coordination of the Services Rendered in the field of Fight against Violence towards Women" was signed between the Gendarmerie General Command of the Ministry of Interior and the Directorate General on the Status of Women of the Ministry of Family and Social Policies on 12 April 2012. With this Protocol, it is aimed that the awareness and the consciousness of the gendarmerie personnel on "gender equality" and "violence against women" will be raised.

The "Project titled Promoting Gender Equality in Working Life" was carried out by the General Directorate of Labour of the Ministry of Labour and Social Security between September 2010 and March 2012. Under this Project, the Directives on gender equality in working life and the Decisions of the Court of Justice of the European Union were reviewed and the experts and the inspectors in the Ministry of Labour and Social Security were trained about the labour legislation based on gender equality perspective.

In 2012, the "National Action Plan on Empowerment of Women in Rural Areas" was prepared for a five-year period by the Ministry of Food, Agriculture and Livestock in cooperation with the relevant public institutions and organizations, NGOs, universities and international financial institutions.

Under the framework of "Promoting Women Employment Operation", some activities were carried out to raise awareness on this issue and 1,050 people took part in these activities in April, May and June 2012.

Due to the activities to raise and promote awareness on establishing gender equality, female employment and labour participation rates have increased (*See Chapter 19-Social Policy and Employment*).

Women's participation in political life and their representation in decision-making mechanisms have significantly increased over the past years. The rate of women members of the parliament was about 4% at the end of the general elections in 2007, but this ratio increased up to 14,4% in the general elections in 2011.

The TGNA Committee on Equal Opportunity for Women and Men which was established to monitor the local and international developments on the protection and enhancement of women's rights and providing the equality of women and men, to inform the TGNA about these developments and if required to submit opinions to specialized commissions on the draft laws and proposals which was presented to the TGNA discussed 29 draft laws in 2012.

Under the campaign titled "As Daughters and Mothers, We are at School Together!" which was started to have the highest level of literacy among women, 2,5 million people participated in the literacy courses between 8 September 2008 and 1 August 2012 and 1,8 million women in total obtained certificates of literacy. It is aimed that 3 million illiterate women at least will be made literate under this project.

In conclusion, Turkey leads the international work on women's rights. It has reviewed all the legislation extensively, including the Constitution in order to ensure that the women's rights are protected by all segments of the society through a single coordination structure related to the work on this field. Based on the effective implementation of the legislation, related infrastructure and superstructure work continue rapidly through projects, protocols and various measures which will promote the women's participation in the social life.

### ***Children's rights***

With the amendments to the constitution in 2010, Article 10 of the Constitution was amended and it was indicated that the measures towards the children would not be regarded as a violation of the equality principle and the principle of "positive discrimination" for the children was based on the Constitution.

The Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse was signed by Turkey and entered into force on 1 April 2012.

The Third Optional Protocol to the UN Convention on the Rights of the Child which allows every child to file individual petitions with the Committee on the Rights of the Child was signed on 24 September 2012.

Taking into account the high interest of the child principle within the scope of the “Law No. 6291 Amending the Law on the Execution of Sentences and Security Measures and the Law on Probation, Help Centres and Protection Boards” which entered into force on 5 April 2012, convicted women who have a child in the 0-6 age group and whose conditional release will be granted in two years or less are allowed to complete their sentences outside of prisons, provided that the probation procedure is applied.

In accordance with the Law Amending the Law on the Execution of Sentences and Security Measures which aims to provide a more modern framework for the practices in prisons and to improve the conditions of the convicts and detainees and which is on the agenda of the TGNA, it will be ensured that the convicted children spend more time with their parents.

In accordance with the Prime Ministerial Circular, dated 4 April 2012, **Children’s Rights Monitoring and Evaluation Board** was established. The functions of this Board is to work on administrative and legal regulations regarding the protection, use and development of the children’s rights, to make suggestions, to evaluate the work which will be carried out to inform the public about the developments made, to give recommendations on the measures towards children’s rights, to have strategy documents and action plans prepared and to approve them, to provide cooperation and coordination on the children’s rights among the institutions.

In order to prevent the child abuse and help the abused child informed and effectively, the Prime Ministerial Circular, dated 4 October 2012, stipulates that “juvenile monitoring centres” will be established under the hospitals and institutions affiliated to the Ministry of Health and the Ministry of Health, and the Ministry of Health and the Ministry of Health will coordinate the operation of these centres. As a pilot scheme, the first juvenile monitoring centre started to render services in Ankara. It was ensured that this centre would operate within the body of hospitals and in coordination with the relevant institutions and would enable that all judiciary and medical actions were gathered in a single centre and were carried out once so that the secondary harms to juvenile victims could be prevented. The juvenile monitoring centres provide services in 9 provinces now.

Moreover, work continued to develop a national model on the pre-school education with the required quality standards and the number of the pre-school teachers was increased.

Including the legislation work on combating child labour, much progress was made to support this work.

On 17 February 2012, the Ministry of Labour and Social Security and the Ministry of Family and Social Policies signed a protocol with the purpose of preventing child labour, offering vocational training as a guide for the children who live and work on the streets but have completed the compulsory education and ensuring that they utilize from



the social services. Work was carried out especially in the agricultural sector, in which the number of the children working is much higher, so as to keep the children out of the labour market.

Protocols for implementation signed between the Ministry of Family and Social Policies and the relevant Ministries, national projects carried out by the Ministry of Labour and Social Security as well as the work on working children and their families continued intensively. (*see Chapter 19- Social Policy and Employment*).

All these developments in the field of children's rights in 2012 indicate that the children's rights are one of the biggest priorities of Turkey and a structural transformation regarding the children services is aimed.

### ***The Socially Vulnerable Persons and/or Persons with Disabilities***

Regarding **the persons with disabilities**, with the 2010 Constitutional amendments, Article 10 of the Constitution was amended and it was indicated that the measures towards the persons with disabilities would not be regarded as a violation of the equality principle and the principle of "positive discrimination" was based on the Constitution.

Accessibility Action Plan and Strategy Paper which entered into force on 12 November 2010 were finalized on 31 January 2012.

"The Directorate General of Services for Disabled People and the Elderly" which was established under at the Ministry of Family and Social Policies in July 2011 started to operate.

Support Program for the Disabled Persons which aims to contribute to the prevention of the disabilities by triggering the local dynamics and to raise awareness regarding the persons without disabilities started to be applied as a pilot scheme in 11 provinces of the Middle and Eastern Black Sea Region.

Work continued to improve, diversify and expand the services for the socially vulnerable and/or persons with disabilities. Considering the care services for the persons with disabilities, the number of the centres which provided services and the persons with disabilities who utilized from these services increased in 2012 (*see Chapter 19- Social Policy and Employment*).

The aims are that the persons with disabilities have full access to the services being private or public with respect to the discriminative practices against the socially vulnerable and/or persons with disabilities, and in addition, full compliance with the EU *acquis* with respect to the equal treatment in the workplace and in their professions.



Within this respect, work continued with determination to make the cities, public buildings, public places and public transport vehicles suitable for the disabled and to provide training and jobs for the disabled in 2012.

Efforts to employ the persons with disabilities are continuing. A protocol has been signed between Ministry of Science, Industry and Technology and Ministry of Family and Social Policies on 10 February 2012 in order to develop initiatives for the disabled, the women, the families of the martyrs and the veterans.<sup>26</sup>

The vocational consultancy services provided by İŞKUR have been extended so as to include the persons with disabilities; “the disabled module” has been added to the training module of the Job and Vocation Consultants. Works started to provide the whole job and vocation consultants with this training. Ministry of Family and Social Policies and İŞKUR, within the framework of legislation for the support of sheltered workplaces, constituted joint arrangement frameworks.

The number of disabled persons who are employed by İŞKUR has increased substantially. (*see Social Policies and Employment Chapter*)

Within the framework of the work carried out with a view to achieving the best progress in the area of democracy, freedoms, human rights and the rule of law, the problems of the **Roma citizens** have been addressed in addition to the steps taken regarding the socially vulnerable.

The work is continuing in order to enable the Roma citizens with access to education, employment and health services and to find a solution to their problems regarding housing conditions.

Regarding the Roma citizens, for the first time on 10 December 2009, in İstanbul, a workshop was organized by Faruk Çelik, Minister of State responsible for the Roma Initiative. This workshop is accepted as a first regarding finding a solution to the problems of the Roma citizens.

In addition to this, on 15-16 December 2010, a TAIEX seminar on “Roma citizens in Turkey” was organized by the Ministry for EU Affairs in collaboration with the European Commission. In the seminar in which total 220 representatives from the related public institutions, universities, non-governmental organizations, the Turkish representatives of the international organizations participated in, the basic problems of the Roma citizens and their expectations were addressed. Contributions were made towards raising awareness about the problems of the Roma citizens.

<sup>26</sup>The Ministry of Family and Social Policies and the Ministry of Science, Industry and Technology signed a protocol to train the disabled and their relatives about entrepreneurship so that they may start their own business and be a part of the production sector, to provide counselling services on starting their own business, to make them take advantage of KOSGEB Entrepreneurship Support Programs and to promote the sustainability thorough a monitoring mechanism after the establishment of their work places. Under this Protocol, the Project titled “An Entrepreneur is Resolute” which aims to strengthen the disabled both economically and socially by ensuring that they are a part of the labour market was put into practise.

On the other hand, with a view to finding solutions to the educational problems of the children of seasonal agricultural migrant families and Roma families who are considered to be disadvantaged, “Access to Quality Education of the Children under Risk: Roma Children and Training Workshop” was held between 18-19 February 2011 under the coordination of UNICEF and Ministry of National Education.

Within the framework of the work of Directorate General for Primary Education, Ministry of National Education aiming at access to education and its monitoring, with a view to finding out solutions to the problems confronted by the Roma children in their schools and to define strategies in order to enable them to further benefit from the quality education opportunities and provide their access to the education and provide its sustainability, Roma Children and Education Action Plan Preparatory Meeting was held on 10-11 August 2011 with the participation of the representatives of the public institutions.

Within the framework of TAIEX mechanism, a workshop on the “Integration of Roma Citizens into the Turkish Labour Market” was organized on 15-16 September 2011 in order to discuss the things that could be done to enable the Roma citizens to further integrate to the labour market.

Works have continued with determination since October 2011 in order to find solutions to the problems of the Roma citizens, to raise awareness regarding the problems of the Roma citizens and to create an atmosphere of dialog between the public institutions and non-governmental organizations.

Works have been carried out to prepare strategies and action plans in order to determine the problems of the Roma citizens and to develop policies for these problems. Within this framework, under the scope of the works carried out by the Ministry of Family and Social Policies which is responsible for the coordination of this task, steps have been taken for the preparation of a national action plan and strategy.

In addition to this, within the framework of the Project “Development of the Dialogue between Public Institutions and Non-Governmental Organizations for the Roma Citizens” the coordination between the public institutions and non-governmental organizations has been developed.

Within the framework of the Fourth Component of The Instrument for Pre-accession Assistance (IPA), works have been carried out with a view to increasing the social inclusion in the areas where the Roma citizens are mostly populated.

On 16 April 2012, under the scope the new constitution works, various non-governmental organizations of which the Roma citizens are members, presented their views and proposals regarding the new constitution to TGNA Constitution Reconciliation Committee.

### ***Fight against Discrimination***

Works related to fight against discrimination are continuing with determination. With the principle of the equal protection of law referred to in the Article 10 of the Constitution which was rearranged by 2010 Constitutional Amendments, the effective implementation of discrimination issues and the prevention of the unjust treatment caused by discrimination are secured.

Draft Law on Anti-Discrimination and Equality Board prepared by the Ministry of Interior with the participation of all related stakeholders, with a view to fighting against all kinds of discrimination, is a concrete example of the works in this field.

Following the enactment of this draft Law, which was prepared by taking into consideration the relevant EU directives, the EU *acquis* regarding discrimination based on race or ethnic origin, religion or belief, disabilities and age will be transposed into domestic law and thus, an important step will be taken in terms of fulfilling the obligations arising from the various international conventions of the Council of Europe and the United Nations.

In addition to this, with a view to sharing the EU legislation and implementations in the area of fight against discrimination and the works on institutionalization in Turkey and also to increase the existing awareness in this field, a TAIEX Political Criteria Seminar titled “Anti-Discrimination and Equality Board” was organized in Ankara on 13-14 November 2012 under the coordination of Ministry for EU Affairs and the European Commission.

Within the scope of the mentioned seminar, workshops were organized on the issues fight against discrimination in the EU legislation and the implementations in Turkey, main problems in the area of fight against discrimination, the structure of the board of equality, the functioning of the mechanisms of the solution of the disputes, prevention of the discrimination towards the disadvantaged groups and the role of the non-governmental organizations in the fight against discrimination. The views were exchanged regarding the Draft Law on Fight against Discrimination and Equality which already exists in the Prime Ministry.

### ***Cultural Rights***

Related to the languages and dialects traditionally used by the Turkish citizens in their daily lives, the reforms that were realized in the past continued to be carried out.

In addition to this, obstacles regarding the use of a language other than Turkish during the visits made to the convicts and detainees were lifted.

In addition to this, it became possible to carry out election campaigns in both written and oral forms in a language other than Turkish.

Draft Law Amending the Law on the Execution of Sentences and Security Measures is on the agenda of TGNA. With this Draft Law, a defence by using another language, with which the defendants would state themselves better, is foreseen.

Through the 12-year education system which has been rearranged as 4+4+4, the students, upon their request, have started to take the course “Living Languages and Dialects” beginning from the fifth class.

Furthermore, academic research on different languages and dialects used by the Turkish citizens may be undertaken, elective courses may be opened and departments/institutes may be set up with the amendments to the relevant legislation.

Within this framework, Kurdish Language and Literature Department was established in Mardin Artuklu University, in 2011. In the academic year 2011-2012, the students started their studies in this department.

In order to train teachers for the Kurdish language, Department of Kurdish Language and Literature in the Institute for Living Languages in Mardin Artuklu University was established. In the mentioned department, 250 post graduate students are studying in the 2012-2013 academic year. The students, who will be graduated from this programme, are foreseen to be appointed as teachers of Kurdish language.

Post graduate programme has started as of 2012-2013 academic year in the Department of Kurdish Language and Literature in Muş Alparslan University which has been functioning since 2010. For the time being, 50 students are studying in this department to which more than 300 students applied.

In the Department of East Languages and Literatures in Tunceli University, Department of Zaza Language and Literature was established.

### ***Trade Union Rights***

Law on Trade Unions and Collective Agreements and the Law Amending the Law on Trade Unions of Civil Servants have entered into force with a view to reflecting the amendments made to the trade union rights in the Constitution to the related laws. These laws bear the quality of a reform because of the changes it introduces regarding the extension of the trade union rights.

**Law No. 6356 on Trade Unions and Collective Agreements**, Law No. 2821 on Trade Unions, and Law No. 2822 on Collective Agreements, Strikes and Lockout which were adopted on 18 October 2012, were repealed and thus, the arrangement of the functioning of the labour and employer unions and confederations and the determination

of the issues related to collective bargaining were aimed. The mentioned Law rules the following: the determination of the establishment principles, organs, incomes, inspection principles of the labour and employer unions and confederations; issues regarding membership, guarantees and activities regarding trade union activities, collective bargaining, general principles regarding strikes and lockouts. (*see Social Policies and Employment Chapter*)

Within the framework of 2010 Constitutional Amendments, **Law Amending the Law No. 4688 on Trade Unions of Civil Servants** entered into force on 11 April 2012. Within the mentioned Law, the use of collective bargaining accorded to the public officials and other civil servants, the scope of the collective bargaining and issues related to those who will benefit from the collective bargaining were arranged. In addition to this, arrangements such as the reflection of the provisions of the collective bargaining to the retired persons and the organization of the Civil Servants Arbitration Committee and the determination of working procedures and principles of this committee were also introduced by this Law. (*see Social Policies and Employment Chapter*)

## 2. Economic Criteria

In examining the economic developments in Turkey, the Commission's approach was guided by the conclusions of the European Council in Copenhagen in June 1993, which stated that membership of the Union requires the existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union.

### 2.1 The existence of a functioning market economy

#### *Macroeconomic stability*

Despite the current global uncertainties, the Turkish economy continued to perform quite well also throughout 2012. The resolute implementation of the highly credible Medium-Term Plans (MTP) and of the Pre-Accession Economic Programme (PEP) significantly contributed to such outcome. The primary goal of the Turkish economic policy is to achieve potential growth rate, further reduce the current account deficit, reduce inflation, improve public finance and thereby strengthen the macroeconomic and financial stability.

Policies envisaged in the Pre-Accession Economic Programme and the Medium-Term Plan (2013-2015) aim seek to maintain a strong fiscal framework, a financial stability environment and a sound banking system and continue to foster balanced growth driven by the private sector. Monitoring closely the developments in the global economy and our potential foreign trade markets, and preserving the basic framework of

the aforesaid main planning documents, cyclical policies are implemented swiftly and resolutely.

Highly effective coordination was provided during the crisis through such bodies as the Economy Coordination Board, the Higher Planning Council and the Economic and Social Council for and among the entities in charge of various aspects of the economy, marking a successful case of crisis management that could serve as an example for many countries. The alignment in respect of basic components of the economic policy was maintained even in the time of crisis.

### ***Growth and employment***

The Turkish economy significantly diverged from EU countries in terms of the sustainability of budget deficit and public debt in addition to its high growth performance and increase in employment realised in 2010 and 2011. The Turkish economy, with increased resilience on the account of strong financial and banking sector outlook, rapidly moved away from adverse effects of the global crisis and got on a course of strong growth as a result of the timely formulated and resolutely implemented policies.

Macroeconomic and structural policies implemented in Turkey were effective in strengthening and setting the national economy on the upward course. With a growth rate of 8.5% in 2011, Turkey was among the top growth performers in the world, and became the 6<sup>th</sup> largest economy in Europe. The growth in 2011 was basically driven by private consumption and fixed investments. The upward move in domestic demand brought along high increases in added value particularly in manufacturing, trade and transport sectors.

Within the basic goal of sustainable growth, economic activities tended to slow down particularly since the last quarter of the year as a result of measures taken against global uncertainties and the increase in the current account deficit. The said slowdown continued in the first half of 2012. The slowing domestic demand had limited impact on growth due to the increased contribution of net exports of goods and services to growth in the last year.

However, the increase in industrial production and credit growth paced up in mid-2012 after two weak quarters. Exports increased by 13%, imports decreased by 3% and the trade deficit went down to 55.4 billion USD by a fall of 20 billion USD as of the end of October 2012 compared with the same period of the previous year. The export to import ratio reached to 70.8%. For the end of 2012, it is expected that net exports of goods and services will contribute less to growth, and domestic demand will relatively recover. The growth rate is projected to be 4% in 2013, and reach 5% levels in 2014-15.

While high unemployment and worsening employment are major problems in the world, the employment growth strongly continued in Turkey due to effective policies and high growth performance of the economy. Turkey has been one of the successful



countries which have decreased the unemployment rate fast since the beginning of 2009.

Further, for the first time, the unemployment rate in Turkey fell below the OECD average in May 2012. Turkish labour market reform and practices are now exemplified as good practices in the World Bank and ILO reports. Taking the reduction of unemployment as a core priority, major steps and measures resolutely taken by the government including five legislative regulations known as “employment packages” designed to protect and foster employment in Turkey.

Such legislative regulations introduced an incentive for social premium relief reducing the employers’ share of social security premiums by 5 percentage points. The government reimburses the employers’ share of social security premiums progressively for 5 years for men aged 18 to 19 and women of 18 years or above. Additional employment is encouraged by reimbursing the share of social security premiums of employers who have provided additional employment. The amount of unemployment allowances was also increased.

The unemployment rate which went up to 14.9% in April 2009 receded to 8.8% in August 2012 owing to high growth and measures taken to tackle unemployment. The current level of unemployment is below the pre-crisis rates. The strong economic growth resulted in significant increase in employment and notable decrease in unemployment. Moreover, such decrease was achieved at a period when the participation in labour force expanded by 2.4%. In parallel with the decrease in unemployment, the employment rate went up to 46.3% as of the end of August 2012. In the last year, the total employment increased by 483,000 persons. The increase in non-agricultural employment was 623,000 persons. Thereby, the total employment increased by 4 million people since April 2009. In addition to such positive data, Turkey’s potential for future is encouraging. . Turkey has a young dynamic population with, more than half below age 30. Such human capital potential of an EU-member Turkey will have major importance for enhancing the global competitiveness of the Union. In addition to having a young dynamic population, Turkey also embraces the possibility of having a highly qualified labour force. On a scale 7 points in terms of accessing qualified labour force, Turkey scores 5.7 leading many EU countries such as Czech Republic, Poland and Romania.<sup>27</sup>

Tough still below the EU average, the labour force participation rate is increasing; and gender wise, while at the labour force participation rate for men, 71.9% being higher than the EU average (71, 2%), it is far behind for women. However, labour force participation rate for women took an upward turn in 2012 rising to 30.1%. And the women employment rate went up to 26.8% as of the end of August 2012.

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<sup>27</sup> Republic of Turkey. Ministry of Economy, (2012), “Economic Outlook Report” November 2012, [http://www.ekonomi.gov.tr/files/Ekonomik\\_Gorunum.ppt](http://www.ekonomi.gov.tr/files/Ekonomik_Gorunum.ppt)



***Inflation and Monetary Policy***

The main objective of the monetary policy is to establish and maintain price stability. As a supporting objective, the financial stability is also continued to be preserved. Turkey successfully implemented its combination of monetary and fiscal policies during the crisis and has been extremely successful in preventing possible imbalances. As indicated in the Pre-Accession Economic Programme, the objective is to reduce the inflation rate in alignment with Maastricht Criteria. The path to the objective is envisaged to ensure gradual progress to price stability considering the structural transformation, convergence with developed countries and pricing habits persisting from the former hyperinflationary period.

The Central Bank of Turkey (CBT) designed a new monetary policy stance from the end of 2010 which also considered macro-financial risks. In this context, the general framework of inflation targeting was revised and the financial stability was adopted as a supporting objective and additional policy instruments were developed accordingly. The policies targeted to balance the macro-financial risks without compromising the price stability in the medium-term. To this end, the foreign currency rate moved more harmoniously with economic bases while the credit growth was taken under control. The recent good performance of the Turkish economy indicates that the policies implemented mostly achieved the intended objectives. While the growth composition becomes sounder, the balancing process in the economy has become markedly visible.

CBT formulates the policies for financial stability that it has been implementing since November 2010 basically with a view to slowing down the rapid boom of the private sector's liabilities and improving the quality of such liabilities. In this context, it is important that the anticipated decrease in the current account deficit and stable improvement in the financing of the current account deficit be closely monitored.

In a period when developed countries introduced quantitative stimulus packages, CBT aimed on one hand to restrict short term capital flows and prevent excessive appreciation of exchange rates, and focused on the other hand on ensuring more controlled growth of domestic credit and demand, and balancing the domestic and foreign demand. Persistent high uncertainties in the global economy and a high volatility in risk appetite have called for flexible monetary policy approach. The interest rate corridor being implemented serves to alleviate the adverse impact of the fluctuations in capital flows on exchange rates and on the economy as a whole. In this context, CBT employs the interest rate corridor as an active policy instrument in the face of uncertainties in the global outlook and capital flows.

The notable depreciation of Turkish Lira in 2001 as well as the increases in USD import prices accelerated the increases in basic goods prices. Further, the downward impact of the total demand on inflation receded significantly compared to the previous two years which was instrumental in pushing to 8.1% the annual change in I index named as core inflation at the end of 2011. Last year the food prices had a fluctuating course, rising notably in the last quarter. The change in energy prices remained high throughout the

year in parallel with the increase in oil prices. The rapid increase in the price of gold, the price adjustments to electricity and natural gas and the SCT arrangements on tobacco products moved up the consumer price index (CPI) by about 2 percentage points. Thus, the rise in CPI as of 2011 was 10.5%, 4 points up from the previous year.

The cumulative CPI increase was 3.3% in the January-September period of 2012, 1.2 percentage points down year-on-year, owing to a slowdown in domestic demand, decrease in the prices of non-oil commodities and unprocessed food products. The annual inflation rate remained high in 2012 due to the base effect caused by the high increase in CPI in the last quarter of 2011, however, receded to 6.37% as of November mostly owing to the prices of unprocessed food. Due to developments related to costs and demand, headline inflation indices remained in downward trend whereas service prices kept its moderate levels.

CBT extended the interest rate corridor upwards by increasing the overnight lending rate in October to prevent the marked increase in inflation in 2011 from disrupting the pricing behaviour. Further, CBT imposed additional money tightening at certain intervals due by mid-2012 due to volatility in risk appetite and risks of upward mobility of inflation. Within the framework of flexible monetary policy, CBT notably increased the average cost of funding to allow it to remain above the policy rate. Such stance prevented the mid-term expectations from deteriorating when supply side adverse effects were clear and the inflation climbed to double digits. From mid-2012 onwards, the monetary policy has gradually become more supportive.

In an economic outlook with increased global risks, inflation concerns and high current account deficit, the monetary policy, implemented by CBT, has been very successful and effective particularly in its role in restricting credit growth and thereby reducing the current account deficit. Both facts that the global risk appetite turned on a recovery trend and that the data disclosed on the composition of current account and growth signalled the strengthening of the balancing process in the economy positively affected the risk perceptions in Turkey. On the other hand, the downward effect of domestic demand on inflation became visible. As a result of all such developments, CBT increased the liquidity injection into the market from mid-June that gradually reduced the average cost of funding.

CBT gradually narrowed the interest rate corridor by reducing the overnight lending rate in September, October and November considering the partial improvement of risk perception in the global finance markets and the moderate course of increase in credits from September. Depending on the liquidity policy implemented by CBT, a notable decrease was observed in the short and long term interest rates in the second half of 2012. Consequently, the yield curve shifted downwards for all terms, but its slope was upward compared to the same period of the previous report. CBT set the policy rate at 5.50% in December deciding on a moderate contribution to financial stability. Long term interest rates receded due to the decrease in the risk premium. As a result, market

interest rates shifted downwards for all terms compared to the second quarter, but the yield curve had an upward slope.

Another significant development in the financial stability part of the monetary policy in the third quarter of 2012 was the steps taken by CBT regarding Reserve Option Mechanism (ROM). Allowing the banks to hold a part of their TL reserves in foreign currency and gold, ROM is a new instrument devised basically to augment the resilience of the economy against external financial shocks. This system is predicted to reduce disparities between the demand and supply of foreign currency depending on the changes in capital flows. The aim is to operate the mechanism primarily as an automatic stabilizer once its build-up process is completed.

In light of all these developments, considering the lack of stability in the global scale, particularly in the EU, it can be said that CBT has implemented an extremely successful monetary policy within the context of basic goals and overall objectives and policies of the economy.

### ***Balance of Payments***

The current account deficit, which was the result of overheating in economy and emphasised as the basic vulnerability of the Turkish economy, receded to 1,960 million USD in October 2012 by a 56.5% decrease year-on-year with successful resolute measures and policies employed by the government. The current account deficit was 41,095 million USD in the January-October and decreased by 36.7%.

The 12-month cumulative current account deficit which amounted to 76,986 USD receded to 53,114 USD as of the end of October. The goal of government policies on this issue is to reduce the current account deficit to a sustainable level and fund it through direct investments and long term resources to the extent possible.

This trend is expected to continue and the current account deficit will decrease more by the end of the year. Thus, it is expected that the current account deficit to GDP will be lower than 7% at the end of 2012 compared to 9.9% in 2011.

The data made available particularly recently indicate that policies implemented achieved their objectives to a large extent. The growth composition assumes a healthier outlook where the equilibrium process in economy becomes markedly visible as the improvement in the current account deficit continues and net exports contribute more significantly to growth.

Despite the persisting global crisis and the adverse effect of decreasing Euro/Dollar parity, the noteworthy rise in 2012 exports has been a serious success. Exports amounted to 126.2 billion USD as of the end of October 2012, and the net exports were the most fundamental driver of the economic growth. It is expected to reach the MTP target value of 149.5 billion USD by exports by the end of the year. The most important reason for the increase in exports was the success in compensating for the loss in

European markets since 2009 by entry into other countries and markets of the world and in diversifying the markets and products. Turkey, as the rising and strengthening star in its region that becomes a centre of stability and attraction, notes significant feats in expanding its market share particularly in Africa and the Middle-East while such regions continue to experience economic and social upheaval.

The decrease in the current account deficit was realized first and foremost by keeping the domestic demand under control and the increase in net exports through holistic measures. In addition to short term factors, measures were taken that would reduce the trade deficit, increase domestic saving and improve financing quality in order to reduce the current account deficit to a permanently sustainable level in the medium to long term.

In this context, the individual pension schemes and life insurance were made attractive to increase domestic savings, and a new legislation was passed to foster insurance against natural disasters. Also the new Turkish Commercial Code which would contribute significantly to companies increasing their savings and inflows of foreign direct investments, and the strategy for combat against informal economy was introduced. Firms were encouraged to utilise equity instead of borrowing, new regulations were passed to support participation and venture capital funds; the new Capital Markets Law entered into force upon publication in the Official Gazette of 30 December 2012. The foreign dependency in inputs of the fast growing high technology industries emerges as another driver of the increase in the current account deficit. Work continues resolutely to increase the share of renewable energy resources in energy supply and utilize nuclear power plants in order to further reduce the current account deficit and foreign dependency in energy.

### ***Public Finances***

The sound and resolute economic and fiscal policies implemented particularly after the crises of 1999 and 2001 in the Turkish economy led to extremely successful results particularly in the public finances, and the Turkish public finances remained strong even in the gravest times of the global crisis.

The fiscal policy is conducted in an approach that would help sustain public balances and increase funds available to the private sector in the medium term to support the growth process, maintain macroeconomic stability and combat current account deficit. In addition, legislative efforts are continued to increase transparency, accountability and efficiency in order to structurally strengthen the fiscal administration system.

Turkey performed far better than many EU and Euro-zone countries in compliance with Maastricht Criteria even in the gravest times of the global crisis. The budget deficit to GDP was lower in 2011 than the originally projected figure by 1.8 percentage points. Of this positive performance, 0.6 percentage points was owed to revenues, 0.7 to interest costs and 0.5 to non-interest expenditures. The revenue performance was driven by the

strong recovery in economy, the increase in employment and the restructuring of certain public receivables.

In nominal terms, the interest expenses occurred at a level lower than the programmed, and the non-interest expenditures were higher than the programmed level. The general government revenues to GDP are expected to be 37%, some 0.6 percentage points more than the previous year. It is also anticipated that interest expenses will be about the same as 2011, and the non-interest expenditures will rise to 1.7 percentage points on the previous year due particularly to the increase in current expenditures and transfers. On the other hand, the public surplus to GDP, excepting the interest expenses and privatisation proceeds, is anticipated to remain at the programmed level of 1.7%.

### ***Interaction of Market Forces***

As a result of the economic reforms, regulatory and supervisory agencies are in place and operating effectively in all major sectors. In the natural gas and electricity sectors, automatic price indexing mechanisms are employed where final user prices are associated with the cost-based method.

Despite the adverse effects of the global economic conditions, privatisation of the state undertakings continues. The Medium-Term Plan lays down the objectives of full privatization of electricity distribution and sugar production; and lowers the public share in electricity generation, telecommunications, operations of ports, motorways and bridges. As of the end- November 2012, the privatisation revenues amounted to 3 billion USD, doubling from the end of 2011. The total privatisation revenues since Privatisation Administration was founded in 1985 exceeded 46 billion USD as of 30 November 2012.

There are 22 entities still in the scope and programme of privatisation. The public share in 11 of these entities is more than 50%. In addition, there are 513 properties, 51 facilities, 2 ports, 8 motorways, 2 Bosphorus bridges and games of chance in the privatisation portfolio.

The total privatisation receipts amount to 9.7 billion USD for the privatisation files currently at approval/contracting stage which include eight electricity distribution companies (Araxes, Lake Van, Bosphorus, Thrace, Tigris, Istanbul Anatolian Side, Taurus and Mediterranean), some river plants, TCDD Iskenderun Port, Turkish Sugar Factories (Portfolio B and C) and Doğusan A.Ş. and Acıpayam Selüloz A.Ş. in which the public has ownership share. The privatisation tenders were completed for Malatya, Erzincan, Elazığ and Elbistan Sugar Factories included in Portfolio B of the Turkish Sugar Factories Inc., and Kastamonu, Kırşehir, Turhal, Yozgat, Çorum and Çarşamba Sugar Factories included in Portfolio C.

In 2012 privatisation process of major electricity generation plants, motorways, bridges and many ports continued. The sale of 11% of equity of PETKİM was completed (168 million USD). The privatisation of 24% of Halkbank equity was completed through

public offering (2.5 billion USD). The privatisation process of thermal power plants of TEDAŞ and EÜAŞ started in 2012 and continued with the tender process. The privatisation of electricity distribution and generation assets will continue in the coming years considering the pricing that emerges in the market and other sectoral priorities. The Draft Law on Energy Market was put up for endorsement in the Council of Ministers in September 2012 which aimed improvements in favour of investors in electricity privatisation.

Bids were received in the tender for privatisation through transfer of operating rights of various motorways and bridges in the charge of the General Directorate of Highways. Further, the process continues for full privatisation of the shares of Başkent Doğalgaz Dağıtım A.Ş. [Ankara Natural Gas Distribution]. A tender was launched to privatise the shares of the Administration in the Doğusan Boru Sanayii and Ticaret A.Ş. A tender was launched to privatise the 9.9993% share in the Kayseri Sugar Factory.

It is anticipated that the electricity distribution regions of TEDAŞ still owned by the public will be privatised in the first half of 2013. Work will focus on the completion of privatisation of Turkish Telecom, the remaining shares of Halkbank, and Turkish Airlines.

### ***Market Entry and Exit***

Turkey where business start-ups once were a major obstacle for investors, is now far ahead of the OECD average of 13 days with its average of 6 days for business start-up. According to the doing business research by the World Bank, Turkey made significant progress in “business start-ups” and the “ease of doing business” in 2012. Notarisation charges were removed for the articles of association and other document relating to business start-up and the cost of start-up was reduced. For tax payments, the social security contribution by companies was reduced by 5%. Two Turkish best practices were included in the global best practices for ease of doing business. The first is allowing the taxpayer to make own statement which facilitates tax payments, and the second is the use of electronic data exchange that facilitates international trade.

On the other hand, according to the report published by Transparency International, Turkey, demonstrating a great progress, moved up to the 54<sup>th</sup> rank in the corruption perception index as an indicator of how experts and business people perceive corruption in their country, and scored better than many EU countries.

### ***Legal System***

It is the fundamental policy of Turkey to provide more fair, faster, more effective, safe and efficient legal services within the framework of the principles of rule of law and supremacy of law, continue to enhance service quality in the operation and basic components of the judiciary, use the rules of law as tools to preserve, improve and



enhance the economic and social order. A well-functioning legal system is in place including the ownership rights.

The Turkish Commercial Code was renewed in light of the emergence of new international positive law and legal regimes, progress of multilateral international trade and electronic trade, developments in liability law and the need for alignment with the EU *acquis* and other new laws that have a bearing on the Commercial Code. The renewed Turkish Commercial Code will enter into force on 1 January 2013 following the completion of secondary legislation and other preparations.

The new Turkish Code of Obligations was entered put into force on 1 July 2012 which was prepared by taking into account the new developments in law of obligations, particularly contract law, and the present day social and economic conditions. The Code aims to upgrade the legal infrastructure to harmonise with the existing ways of doing business, thus make the Code of Obligations responsive to the contemporary social, industrial, economic and technical developments. It is further aimed to enhance the harmony between the two Codes to improve the investment climate.

### ***Developments in Finance Sector***

While the world is exploring ways out of the financial crisis, Turkey is named an example to the world by its stable financial system thanks to the successes of the regulatory and supervision authorities. The monetary, fiscal and financial policies implemented by developed countries on the occasion of the global financial crisis resulted in the likelihood of financial instability even in the developing countries which have open economies and sound macroeconomic bases. With the flexible monetary policy being implemented since the end of 2010 as well as the appropriate measures by BRSA and the maintenance of fiscal discipline, fairly positive results have been obtained in respect of both price stability and financial stability. In an environment where the problems of banking system in Europe raise the necessity of restructuring, the Turkish banking sector enjoys profitability, and the capital adequacy ratio in the sector was 16% as of August 2012, well above the Basel II criterion. While many EU banks failed in the stress tests, the strong balance sheets, capital adequacy and high profitability of Turkish banks were impressive. The share of non-performing loans in total gross loans was 3.7% in 2010, and receded to 2.7% as of the end of 2011. The capital adequacy was 19% in 2010, receded to 16.5% in September 2012.

The Turkish finance sector acquired dynamism by means of comprehensive reforms realized prior to the global crisis and maintained its strong outlook. In 2011, the finance sector excluding the capital markets and the central bank continued its good performance and the total financial assets increased by almost 20%. The risk indicators for the finance sector continued to be solid. The banking sector which had 90% of shares in the total assets of the finance sector as of September 2012 maintained its dominant position in the sector. The value of assets of the banking sector amounted to about 94% of GDP. In 2011, the share of state-owned banks in total banking sector



assets was 30.3%, receded to 29.8% in September 2012; and that of the domestic private banks was 53.5% and of the foreign private banks was 16.7%. Largely in tandem with the growth performance, credit expansion slowed down gradually, from about 40% year-on-year in mid-2011, to 14% as of September 2012. The banking sector loan stock and deposits' stock amounted to about 54% of GDP as of September 2012. The loans to deposits' ratio increased gradually from 85.2% in 2010 to 102.4% in the third quarter of 2012.

Since the fundamental sub regulations for the banking sector was completed to a large extent in earlier years, the regulations in 2011 were mostly complementary to what was laid down earlier. The regulations passed in 2011 generally involved amendments to the regulations on corporate management of banks, internal systems, reserve practices, accounting rules, interest rate risk assessment in line with necessities. Within the framework of the National Programme and Harmonisation with the EU *acquis* Programme, Basel II regulations were implemented as of 1 July 2012. Basel II regulations include issues relating to capital adequacy, equity, internal systems, financial statements disclosed to the public and other explanation and footnotes, and authorisation and operation of rating organisations.

BRSA regularly applies stress tests in the banking sector. Stress tests measure the impact of changes in risk factors such as credit risk, interest rate risk and exchange rate risk on the banking sector. Scenario analyses are conducted using the econometric models developed in BRSA which predict the likely impact of macroeconomic variables through risk factors on the banking sector. Stress test analyses based on macroeconomic scenarios include various economic and financial variables such as economic activity, consumer prices, interest rate and exchange rate. The results of stress tests are publicized quarterly by BRSA. Changes in the reserve rates and restructuring of loans aim to mitigate the economic impact of the global crisis, and changes were made in the exceptions to the preparation of consolidated financial statements of banks to comply with the Turkish Accounting Standards (TAS). Further, changes were made to the format of financial statements of banks to ensure financial reporting in alignment with international accounting standards recently issued.

On the other hand, the work was completed on the regulation concerning the measurement and assessment of interest rate risk arising from transactions of banks other than trading in order to harmonise with Directive 2006/48/EC. The Regulation on Measurement and Assessment by Shock Method the Interest Rate Risk Arising from Banking Accounts was made mandatory from 1 July 2012.

The finance sector maintained its dynamic and strong outlook thanks to the comprehensive reforms realised earlier. A Financial Stability Committee was established under the chairmanship of the Deputy Prime Minister in charge of Economy and with the participation of the Undersecretariat of Treasury, CMB, BRSA, SDIF and CBT to monitor and manage systemic risks and formulate necessary policy measures. The Committee met eleven times since its establishment in June 2011. A Systemic Risk

Assessment Group was established by a protocol signed on 30 October 2012 between the Undersecretariat of Treasury, CMB, BRSA, SDIF and CBT under the coordination of BRSA to provide technical assistance to the works of the Financial Stability Committee and enhance the cooperation and coordination on systemic risk between the relevant entities. The Systemic Risk Assessment Group is envisaged to meet quarterly. The total value of major debt instruments in the bond market corresponds to 31% of GDP. The value of private sector debt instruments was 3.8% of the whole bond market in 2011; went up significantly to 6.4% at mid-2012. Regulations will be prepared in 2012-2014 to classify financial services within the framework of the EU *acquis* and allow flexibility to financial intermediaries to respond to client needs. New regulations will be issued to allow new products such as real estate investment fund and venture capital investment fund, and activate the housing financing market. It is aimed to complete the National Strategy and Action Plan for Training document to expand the investor base to help foster capital markets, and establish the Capital Markets Board Communications Centre for investors.

Significant developments occurred in the insurance and private pension markets in 2011, and the improvements continued for the quality of services provided to the public.

Sustaining the financial stability in Turkey is one of the basic goals of the economic policy. Further, in line with the objective of making Istanbul an international finance centre; and the diversification and deepening of financial transactions and enhancing the international competitiveness of the sector are addressed as priorities.

## **2.2 The Capacity to Cope with Competitive Pressure and Market Forces within the Union**

### ***The Existence of a Functioning Market Economy***

The strong growth performance of Turkey despite significant global fluctuations confirms the improvement in the basic components of the economy and increased resilience against shocks.

### ***Human and Physical Capital***

The Education Reform Programme, as one of the key elements of the Ninth Development Plan (2007-2013) is coming to an end. It sets two key priorities for education modernization and reform: namely increasing the responsiveness of education to demand and enhancing the quality of education system. The Medium-Term Plan (2013-2015) puts forward that the workforce will be raised with qualifications as required by the market; the National Qualifications Framework will be created, the education and training curricula will be updated according to the national occupational standards; activities will be continued to develop active labour market policies and education will be a priority for government expenditures.

The ratio education expenditures to GDP, which stood at 3.1% in 2011, is estimated to be 4% in 2012. Recent reforms in education and the increase in education expenditures positively influence the access to education and school enrolment rates. The ratio of university graduate in the population aged 15 or above increased from 9.2% in 2010 to 10.8% in 2011. During the same period, the net school enrolment rate in secondary schooling went up to 69% from 65%, and the net school enrolment rate in primary schooling also went up.

As from the academic year 2012-2013, the compulsory education has been extended from 8 years to 12 years. The ratio of illiterate population of age 15 and above was 7% in 2010, but receded to 5.7% in 2011. Further, the resources earmarked for active labour market policies increased considerably. The government decided to set aside 1.5 billion TL on average annually for active labour market policies, and it is aimed that 400,000 unemployed persons will benefit from such programmes from 2013 onwards.

In order to effectively implement active labour market policies, the activities for capacity building at İŞKUR and the cooperation with the private sector and relevant professional organisations are on-going. Further, the Project on Specialised Vocational Training Centres was launched to give vocational training and to recruit 200,000 unemployed persons for each year for a total of 1 million during five years within the project under the cooperation of public-private sectors and universities.

The Medium-Term Plan (2013-2015) designates health as one of the priority areas for public expenditures. While the ratio of public health expenditures to GDP was 3.2% in 2001, it is estimated to rise to 4.3% in 2012. The student quotas were extended by 80% in medical schools and 60.5% in nursing and paramedic schools in the period of 2008-2011 to reduce shortage of physicians and other medical personnel. The current inventory of 120,000 physicians is expected to rise to 130,000 in 2015, and that of 163,000 nurses and midwives to reach 238,000 in 2015.

The private sector investment rose from %15 of GDP in 2010 to 18.1% in 2011, consequently the overall investment to GDP rose from 18.9% in 2010 to 21.9% in 2011. The foreign direct investment was 9 billion USD in 2010, went up to 15.9 billion USD in 2011, and realized at 8.3 billion USD in January-October 2012. The amount of public R&D expenditures was 319 million TL in 2003, and went up to 1,770 million TL in 2012 by an increase of 455%. The ratio of R&D expenditures to GDP which stood at 0.84% in 2010 is aimed to rise to 2% in 2013. An incentive program will be granted to augment private sector R&D activities and R&D incentives provided to SMEs will be extended and improved.

### ***Sector and Business Structure***

The agriculture sector which grew by 2.4% in 2010 grew by 5.6% in 2011, while services sector grew by 8.6 and 8.9% respectively. The economic growth supported the creation of new jobs and the employment rose by 6.2% in 2010, and by 6.7% in 2011. The public sector employment which stood at 24,110 persons in the third quarter of

2011 was 25,884 in the third quarter of 2012. The unemployment rate which stood at 9.8% in 2011 receded to 8.8% in August 2012. Further, GDP contribution of agriculture and manufacturing industries in 2011 went up to 8% and 26% respectively.

The liberalization steps in the Turkish electricity sector, started in the early 2000s, have now arrived at a critical stage. Privatisation will continue to be a major agenda item in the energy sector in 2012 and 2013. In the upcoming period, necessary measures will be taken to increase the share of local and renewable resources in power generation, and the share of natural gas and imported coal will be reduced in power generation. The Strategy Paper prepared by the Ministry of Energy and Natural Resources aims that the nuclear generation will have at least 5%, renewable resources at least 30% in the overall power generation by 2020. The Draft Law on Energy Market was put up for endorsement in the Council of Ministers in September 2012 which aimed improvements in favour of investors in electricity privatisation.

Further measures were taken to increase competition in the telecommunication market. The wholesale line rental that started in February 2012 increased competition particularly in broadband and fixed line telephony markets, and the liberalisation in the network industries continued.

The Turkish health sector grew nearly fourfold in the last decade as a result of the policies implemented by the Ministry of Health, creating a significant “market”. The increase in health expenditures by the Social Security Institution and the increase in the amounts appropriated for health in the public budget were determining factors.

The first part was completed in 2009 of the Health Transformation Project being implemented along with the World Bank under the Health Transformation Programme that aims to reorganise agencies in charge of providing health services, and immediately afterwards, the Health Transformation and Social Security Reform Project was launched to be executed from mid-2009 through 2013 with a budget of 81.1 million USD.

Within the framework of the Health Transformation Programme, the public hospitals will be gradually privatised in respect of administration and finances to improve service quality and efficiency. Further, the Turkish Anti-Obesity Programme (2010-2014) was prepared and implemented under the coordination of the Ministry of Health to fight the rising obesity in our country to mitigate the risks that cause chronic diseases. Prevention and Control Programme for Cardiovascular Diseases was prepared by the Ministry of Health and implemented in 2011.

### ***State Influence on Competitiveness***

In parallel with the arrangement in the Decree-Law No. 661, the implementing by-laws relating to the Law on Monitoring and Supervising State Aid will enter into force no later than the end of June 2013. A new incentives package was announced at the beginning of April and implemented in June replacing the stimulus package introduced in 2009.

The new incentives package lays down the principles for encouraging regional and large scale investments and strategic investments that involve high R&D content and will boost international competitiveness, increasing foreign direct investments, reducing regional development disparities, and for investments for clustering and environmental protection, and supporting R&D activities. State Aid Monitoring and Supervision Board will draw up a comprehensive inventory of state aids and ensure that all state aid practices will be harmonised with the EU *acquis* within the framework of procedures and schedule laid down in the Law No. 6015. Inter-institutional cooperation and coordination will be strengthened by creating monitoring and assessment systems for state aids.

### ***Economic Integration with the EU***

On account of economic relations and interdependence, an economically strong European Union is extremely important for Turkey. No matter what course the politically-blocked negotiations may take, Turkey will continue to be an important economic partner and a centre of attraction for Europe with which the economic integration is already highly advanced. The EU is the main trade partner of Turkey.

Turkey is a market where free market rules operate well. The openness of the Turkish economy, as measured by the total value of exports of goods and services as a percentage of GDP, amounted to about 48.1% of GDP in 2010, and rose to 56.2% in 2011. Between 2010 and 2011, the EU share of Turkey's exports remained stable at 46%, The share of EU in Turkey's total imports was 38.9% in 2010 and receded to 37.8% in 2011. The data on the first half of 2012 indicate that the said share continues to decrease due to low demand in the EU.

The total stock value of direct investments in Turkey reached 171 billion USD as of October 2012. Considering the foreign direct investments by origin countries, the EU countries' share accounts for 80% of all foreign direct investments in Turkey. Such a high rate is another indication of how important the EU process is in respect of foreign investments (as of 2011, foreign investment of EU origin stood at 108.7 billion USD).

The economic and trade integration potential of Turkey with the EU was clearly emphasized in the declaration "The EU and Turkey: Stronger Together" by Foreign Ministers of 16 EU countries in June. The declaration clearly indicates that in these tough economic times; increasing trade with Turkey offers opportunities for EU businesses, with a GDP growth rate of 8.5% last year; the second fastest growing country in the G20 after China, Turkey is now the EU's fifth largest export market. It further states that Turkish entrepreneurs in Europe run businesses of significant size and in sectors like aviation, automobiles and electronics, our economies are increasingly integrated.

### 3. Capacity to Assume Obligations of Membership

#### Chapter 1: Free Movement of Goods

Free Movement of Goods is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

Turkey's alignment with the EU *acquis* within the scope of this chapter is an obligation arising from Decision No 1/95 of the Turkey-EU Association Council on the application of the final stage of the Customs Union and the alignment of Turkish legislation in this field with the EU *acquis* is already at a very advanced level. This is also confirmed by EU institutions.

#### Alignment with the Acquis

The work for the amendment and update of the Framework Law No. 4703 on Preparation and Implementation of Technical Legislation on Products is being carried out by observing the amendment work currently carried out by the EU with regard to the General Product Safety legislation.

Within the scope of the work for alignment with the legislation carried out since the last quarter of 2011 to date, a wide range of secondary legislation has been published particularly in the fields of Motor Vehicles, Chemical Fertilizers, Energy Labelling of Products, Medicinal Products for Human Use, Measuring Instruments and Cosmetic Products, etc.

- By-law amending the By-law (93/14/EEC) on Type Approval Requirements for the Braking of Two- and Three-Wheel Motor Vehicles (Official Gazette No. 28117 of 19 November 2011 )
- By-law amending the By-law (2000/25/EC) on Type Approval Requirements for Actions to Be Taken Against the Emission of Gaseous and Particulate Pollutants by Engines Intended to Power Agricultural or Forestry Tractors (Official Gazette No. 28117 of 19 November 2011 )
- By-law amending the By-law ((EC)715/2007) on Type Approval Requirements of Motor Vehicles with respect to Emissions from Light Passenger and Commercial Vehicles (Euro 5 and Euro 6) and on Access to Vehicle Repair and Maintenance Information (Official Gazette No. 28164 of 5 January 2012 )



- By-law (661/2009/EC) Concerning Type Approval Requirements for the General Safety of Motor Vehicles, Their Trailers and Systems, Components and Separate Technical Units Intended therefor (Official Gazette No. 28184 of 25 January 2012)
- Communiqué (SGM-2012/3) concerning Amendment to the Communiqué (SGM-2009/22) on Implementation Principles and Procedures concerning Type Approval Requirements of Motor Vehicles with regard to Access to Repair and Maintenance Data of Vehicles and Emissions from Light Passenger and Commercial Vehicles (Euro 5 and Euro 6) (Official Gazette No. 28184 of 25 January 2012 )
- By-law amending the By-law (72/245/EEC) on Type Approval Requirements of Electromagnetic Compatibility (Radio Interference) of Motor Vehicles (Official Gazette No. 28366 of 27 July 2012)
- By-law (EU 1005/2010) on Type Approval Requirements for Motor Vehicle Towing Devices (Official Gazette No. 28370 of 31 July 2012)
- By-law (EU 1009/2010) on Type Approval Requirements for Wheel Guards of Certain Motor Vehicles (Official Gazette No. 28370 of 31 July 2012 )
- By-law (EU 19/2011) on Type Approval Requirements for Manufacturer's Statutory Plate and Vehicle Identification Number of Motor Vehicles and Their Trailers (Official Gazette No. 28370 of 31 July 2012 )
- By-law (EU 1008/2010) on Type Approval Requirements for Windscreen Wiper and Washer Systems of Motor Vehicles (Official Gazette No. 28374 of 4 August 2012 )
- By-law (EU 458/2011) on Type Approval Requirements for Installation of Tires of Motor Vehicles and Their Trailers (Official Gazette No. 28388 of 18 August 2012) and By-law (EU 1003/2010) on Type Approval Requirements for Space for Mounting and Fixing of Rear Registration Plates of Motor Vehicles and Their Trailers (Official Gazette No. 28384 of 14 August 2012 )
- By-law amending the Regulation (2006/40/EC) on Type Approval Requirements for Emissions from Air-Conditioning Systems in Motor Vehicles (Official Gazette No. 28484 of 1 December 2012 )
- By-law (EU 672/2010) on Type Approval Requirements for Windscreen Defrosting and Demisting Systems of Certain Motor Vehicles (Official Gazette No. 28484 of 1 December 2012)



- By-law (EU 109/2011) on Type Approval Requirements for Spray Suppressions Systems for Certain Classes of Motor Vehicles (Official Gazette No.28484 of 1 December 2012 )
- By-law (EU 130/2012) on Type Approval Requirements for Vehicle Access and Manoeuvrability of Motor Vehicles (Official Gazette No. 28484 of 1 December 2012 )
- By-law (EU 65/2012) on Type Approval Requirements for Gear Shift Indicators of Motor Vehicles (Official Gazette No. 28484 of 1 December 2012)
- By-law amending the By-law (76/763/EC) on Type Approval Requirements of Passenger Seats for Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012)
- By-law amending the By-law (80/720/EEC) on Type Approval Requirements of the Operating Space, Access to the Driving Position and the Doors and Windows of Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law amending the By-law (86/297/EEC) on Type Approval Requirements of Power Take-Offs of Wheeled Agricultural and Forestry Tractors and Their Protection (Official Gazette No. 28504 of 21 December 2012)
- By-law amending the By-law (86/298/EEC) on Type Approval Requirements of Rear-Mounted Roll-Over Protection Structures of Narrow-Track Wheeled Agricultural and Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law amending the By-law (86/415/EEC) on Type Approval Requirements of the Installation, Location, Operation and Identification of the Controls of Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law amending the By-law (87/402/EEC) on Type Approval Requirements of Roll-Over Protection Structures Mounted in front of the Driver's Seat on Narrow-Track Wheeled Agricultural and Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law amending the By-law (2002/24/EC) on Type Approval Requirements of Two or Three-Wheel Motor Vehicles (Official Gazette No. 28504 of 21 December 2012)
- By-law amending the By-law (2003/37/EC) on Type Approval Requirements of Agricultural or Forestry Tractors, Their Trailers and Interchangeable Towed

Machinery, together with Their Systems, Components and Separate Technical Units (Official Gazette No. 28504 of 21 December 2012)

- By-law amending the By-law (2007/46/EC) on Type Approval Requirements of Motor Vehicles and Their Trailers (Official Gazette No. 28504 of 21 December 2012)
- By-law (2008/2/EC) on Type Approval Requirements of the field of Vision and Windscreen Wipers for Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012)
- By-law (2009/57/EC) on Type Approval Requirements of the Roll-Over Protection Structures of Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/58/EC) on Type Approval Requirements of the Coupling Device and the Reverse of Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/59/EC) on Type Approval Requirements of the Rear-View Mirrors for Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/60/EC) on Type Approval Requirements of the Maximum Design Speed of and Load Platforms for Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/61/EC) on Type Approval Requirements of the Installation of Lighting and Light-Signalling Devices on Wheeled Agricultural and Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/62/EC) on Type Approval Requirements of the Space for Mounting the Rear Registration Plate of Two or Three-Wheel Motor Vehicles (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/63/EC) on Type Approval Requirements of the Certain Parts and Characteristics of Wheeled Agricultural or Forestry Tractors (Official Gazette of 21 No. 28504 of December 2012 )
- By-law (2009/64/EC) on Type Approval Requirements of the Electromagnetic Compatibility of Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/66/EC) on Type Approval Requirements of Steering Equipment of Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )

- By-law (2009/67/EC) on Type Approval Requirements of the Installation of Lighting and Light-Signalling Devices on Two or Three-Wheel Motor Vehicles (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/68/EC) on Component Type-Approval of Lighting and Light-Signalling Devices on Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012)
- By-law (2009/75/EC) on Type Approval Requirements of the Roll-Over Protection Structures of Wheeled Agricultural or Forestry Tractors (Static Testing) (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/76/EC) on Type Approval Requirements of the Driver-Perceived Noise Level of Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/78/EC) on Type Approval Requirements of the Stands for Two-Wheel Motor Vehicles (Official Gazette No. 28504 of 21 December 2012)
- By-law (2009/79/EC) on Type Approval Requirements of the Passenger Handholds on Two-Wheel Motor Vehicles (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/80/EC) on Type Approval Requirements of the Identification of Controls, Tell-Tales and Indicators for Two or Three-Wheel Motor Vehicles (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/139/EC) on Type Approval Requirements of Statutory Markings for Two- or Three-Wheel Motor Vehicles (Official Gazette No. 28504 of 21 December 2012 )
- By-law (2009/144/EC) on Type Approval Requirements of Certain Components and Characteristics of Wheeled Agricultural or Forestry Tractors (Official Gazette No. 28504 of 21 December 2012 )
- By-law on Veterinary Medicinal Products (Official Gazette No. 28152 of 24 December 2012 )
- By-law on Non-Medicinal Veterinary Products (Official Gazette No. 28145 of 17 December 2012 )
- By-law on Amendments to be made on Veterinary Medicinal Products (Official Gazette No. 28152 of 24 December 2012)
- By-law amending the Regulation on Chemical Fertilizers Used for Agricultural Purposes (Official Gazette No. 28228 of 9 March 2012)

- By-law amending the Regulation on Control of Chemical Fertilizers (Official Gazette No. 28228 of 9 March 2012 )
- Communiqué (SGM-2012/4) on Energy Labelling of Household Cooling Appliances (Official Gazette No. 28331 of 22 June 2012)
- Communiqué (SGM-2012/5) on Energy Labelling of Household Dishwashers (Official Gazette No. 28331 of 22 June 2012 )
- Communiqué (SGM-2012/6) on Energy Labelling of Household Washing Machines (Official Gazette No. 28331 of 22 June 2012 )
- Communiqué (SGM-2012/7) on Energy Labelling of Television Sets (Official Gazette No. 28331 of 22 June 2012 )
- Communiqué amending the Communiqué (SGM-2011/7) on Environment-Friendly Design Requirements regarding Electricity Consumptions of Household and Office Type Electrical and Electronic Appliances on Standby and Off Mode (Official Gazette No. 28389 of 22 August 2012)
- By-law amending the By-law on Inspection of Measures and Measurement Instruments (Official Gazette No. 28483 of 30 November 2012)
- By-law amending the Regulation on Advertising of Medicinal Products for Human Use (Official Gazette No. 28441 of 14 October 2012 )
- By-law amending the Regulation on Cosmetics (Official Gazette No. 28388 of 18 August 2012 )
- Resolution amending the Resolution No. 2011/2368 on Pricing of Pharmaceuticals for Human Use (Official Gazette No. 28108-bis of 10 November 2011 )
- By-law amending the By-law on Packaging and Labelling of Medicinal Products for Human Use (Official Gazette No. 28159 of 31 December 2011 )
- By-law amending the By-law on Advertising of Medical Products for Human Use (Official Gazette No. 28427 of 30 September 2012 )
- Communiqué amending the Communiqué on Pricing of Pharmaceuticals for Human Use (Official Gazette No. 28264 of 14 April 2012 )

Significant progress can be reported in the area of standardization. Law No. 132 of 18 November 1960 on Establishment of Turkish Standards Institute was amended within the scope of the “Decree-Law No. 662 amending the Decree-Law on Organisation and

Duties of the Ministry of Family and Social Policies and Certain Laws and Decree-Laws” published in the Official Gazette No. 28103 and of 2 November 2011.

Following this legislative amendment, Turkish Standards Institute (TSE) fully participated in the European system as the full member of European Standardization Committee (CEN) and European Electro-technical Standardization Committee (CENELEC) as from 1 January 2012. The references to mandatory standards were removed by the legislative amendment and publication of standards was subjected to the law on intellectual property rights.

With the legislative package published in 2008 by the European Union, and called as the New Legislative Framework, the EU introduced various amendments to the common rules regarding accreditation, market surveillance and marketing of products.

Following these amendments in the EU legislation, it has become necessary to revise our national legislation which entered into force in 2002 and aimed at the alignment with the EU legislation. For this purpose, “By-Law on CE Marking” and “By-Law on Conformity Assessment Bodies and Notified Bodies” entered into force following its publication in the Official Gazette No. 28213 of 23 February 2012.

The “Communiqué on Identification of Safety Risks for Consumer Products” drawn up by the Ministry of Customs and Trade was published in the Official Gazette No. 28270 of 20 April 2012 . With the Communiqué which will enter into force in January 2013, focus will be placed on the market surveillance of risky consumer products within the the non-harmonised area in the next period.

Moreover, the “Regulation on Market Surveillance of the Ministry of Customs and Trade” was published in the Official Gazette No. 28358 of 19 July 2012 and the “Regulation on Market Surveillance of the Ministry of Science, Industry and Technology” was published in the Official Gazette No. 28429 of 2 October 2012.

One of the most important steps taken in terms of alignment with the *acquis* was the publication of the “Law No. 6337 amending the Law No. 4457 on Establishment and Tasks of Turkish Accreditation Agency” in Official Gazette No. 28344 and dated 5 July 2012 . The main purpose of the amendments made in the law is to realize the regulations which will remove the criticisms of the European Cooperation for Accreditation (EA). The amendments enabled the Agency to be independent from relevant parties, make its decisions impartially and not to seek profit.

With the new Law, the structure of Turkish Accreditation Agency (TURKAK) which had been criticized as from 2008 was harmonised with the EU requirements.

The main amendments to the Law on Establishment and Tasks of Turkish Accreditation Agency are summarized below:

- The General Assembly was turned into Advisory Board. The Advisory Board,

whose duty is to make recommendations regarding main policies and strategies, was given a structure which consists of 90 people in total equally representing the private sector and public sector. The provision regarding the appointment of members of the Board of Directors among the members of the Advisory Board was introduced.

- The new Board of Directors is assigned such duties as determining main policies and strategies, approving work program and budget and determining prices of the services to be provided by the Agency. It is ensured that the Board of Directors consist of seven members in total with three members representing each of public and private sector groups appointed among the members of the Advisory Board and the Secretary-General.
- It is provided that the members of the Board of Directors shall not have an administrative and financial relationship with a conformity assessment body, and representatives of institutions and organizations connected, related or associated with a conformity assessment body shall not be included in the Board of Directors.
- It is provided that the only body having a direct role in accreditation activities shall be the Secretary-General, the Advisory Board shall not have any role in accreditation decisions, the Board of Directors shall not have the opportunity to intervene in accreditation decisions but only the authority to approve the principles and procedures regarding decisions on accreditation, and the decision making processes is clarified.
- The new regulation clarifies that TURKAK has a non-profit legal personality. Donations and aids, which used to be included in the revenues of the Agency, are excluded from the revenues of the Agency so as to ensure that the Agency shall not work for profit. The principle was adopted that a communiqué to be issued at the beginning of every financial year shall determine the amount of 1% share collected from the accreditation-related turnovers of companies as the charge for accreditation.

The “By-Law on Mutual Recognition in Non-Harmonised Area”, which is an important step to meet one of the the benchmarks for the opening of the chapter was published in the Official Gazette No. 28332 of 23 June 2012. The free movement of goods between Turkey and EU will reach a more advanced level with the said legislation which will enter into force on 1 January 2013.

The European Commission and Turkey carried out joint work in order to create a mechanism for updating Annex 2 of Decision No 2/97 of the Association Council determining the list of technical legislation of EU for removing technical obstacles to trade and the conditions and rules for implementation of this legislation by Turkey. As a result of the work, a draft Decision of Association Council was agreed. Although



Turkey's official approval on the draft and request on initiating acceptance of the Decision of Association Council was communicated to the Commission in September 2011, the process in the EU has not been completed yet.

### **Administrative Capacity Building**

Turkey has taken steps to further develop the existing administrative capacity particularly in such fields as market surveillance, conformity assessment and accreditation.

With regard to the field of product safety, "Turkey's National Market Surveillance Program for 2012" covering sectoral market surveillance programs of market surveillance institutions in Turkey was prepared and communicated to the European Commission in February 2012.

"2011 Market Surveillance Report" was published by the Ministry of Economy in July 2012. The said report sets out that the efficiency of market surveillance activities continues to improve.

"National Market Surveillance Strategy Document" was updated for 2012-2014 and approved in the first meeting of Market Surveillance, and Product Safety Assessment Board, held on 4 July 2012.

The new document, which is one of the opening benchmarks for the Free Movement of Goods Chapter and was also communicated to the European Commission, aims the revision and improvement of legal framework, enhancement of administrative and technical infrastructure, enhancement of implementation, improvement of international cooperation and communication with stakeholders.

At the beginning of 2012, the Ministry of Science, Industry and Technology drew up the "Market Surveillance Implementation Guide" covering principles and procedures for market surveillance, action plans and priorities of the Ministry. This guide seeks to render the practice of inspectors uniform and enable them to carry out inspections with identical principles.

With the publication of the "Decree-Law on Establishment and Tasks of the Ministry of Health and its Affiliated Entities" (Official Gazette No. 28103-bis of 2 November 2011 ), the Turkish Medical Devices and Pharmaceuticals Agency was established and National Program commitment was fulfilled. The "Guide of Safety Assessment in Cosmetic Products", prepared for the manufacturers supplying cosmetic products to the market and the personnel in charge of inspecting them, was drawn up by the Turkish Medical Devices and Pharmaceuticals Agency on 26 June 2012.



In order to share practices and experiences of EU member states in this field, Turkish market surveillance institutions continued to participate as observers in various projects coordinated by the Product Safety Enforcement Forum of Europe (PROSAFE).

Technical work was completed for the “National Market Surveillance Database” maintained by the Ministry of Economy and “National Accident-Injury Database” maintained by the Ministry of Health. These databases are currently at the pilot stage. In order to put the National Accident-Injury Database into practice in 15 hospitals across the country, the Turkish Public Health Agency, provided training to 56 personnel working in emergency services of these hospitals in June 2012. Besides, the Turkish Public Health Agency has continued to participate as an observer in the meetings of the Joint Action on Monitoring Injuries in Europe Project (JAMIE Project).

The Ministry of Science, Industry and Technology provided technical and legal training to 329 candidate inspectors in 2012 in order to carry out market surveillance activities effectively.

In July 2012, 250 inspector positions were created for market surveillance activities carried out by the Turkish Medical Devices and Pharmaceuticals Agency. The draft "By-law on the Appointment, Training, Duty, Working Principles and Procedures for Product Inspectors of the Ministry of Health" was drawn up and work on this issue is on-going.

The Risk Based Trade Control System (TAREKS) was established in order to carry out the product safety controls in importation based on risk and on electronic environment as in EU, and the controls of products within the scope of Product Safety and Control Communiqués No. 8, 10, 11, 14, 15, 16 and 30 are currently being carried out over TAREKS. As of 15 February 2013, the scope of the controls made over TAREKS will be expanded to the products included in the scope of the Communiqué No. 2012/1 and to the products included in the scope of 9 by-laws included in the Annex of the Communiqué No. 2012/9.

In addition, work to incorporate the practice of direct authorisation of the products declared to have A.TR certificate through TAREKS in the Communiqué No. 2012/1 as of July 2013 so as to cover the products originated from the EU and third countries is on-going. On the other hand, while products originating from the EU and having A.TR certificate are not subject to control within the scope of the Communiqué No. 2012/9 currently, it is aimed to directly allow importation of the products originating from third countries and having A.TR certificate, through TAREKS as of July 2013. In this context, the products declared to have A.TR certificate may be the subject of importation controls only if they are considered risky.

In the field of conformity assessment, the number of notified bodies of our country is 26 as of the end of 2012. Existing notified bodies operate in such areas as personal protective equipment, lifts, hot water boilers, gas burning devices, construction

materials, simple pressure vessels, pressure equipment, low voltage devices, medical devices, in-vitro diagnostic medical devices, non-automatic weighing instruments, recreational craft, machinery and equipment intended for use in potentially explosive atmospheres.

In 2012, Turkey published the Law No. 6337 which rendered TURKAK more effective and impartial in terms of administrative capacity. TURKAK which started to serve in 2001 and signed mutual recognition agreements with the European Cooperation for Accreditation in all accreditation areas as of 2008 is the full member of the European Cooperation for Accreditation (EA), the International Accreditation Forum (IAF) and the International Laboratory Accreditation Cooperation (ILAC).

With the Presidential Memorandum, TURKAK is identified as the related organization of the Ministry for EU Affairs, which has no conformity assessment body within its entity, as from 10 April 2012.

The first meeting of the newly formed Advisory Board of TURKAK was held in Ankara on 27 July 2012 and the second meeting was held in Konya on 11 December 2012. Members of the Board of Directors of TURKAK took up office in August 2012.

With the Law No. 6337 the number of personnel cadre of TURKAK was raised to 198, 153 of which are expert positions, the aim of enabling the Agency, which operates in almost all sectors in a wide range from food to industry, from agriculture to services, to conform with the accreditation practices developing in line with the requirements of the era.

Capacity enhancing measures are continued to be taken in order to accredit new activity subjects brought to the agenda in parallel with the development and growth in the world economy. Within this regard, works are sustained on new accreditation fields such as Good Laboratory Practices, Halal Food, GLOBALGAP, and Regulation of the Release of Greenhouse Gases.

One of the most important subjects within the scope of the working program of TURKAK was determined as halal food. Since there is no accreditation activity internationally accepted in the field of accreditation of halal certification activities, TURKAK attributed a special importance on this issue and assumed a leading role by the Islamic countries. In order to create an internationally accepted accreditation mechanism, in the first meeting of the Accreditation Committee established in April 2012 within the body of the Standards and Metrology Institute for the Islamic Countries (SMIIC) to which accreditation organizations of the member states of the Organisation of Islamic Cooperation may become members, TURKAK was elected as the president of this committee. TURKAK aims to meet the expectations on this issue by concluding these works rapidly.

In the next period, it is aimed to make TURKAK an organization which is more active particularly in international platforms and produces more scientific knowledge. Besides, sector based interactive meetings will be organised to bring relevant stakeholders together and the service quality provided by TURKAK will be raised to levels that will enable Turkey to achieve its international goals.

Turkey further enhanced its administrative capacity through 7 projects included in the Free Movement of Goods chapter in 2012. These projects, which were under 2007-2010 programming and had a budget over 20 million Euros, supported our country's already strong quality infrastructure. The projects in this field are regarded as successful examples by independent experts.

Mentioned projects are summarized below:

- 1- *Project on Establishment of Accredited Calibration Laboratory* aims at increasing quality and effectiveness of services provided by Turkish Public Health Agency in compliance with 17025 quality standards. The budget of the ongoing project is 1.130.000 Euros.
- 2- *Project on Establishment of A Market Surveillance Support Laboratory for Personal Protective Equipment* aims at providing equipment and capacity for the laboratories in order to carry out test services concerning market surveillance to ensure that products complying with the Personal Protective Equipment Directive are placed in the market. The budget of the ongoing project is 1.200.000 Euros.
- 3- *Project on Support to the Strengthening of Quality Infrastructure in Turkey* provided technical know-how on accreditation, standardization, conformity assessment and metrology/calibration issues and activities were carried out for increasing quality infrastructure and capacities of TURKAK, TSE, UME, Conformity Assessment Bodies, Universities, Small and Medium Sized Enterprises and Consumer Unions with regard to their roles and responsibilities in correct implementation of market surveillance. The project, which had a budget of 5,555,000 Euros, was completed successfully.
- 4- Within the scope of the *Improving Chemical and Ionizing Radiation Metrology Project*, activities were carried out for increasing institutional capacities of TUBITAK – National Metrology Institute and Turkish Atomic Energy Authority, improving human resources by providing information transfer, establishing necessary networks with European organisations and increasing the level of awareness regarding TUBITAK UME and TAEK among these organisations. The budget of the successfully completed project was 3,930,000 Euros.

- 5- *Supply of Chemical Metrology Equipment to TUBITAK-UME Project* aims at improving institutional capacity of TUBITAK-UME in a way to assist Turkish laboratories making environment and food analyses in order to produce comparable and traceable measurement results. It is expected to support TUBITAK-UME in terms of equipment for reference material production certified by the project, to train experts and to initiate new expertise test programs by the use of new certified reference materials specific to Turkey intended for laboratories. The budget of the ongoing project is 3,000,000 Euros.
- 6- With the *Quality Control Tests for Human Vaccines and Sera Project*, accreditation preparations are made for the application to be made for appointing Turkish Medical Devices and Pharmaceuticals Agency Control and Research Laboratory as the EU Official Medicines Control Laboratory (OMCL). The budget of the ongoing project is 3,587,200 Euros.
- 7- Within the scope of the *Strengthened Market Surveillance System for Information and Communication Technologies Sector Project*, a twinning project will be made with a similar organization working in the field of information and communication technologies and engaging in Telecom market surveillance and supervision activities. Furthermore, equipment will be purchased and training will be provided in order to develop specifications and platform regarding the market surveillance information system of the sector. The budget of the ongoing project is 2,850,000 Euros.

## Chapter 2: Freedom of Movement for Workers

### Alignment with the *Acquis*

In the draft screening report prepared by the European Commission, which has not been communicated to us officially yet, it is stated that Turkey has a high level of alignment with the EU *acquis* within the scope of this chapter.

### Administrative Capacity Building

General Directorate of Turkish Employment Agency (ISKUR) continued revising its database and website in a way to include all national employment opportunities and to operate in compliance with the infrastructure of “European Employment Services” (EURES), and training and improving the staff and the parties in charge.

Under the Turkey-EU Financial Cooperation Program, TR0702.22-Project on “Capacity Building of the Social Security Institution”, which is within the scope of the coordination of social security systems, was completed in November 2011. The project mainly aimed at increasing administrative and institutional capacity of the Social Security Institution with regard to the alignment with EU social security *acquis*. In the project where Social Security Institution was the main beneficiary, the Ministry of

Labour and Social Security, ISKUR and trade unions were also included as stakeholders.

The project mainly consisted of training and awareness raising components. Within the scope of the training component, reports were prepared on “Harmonisation of Turkish Legislation with the EU *acquis*”, “Orientations Within the Scope of European Union Social Security *acquis*” and “System of Non-Contributory Payments in EU Countries”. Furthermore, workshops were organised on “Occupational Pension”, “Equality in Social Security” and “Social Security and Flexicurity”.

Three conferences and several study visits to various EU Member States were realized within the scope of awareness raising component of the project. Further produced were a Social Security Glossary and handbook and a website containing project outputs.

Dissemination works by distributing project outputs to relevant public institutions, universities and social parties are ongoing.

### **Chapter 3: Right of Establishment and Freedom to Provide Services**

#### **Alignment with the *Acquis***

Right of Establishment and Freedom to Provide Services is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

The only technical benchmark for opening the chapter is to prepare a detailed strategy covering all steps necessary for institutional capacity building and legislative alignment. The Ministry for EU Affairs prepared a comprehensive technical assistance project by considering demands and needs of all relevant stakeholders in order to carry out the work with a view to fulfil this opening benchmark on a sound basis. The tendering process of the mentioned project has been initiated and its implementation is aimed to start in 2013 and to be completed in the next 2 years.

Through this project, the Ministry for EU Affairs will make legislative screening and gap analyses within the scope of the alignment with the EU *acquis* both on the right of establishment and freedom to provide services and on the mutual recognition of professional qualifications. The Ministry provides for preparing action plans and draft legislation with regard to the legislative alignment in light of the findings to be obtained in this context.

The documents to be obtained at the end of the project will provide significant contribution to the preparation of the strategy which is the opening benchmark for the Chapter. Particularly, “Framework Law on Services” and the “Law on the Mutual

Recognition of Professional Qualifications” which are planned to be drafted by utilizing project outputs will be significant steps for achieving the full alignment with the EU acquis in these areas. The chapter is one of the areas to be addressed within the scope of the “Positive Agenda” established between Turkey and the EU. The first working group meeting is envisaged to be held in 2013 following the inception of the technical assistance project and upon its first outputs being generated.

Vocational Qualifications Authority (VQA) signed cooperation protocols with 18 organisations from 13 sectors in 2012 within the scope of preparing professional qualifications which can be considered as the first step of the National Qualification System. 135 National Occupational Standards were published in the Official Gazette in 2012.

Out of 729 occupational standards which were planned to be prepared following the cooperation protocols signed by VQA, 360 were implemented upon their publication in the Official Gazette.

153 National Qualifications, 103 of which was approved in 2012, were approved and put into effect by the VQA Board of Directors.

The Authority continues to implement the EU funded “TR070213-Project on Strengthening Vocational Qualification Authority and the National Qualifications System in Turkey” which intends to strengthen its institutional structure and the National Qualifications System. The project continues to contribute to the capacity development of the relevant institutions and organisations in the field of mutual recognition of professional qualifications.

Legal obstacles to the employment of foreign doctors and nurses in private health institutions in Turkey were removed through the “By-Law on the Procedure and Principles of Foreign Healthcare Professionals Working at Private Healthcare Providers in Turkey” published in the Official Gazette No. 28212 of 22 February 2012, in line with the Decree-Law No 663 on the Organization and Duties of the Ministry of Health and its Affiliates”, which entered into force in 2011.

With this By-Law, the doctors and nurses who,

- have diplomas approved by competent authorities,
- have a sufficient command of Turkish,
- have professional indemnity insurance and residence permit in Turkey,

are allowed to practise their profession in private medical institutions. Owing to this development, Turkish nationality condition for the practice of physician and nursing professions has been annulled and hence a significant step on alignment with the EU acquis has been taken.



Within the scope of the alignment with the EU acquis on postal services, the Ministry of Transport, Maritime Affairs and Communications prepared a “Draft Law on Postal Services” by taking into consideration the EU principles and approaches.

Through the “Draft Law on Postal Services” which aims at fully regulating the postal sector and repealing the Postal Law No. 5584, it will be possible to liberalize the sector, establish an autonomous structure for regulation and supervision and transpose global postal service principles and rules in the national legislation, thus the enactment of the “Draft Law on Postal Services will be a significant step for alignment with the EU acquis.

#### **Chapter 4: Free Movement of Capital**

##### **Alignment with the EU Acquis**

The “Law amending the Law on Land Registry and Cadastre ” including amendments on issues regarding the acquisition of real estate by foreigners entered into force upon its publication in the Official Gazette No. 28296 and dated 18 May 2012 . This amendment removed the reciprocity condition which applies to those who want to acquire real estate in our country and the number of countries eligible for the acquisition of real estate was increased to 183. Thus, with regard to the Free Movement of Capital which is one of the four fundamental freedoms, the way has been cleared for foreigners from EU member states or third countries who want to make investment and a significant liberalization has been secured.

Our national legislation will be aligned with Directive 1998/26/EC on Settlement Finality, Directive 2007/64/EC on Payment Services, Directive 2009/110/EC on Electronic Money Institutions upon the conclusion of work executed by the Central Bank of Turkey (CBT) on the Draft Law on Payment and Securities Settlement Systems, Payment Services and e-Money Institutions and related secondary legislation in the forthcoming period.

During the preparation of this Draft, a participatory process was pursued through consultations with the relevant stakeholders both in the public and private sector in accordance with the governance principles. The Draft Law prepared by considering the alignment with the EU *acquis* and benefiting from practices in the member states aims to regulate the position of institutions and organizations which are not subject to the Banking Law in the field of payments and respond to the demands on these issues, to organise the existing legislation regarding payment systems executed by different institutions and organizations under a single law and regulate the activities of service providers in this field in order to protect customers in the area of payment services.

The “Draft Law on Prevention of Financing of Terrorism” is under discussion in the relevant Committees of TGNA and it is expected that the enactment of the Draft will



consider the proposals of the Financial Action Task Force (FATF). The “Action Plan on Fight against Financing of Terrorism” was prepared at the end of March 2012 and it aimed to identify resources regarding financing of terrorism, ensure inter-institutional information exchange and improve implementation efficiency on such issues as fight against financing of terrorism.

### **Administrative Capacity Building**

Work for establishing a central “Asset Recovery Office” within the body of the Ministry of Justice started in order to facilitate tracking and identification of proceeds from crime and international fight against transnational crimes and it is expected that the administrative and judicial structuring will be finalized this year.

The Financial Crimes Investigation Board (MASAK) continues its efforts on the fight against money laundering and prevention of financing of terrorism and a project on “Efficiency of the Fight against Money Laundering and Financing of Terrorism” was included in IPA 2012 programming. MASAK also signed a memorandum of understanding with 6 more countries in 2012 for information exchange and continued to provide training to auditors, judges, prosecutors and obliged groups.

## Chapter 5: Public Procurement

### Administrative Capacity Building

Work for improving the administrative capacity is on-going. In this context:

- Amendments were made to certain secondary legislation to ensure better understanding of legislation and increasing the effectiveness of implementation. Within this framework, the following amendments were made:
  - ✓ “By-Law on the Implementation of Framework Agreement Tenders” was amended twice by the “By-Law Amending the By-Law on the Implementation of Framework Agreement Tenders”, first published in the Official Gazette No. 28048 of 08 September 2011, and second in the Official Gazette No. 28467 of 14 November 2012;
  - ✓ “By-Law on the Implementation of Work Tenders” was amended twice by the “By-Law Amending By-Law on the Implementation of Work Tenders”, first published in the Official Gazette No. 28072 of 02 October 2011 and second in the Official Gazette No. 28383 of 13 August 2012;
  - ✓ “By-Law on the Implementation of Electronic Procurement” was amended by the “By-Law Amending By-Law on the Implementation of Electronic Procurement” published in the Official Gazette No. 28467 of 14 November 2012 ;
  - ✓ “By-Law on the Implementation of Service Procurement Tenders” was amended by the “By-Law Amending By-Law on the Implementation of Service Procurement Tenders” published in the Official Gazette No. 28354 of 15 July 2012 ;
  - ✓ “By-Law on the Implementation of Consultancy Services Procurement Tenders” was amended by the “By-law Amending By-Law on the Implementation of Consultancy Services Procurement Tenders” published in the Official Gazette No. 28354 of 15 July 2012 issue.
- The Ministry of Finance General Directorate of Budget and Fiscal Control, which governs the coordination in identifying general policy and strategy of our country with regard to public procurement, increased the number of personnel employed in the Public Procurement Coordination Department. Therefore, the relevant department reached a better level in terms of foreign language proficiency and professional capacity.
- The Public Procurement Authority recruited 24 assistant experts during the period of 2011-2012 in order to enhance the administrative capacity.

- Amendments were made to certain articles of the Public Procurement Law No. 4734 by the Decree Law No. 661 published in the Official Gazette No. 28103 (bis) of 2 November 2011. This amendment restructured the Public Procurement Authority and the Public Procurement Board and clarified their duties and powers. Thus, the Board has ceased to be a part of routine work of the Public Procurement Authority.
- Within the scope of the “Public Procurement Technical Support Project”, the Ministry of Finance, in cooperation with OECD-SIGMA, organised workshops as: “Below Threshold Procurement in the EU” on 10 May 2012, “The EU Remedies Review System and Dispute Settlement Mechanism”, “Framework Agreements”, “Central Procurement” and “E-procurement Practices” on 19-21 June 2012, and “Qualification Rules in the EU Legislation and Member States” on 13-14 December 2012.
- Activities have continued within the scope of “Green Procurement Project” which is carried out by Turkish office of the Regional Environment Centre (REC) and whose main beneficiary is the Public Procurement Authority. Within the scope of the project initiated in July 2012 and supported by the British Embassy Prosperity Fund in order to support important stakeholders in the field of environment regarding the EU alignment process, training, seminars, workshops which respond to the needs of administrations on green procurement are organised and e-bulletins and databases are prepared to communicate updated information to all relevant stakeholders. It is also aimed that an action plan and legislative draft will be prepared together with relevant stakeholders in the light of experiences of EU member states and in line with the needs of Turkey within the scope of the project.
- The Public Procurement Authority continues to provide training to relevant stakeholders. The Authority provided training to 4407 people in total from 47 different administrations in various provinces of Turkey in 2011. Such training continues on a wide scale. Besides, the Public Procurement Authority organises certificate programs on public procurement together with Izmir University of Economics and TOBB University of Economics and Technology.
- As of 1 September 2010, Electronic Public Procurement Platform (EKAP) operates in the field of concluding public procurement. Moreover, the “By-Law on Electronic Procurement” governing EKAP is effective as from 25 February 2011.
- The Public Procurement Authority aims to transfer all tendering procedures from identification of needs to signing of contracts into digital medium. EKAP is the most important tool for the realization of this aim. With EKAP, tendering processes are realized in more compliance with the legislation and more rapidly and effectively. Thus, a saving of up to 20% is secured in the costs regarding the tendering process.

Through EKAP, legislative amendments are reflected on the system in time and properly, and tendering documents of the system are completed with minimum error.

Tenderers registered in the system can obtain tender documents with their e-signatures without a need to apply to the administration and purchase them. Considering only the cost of tender documents, tenderers registered in EKAP saved 27.75 million TL in 2011. Also considering the time spent by tenderers to apply to administrations and other costs, the saved amount increases.

Tenderers not registered in EKAP can also reach tenders documents across Turkey and Public Procurement Bulletin published on every business day.

“Mobile EKAP” application was also launched in 2012 which allowed access to tender information through cell phones from anywhere all over the world.

The Call Centre established to solve the problems on the use of EKAP at once continues to operate effectively. Currently, 34 personnel work in the Call Centre.

EKAP serves in its new location in the Electronic Procurement R&D Centre in Hacettepe University Technopolis Campus. The Platform has been used intensely particularly by all administrations and tenderers making procurement within the scope of the Public Procurement Law No. 4734 as from its date of entry into force. The number of its registered users as of 31 December 2011 is 302.868 in total. Compared to similar e-government applications, this figure is far above the others.

Considering the aim of the European Union to make all public procurement on electronic medium until 2016, EKAP application constitutes an important step for our country.

The Prime Ministry selected EKAP as one of the most strategic 11 e-government projects in Turkey.

- The Public Procurement Authority has continued its work for classifying complaints regarding the decisions made on tendering procedures. Additionally, work has continued on the legal framework which would also allow making complaints on electronic medium.

## **Chapter 6: Company Law**

Significant developments can be reported regarding both alignment with the EU *acquis* and administrative capacity building in 2012 within the scope of the Company Law Chapter.

The chapter is one of the chapters addressed within the scope of the “Positive Agenda”. The meeting of the Company Law Chapter Working Group formed in this context was held on 19 June 2012 in Brussels. A result-oriented meeting was held by means of assessing 5 technical benchmarks for closing the chapter. Within this framework, the European Commission confirmed once again that the adoption of the Turkish Commercial Code was an important step. In the meeting, it was also recorded that the

relevant closing benchmark<sup>28</sup> of the Chapter had been met with the establishment of Public Oversight, Accounting and Auditing Standards Authority.

### **Alignment with the EU Acquis**

The most important measures taken within the scope of the Chapter are the “Turkish Commercial Code No. 6102” and the “Law No. 6103 on Entry into Force and Implementation of Turkish Commercial Code”. Both Laws entered into force on 1 July 2012 upon their publication in the Official Gazette No.27846 and dated 14 February 2011.

The new Turkish Commercial Code, within the scope of the principles of equality, transparency and fairness, aimed to ensure competition of Turkish economy and companies with the economies and companies of EU member states and to create a market system which is able to provide benefits for all parties.

However, a new regulation was drawn up as a result of the work carried out for the purpose of making the Code serve more efficiently and meeting the demand of the public for amendment of certain articles. As a result the “Law No. 6335 Amending the Turkish Commercial Code and the Law on Entry into Force and Implementation of Turkish Commercial Code” was published in the Official Gazette No. 28339 of 30 June 2012.

This Law:

- Amended the articles regarding preparation and supervision of accounting standards,
- Turned a significant part of prison sentences into fines,
- Restricted the scope of information required to be published on the websites of companies,
- Laid down rules on becoming an independent auditor,
- Amended Articles of the “Law No. 6103 on Entry into Force and Implementation of Turkish Commercial Code” regarding the entry into force. Furthermore, a significant step was taken regarding the amendment of the Capital Markets Law, which is one of the closing benchmarks of the Chapter. The Capital Markets Law entered into force upon its publication in the Official Gazette on 30 December 2012.

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<sup>28</sup> Turkey should set up the Turkish Auditing Standards Authority as the sole supreme authority in determining auditing standards and ethics, authorising independent auditors and audit companies under a public oversight system and monitoring their activities within the framework of quality assurance.

The new Law includes regulations required for the functioning and development of the capital market in a reliable, transparent, effective, stable, fair and competitive environment. The Law also aims to regulate and supervise the capital markets in order to safeguard the rights of investors. With the amended Law, it is aimed to meet one of the closing benchmarks of the Company Law Chapter.

The secondary legislation published in 2012 with regard to Company Law is listed below.

- By-law on General Assemblies to be Held on Electronic Medium for Joint-Stock Companies (Official Gazette No. 28395 of 28 August 2012)
- By-law on Identification of Minimum Content of Annual Report of Companies (Official Gazette No. 28395 of 28 August 2012)
- By-law on Principles and Procedures of General Assembly Meetings of Joint-Stock Companies and Representatives of the Ministry of Customs and Trade to be Present in these Meetings (Official Gazette No. 28481 of 28 November 2012)
- Communiqué on Assemblies to be Held on Electronic Medium of Commercial Companies other than General Assemblies of Joint-Stock Companies (Official Gazette No. 28396 of 29 August 2012)
- Communiqué on Distribution of Dividend Advance (Official Gazette No. 28379 of 9 August 2012)
- Communiqué on Increase of Capitals of Joint-Stock Companies and Limited Companies to New Minimum Amounts and the Identification of Joint-Stock Companies whose Establishment and Amendment of Articles of Association are subject to Permission (Official Gazette No. 28468 of 15 November 2012)
- Communiqué on Principles concerning Registered Capital System in Private Companies (Official Gazette No. 28446 of 19 October 2012)
- Communiqué on Principles regarding Cumulative Voting in General Assemblies of Private Joint-Stock Companies (Official Gazette No. 28396 of 29 August 2012)
- Communiqué on Electronic General Assembly System to be Implemented in General Assemblies of Joint-Stock Companies (Official Gazette No.28396 of 29 August 2012)
- Communiqué amending the Communiqué on Principles regarding Merger Actions (Serial:1, No:44) (Official Gazette No. 28105 of 4 November 2011)

- Communiqué on Identification and Implementation of Corporate Governance Principles (Serial: IV, No:56) (Official Gazette No.28158 of 30 December 2011)
- Communiqué (Serial:IV, No:57) amending the Communiqué (Serial: IV, No: 56) on Identification and Implementation of Corporate Governance Principles (Official Gazette No.28201 of 11 February 2012)
- Communiqué amending the Communiqués on Turkish Accounting Standards (No: 1) (Official Gazette No. 28338 of 29 June 2012)
- Communiqué on Turkish Accounting Standard (TAS27) regarding Individual Financial Statements (No: 214) (Official Gazette No. 28098 of 28 October 2011)
- Communiqué on Turkish Accounting Standard (TAS 28) regarding Investments in Subsidiaries and Joint Ventures (No: 215) (Official Gazette No. 28098 of 28 October 2011)
- Communiqué on Turkish Financial Reporting Standard (TFRS 10) regarding Consolidated Financial Statements (No: 216) (Official Gazette No. 28098 of 28 October 2011)
- Communiqué on Turkish Financial Reporting Standard (TFRS 11) regarding Joint Agreements (No: 217) (Official Gazette No. 28098 of 28 October 2011)
- Communiqué on Turkish Financial Reporting Standard (TFRS 12) regarding Explanatory Notes on Shares in Other Enterprises (No: 218) (Official Gazette No. 28098 of 28 October 2011).

### **Administrative Capacity Building**

The “Decree-Law on Organisation and Duties of the Public Oversight, Accounting and Auditing Standards Authority” which was published in the Official Gazette of 2 November 2011, established the Public Oversight, Accounting and Auditing Standards Authority. The establishment of this Authority abolished the Turkish Accounting Standards Authority.

The closing benchmark “*Turkey should set up the Turkish Auditing Standards Authority as the sole supreme authority in determining auditing standards and ethics, authorising independent auditors and audit companies under a public oversight system and monitoring their activities within the frame of quality assurance*”, was met with the establishment of the Public Oversight, Accounting and Auditing Standards Authority.

The Public Oversight, Accounting and Auditing Standards Authority shall be the sole authority with the power to regulate accounting and auditing standards in Turkey, and it shall also have authority to prepare and publish Turkish Accounting Standards in line



with international standards; ensure uniformity in implementation, necessary reliability and quality of independent auditing; identify auditing standards, authorise independent auditors and independent audit companies and supervise their audit activities and make public oversight in the field of independent auditing. The Public Oversight, Accounting and Auditing Standards Authority currently carries out its works with 65 people and plans to increase the number of its personnel to 198. The Authority issued by-laws regarding personnel and organisation in order to develop its administrative capacity.

The Ministry of Customs and Trade, in partnership with the Union of Chambers and Commodity Exchanges of Turkey, organised training activities in order to strengthen the administrative capacity within the scope of the chapter. In this context, training sessions were held in Ankara, Istanbul, Malatya, Rize and Konya in order to introduce the new Turkish Commercial Code.

Another activity carried out by the Ministry of Customs and Trade for the purpose of strengthening the administrative capacity is the Central Registry System (MERSIS) Project for online processing of company-related actions. The Project aims to allow rapid, easy and reliable access to the information of companies within the scope of the trade registry and provide saving in terms of time and cost.

The pilot implementation of the project was made by Mersin Chamber of Trade, and within the scope of dissemination works of the project and for the transfer of the data of trade registry offices, the service was started with the transfer of the data of Mersin Tarsus, Silifke, Erdemli, Mut, Central İzmir, Bergama, Torbalı, Tire, Ödemiş, Denizli, Samsun, Sakarya, Akyazı, Konya, Kayseri, Bursa, Trabzon, Kahramanmaraş Trade Registry Offices into the system.

The establishment of companies and commercial enterprises will be handled through the system in all registry offices as from 1 January 2013. Upon the implementation of the system across the country as from 2013, natural and legal persons who will engage in commercial activities will be given a single, unique number and it will be possible to make the establishment of new companies on electronic medium. Existing companies will be able to make such changes as amendments to articles of association and capital increase on the system after their information is transferred to the electronic medium.

On the other hand, components in the proposal of the project on strengthening the capacity of Capital Markets Board (CMB) as prepared by the CMB and adopted by the EU Commission include activities regarding “training on accounting and auditing” and “improving administrative capacity of the CMB and taking implementation measures”.

CMB also made a study visit in the field of Company Law in 2011 within the scope of technical assistance provided by the Technical Assistance and Information Exchange (TAIEX) Office of the European Commission.

## **Chapter 7: Intellectual Property Law**

### **Alignment with the EU Acquis**

Turkey's alignment with the EU legislation on copyrights and industrial property rights under the title of intellectual property law is an obligation stemming from Decision No 1/95 of the EU-Turkey Association Council (ACD) on implementing the final phase of the Customs Union. The level of alignment of the Turkish legislation with the EU *acquis* in this field is quite high and this is confirmed by the EU as well.

On the other hand, the Turkish Patent Institute prepared "Draft Law on the Amendment of the Decree Laws No. 551, 554, 555 and 556 and the Laws No. 5000 and 5147" in order to ensure that the provisions of the industrial property legislation regarding crimes and penalties are in line with the Turkish Penal Code No. 5237, to address the legal vacuum resulting from the provisions which were cancelled by the Constitutional Court and to increase the level of alignment with the EU *acquis*.

The opinions of the relevant institutions regarding Draft Law have been received and Draft Law is currently pending before the Prime Ministry.

Similarly, "Draft Law on the Amendment of the Law No. 5846 on Intellectual and Artistic Works" was prepared by the Ministry of Culture and Tourism with the aim of increasing the level of alignment with both the international agreements and the EU *acquis* in order to eliminate the infringements arising from the developments in the digital world, to ensure that the collecting societies operate within a more transparent and effective system and to solve the users' problems regarding licensing.

The Ministry of Culture and Tourism prepared Draft Law in cooperation with various stakeholders such as the collecting societies operating in Turkey, judges and prosecutors of the specialised courts, public institutions, academicians, chambers and other professional unions. The Ministry envisages submitting the draft to the Prime Ministry within a short time.

### **Administrative Capacity Building**

The work carried out in order to strengthen the enforcement in the field of intellectual property rights has continued.

Turkish Patent Institute (TPI) has carried out a Twinning Project, Ref. No: TR 2007.02.14, called "Supporting Turkey for Enhancing Implementation and Enforcement of Industrial Property Rights". Within the scope of the project;

- In order to increase the alignment of Turkish legislation with the EU *acquis*, Turkish Patent Institute (TPI) worked together with the judges of German Federal Patent Court during the preparation of alignment reports which bring a set of recommendations.

- With the training programs and the joint activities that improve the dialogue among the stakeholders; TPI both strengthened its administrative capacity and contributed to the efforts of other enforcement bodies in this field. At the same time, several seminars and workshops were held with the aim of raising the awareness of the related stakeholders.
- The consistency of TPI decisions and Specialised Intellectual Property Rights Courts decisions was increased and the trademark registration process was accelerated.
- In addition, examination guidelines for trademarks, patents and industrial designs were prepared in cooperation with the OHIM (Office of Harmonization for the Internal Market) and the German Federal Patent Court and were made public. This contributed both to increase the transparency and predictability of the services offered by the TPI and to improve the consistency and coherence of the decisions taken.
- The “Report on Analysis of Civil and Criminal Enforcement of IP Rights in Turkey” was prepared in cooperation with foreign judges, enforcement institutions and the private sector.

The Expert Exchange Programme was initiated between The Turkish Patent Institute and the World Intellectual Property Organisation (WIPO) within the scope of the international registration of trademarks and our first national expert being seconded for one year started to work at WIPO on January 2012. The program will be maintained regularly in the coming years. Similarly, TPI and the Office of Harmonisation for the Internal Market (OHIM) have agreed upon such an expert exchange programme with effect from 2013.

In accordance with the decision on the preparation of the National Intellectual Property Strategy Paper of the Intellectual and Industrial Property Rights Coordination Board, an analysis regarding state of play of the sector was initiated under the coordination of Turkish Patent Institute. The questionnaire of the World Intellectual Property Organisation is taken as a sample for this analysis.

With the Decree No. 2012/3784 of the Council of Ministers which entered into force following its publication in the Official Gazette of 5 December 2012, 150 new experts consisting of 80 trademark experts and 70 patent experts were recruited by the Turkish Patent Institute. This increase in the number of personnel will not only enhance the administrative capacity and the decision quality but also meet the personnel recruitment objective laid down in the Action Plan prepared in order to meet the opening benchmark of the Chapter.

The EU-Turkey Intellectual Property Law Working Group which was set up within the framework of the first closing benchmark of the Chapter, which is “Engaging a successful dialogue on Intellectual Property Rights (IPR) issues according to the terms of reference submitted by the Commission to Turkey on 3 April 2008”, held its second meeting on 18 January 2012.

On 9 January 2012, a “Memorandum of Understanding on the Establishment of an Intellectual Property Academy” was signed between TPI and the Ministry of Culture and Tourism. With the establishment of the Academy, it is aimed to provide the experts on the intellectual property system and the users of this system with the basic and specialty training they need in order to reach the international standards and to provide learning, producing and sharing the intellectual property knowledge in Turkey by scientific means.

The Ministry of Culture and Tourism is going through a restructuring process in order to establish a more specialised administrative structure regarding copyrights and neighbouring rights. Within this framework, with the Decree-Law No. 662 of 2 November 2011, the Directorate General of Copyright and Cinema was restructured as two separate units: Directorate General of Copyright and Directorate General of Cinema. Eighteen assistant experts were recruited and trained in order to strengthen this new administrative structure.

In order to implement the banderol system effectively with the involvement of right holders in the process of combating piracy, sale of banderols by collecting societies was enabled in accordance with the "By-Law Amending the By-Law on the Procedures and Principles Regarding Banderol Implementation". In this regard, a protocol was signed between Publisher Collecting Societies Federation (YAYFED) and Ministry of Culture and Tourism, which provided for the selling of banderols for non-periodicals through the Federation on 6 April 2011. Thereby, YAYFED became the sole authority competent to sell non-periodical banderols in Istanbul as of 2011 and in Ankara as of April 2012. As of June 2012, its scope has been extended to cover all the provinces.

The Ministry of Culture and Tourism started using “QR Code” system for the banderols on the books, cinema and musical works in order to detect whether the banderol is original or not and to access all the information about the work. With this system, it is mainly aimed to fight against piracy. “QR Code” readers have already been delivered to the Provincial Inspection Commissions in the provinces where piracy is very common.

The Ministry of Culture and Tourism and the Turkish National Police held regional seminars in 6 different cities (covering all 81 provinces) in 2012 in order to inform the experts in the Provincial Inspection Commissions and the police officers about the banderols and certification and the new methods regarding fighting against piracy. The EU acknowledges that the Provincial Inspection Commissions work effectively.

Within the scope of the “Business Action to Stop Counterfeiting and Piracy” which was initiated by the International Chamber of Commerce, a working group on intellectual property rights was set up. The first meeting of the working group was held on 6 March 2012 with the participation of the public and private sector representatives.

Within the scope of “Who Holds Copyright?” Project which was initiated by Istanbul Development Agency and the Ministry of Culture and Tourism with the aim of improving the protection of the copyrights of audio-visual works, in 2012, study visits were organised to the UK, Germany and France in order to observe the Member States’ practices.

In order to raise awareness on copyright, “Istanbul Short Film Competition for High Schools Students” with the theme “Fighting against Piracy and Protection of Copyrights” was organised by the Ministry for EU Affairs with the support of the Ministry of Culture and Tourism in May 2012.

The fourth of “I Have an Idea Competition” held annually by the Ministry of Culture and Tourism and the Professional Union of Broadcasting Organisations (RATEM) with the aim of raising public awareness especially among young communicators regarding the infringement of intellectual property rights was held in 2012.

Within the scope of “We Respect Works and We Are Against the Piracy” Project which is carried out by Turkish Professional Organisation of Owners of Intellectual and Artistic Works (ILESAM) in cooperation with Gölbaşı Regional Directorate of National Education and Gölbaşı Anatolian High School, support was provided to organise seminars which aim at raising awareness of public, primary and secondary school students who study in Ankara and the education staff on fight against piracy by teaching them the notion of “work” and following the seminars to organise a logo and slogan competition with the theme “fight against piracy”.

The preparations have been started for a project that the World Intellectual Property Organisation (WIPO) provides support to the Member States in terms of methodology and financing (The Creative Industries Mapping Project), with the aim of defining internationally acceptable parameters in the area of creative industries based on the copyright and measuring the share of these industries within GNP, the employment created by these sectors and their share in the foreign trade.

Within the scope of the 20th Kuşadası Altın Güvercin (Golden Pigeon) Music Festival, which was held with the support of the Ministry of Culture and Tourism, a “Symposium on the State of Play of the Copyright and the Developments around the World in the Music Sector” was held. In the Symposium, the steps taken for the protection of literary and artistic works at the international level and fighting against piracy were addressed.

In order to use the central customs database more effectively, Ministry of Customs and Trade continues to update its database in the area of customs enforcement. The updated version of the database will enable the intellectual property rights owners to submit online applications.

The Ministry of Customs and Trade also carries out an IPA project titled “Modernization of the Turkish Customs Administration VIII”, Ref. No: TR 2012/0329.06 under the EU-Turkey Financial Cooperation and one of the components of the project includes enhanced training and capacity building activities in the field of the intellectual property law (IPL).

Moreover, the Departments of Intellectual Property Crimes have been established in 81 provinces in order to provide a uniform implementation in the field of intellectual property law, to fight against counterfeiting and piracy more effectively, to eliminate the communication problems between the enforcement units and right holders (or their representatives) and most importantly, to ensure the specialization of the staff of Turkish National Police in this field.

The international “Black Poseidon” operation led by Interpol, which comprised Turkey, Ukraine and the Eastern Europe and aimed to seize the counterfeit goods, was carried out in May 2012, in Turkey. In this context, a total of 544 operations were carried out in 43 provinces and the legal proceedings were initiated for 1,847,027 counterfeit goods. As a result, 2,487,028 goods were seized which consist of 640,001 pirated books, CDs and DVDs with a total market value of 266,761,428 TL.

In addition, the Turkish National Police organised an awareness raising activity on the usage of unlicensed software with the “Business Software Alliance” which is an international organisation that aims to fight against pirated software. In this context, brochures and posters with the logo of the Turkish National Police were prepared and distributed. Since March 2012, the updated brochures continue to be distributed in several provinces.

The officials of the Turkish National Police also participated in various seminars and workshops regarding the intellectual property crimes. The representatives of the Ministry of Justice and the Ministry of Customs and Trade also participated in some of these activities.

The statistical information on the infringements of intellectual property law, especially regarding the judicial statistics was submitted to the European Commission in February 2012.

It is also confirmed by the EU that the statistics of Turkey on intellectual property rights are prepared more accurately and the average time necessary to take a decision in the civil and criminal intellectual and industrial property rights courts has decreased significantly.



## Chapter 8: Competition Policy

### Alignment with the EU Acquis

Turkey's level of alignment in the field of anti-trust and merger control is advanced. This is repeatedly confirmed by the EU institutions as well.

The Competition Authority continued to strengthen its enforcement record and capacity by making amendments within the scope of the restructuring of the institution and adopting a number of decisions regarding the distortion of competition.

With the amendment made by the Decree Law No. 661 of 2 November 2011, the Competition Authority became the related institution of the Ministry of Customs and Trade. Another amendment made by this Decree Law is that the Council of Ministers was entrusted to appoint the Chairman and the Deputy Chairman from among Board members.

In addition, the Presidency which consists of the Chairman of the Board, Deputy Chairman and Vice Presidents of the Board was authorised to appoint the personnel of the institution except for the Vice Presidents and the Chief Legal Advisor, without taking the approval of the Competition Board.

With these amendments it is aimed that the Competition Authority will function more effectively. The Law No. 6352<sup>29</sup> which was published in the Official Gazette of 5 July 2012 changed the judicial authority for the appeal against the Board's decisions. According to this amendment, appeals against the decisions of the Competition Board shall be made to the competent administrative courts, not to the Council of State. The right to appeal to the Council of State against the decisions of the administrative courts remained.

The statistical information regarding the final decisions of the Competition Board is provided in Table 2 and Table 3.

As regards state aids, work is on-going within the framework of Law No. 6015 on Monitoring and Supervision of State Aids. In this context, the EU legislation on state aids was translated into Turkish. Draft regulations were prepared in compliance with the EU legislation by the State Aids Monitoring and Supervision Board.

Furthermore, with a view to enabling sufficient time for capacity development activities of the General Directorate of State Aids, the date of entry into force of the secondary legislation is determined as 30 June 2013 in accordance with the provision in the Decree Law No. 661. Thus, before notifications are received on the draft legislations prepared

<sup>29</sup> The Law amending Certain Laws With the Aim of Enabling the Judicial Services and the Suspension of the Cases and Penalties Regarding the Crimes Committed by the Press



by the institutions granting state aids, it was aimed to ensure that necessary competency was achieved and more accurate decisions could be taken during evaluations.

### **Administrative Capacity Building**

The Competition Authority's overall administrative capacity is high and the Authority continues to display a commitment to high level training for its staff and a satisfactory level of administrative and operational independence.

The Authority is currently going through a restructuring process and the number of its enforcement units is increased to five. Within this framework, it is considerable that a separate unit is set up regarding the "decisions" that will enable the accomplishment of objectives such as ensuring uniformity of the Competition Board's decisions.

In this respect, establishment of a separate unit regarding "competition advocacy" is also very important since it aims at raising public awareness on the merits of competition.

In 2012, within the scope of the importance that it attaches to the activities on disseminating the competition culture, the Authority published three different reports as part of its "competition advocacy" duty. The first one of these reports lays down the regulatory barriers and other barriers to competition in 11 industrial sectors whereas the others contain detailed research studies regarding the Fast Moving Consumer Goods Retail Sector and the Natural Gas Sector.

On the other hand, the General Directorate of State Aids continues to develop its institutional capacity.

In this context, the personnel of the General Directorate participated in TAIEX training activities financed by the EU in the second half of 2011. Furthermore, it participated in 8 different training programs carried out by the "European Institute of Public Administration" (EIPA) and the "Academy of European Law" (ERA).

Furthermore, in September 2012, personnel of both the line ministries and the General Directorate participated in a comprehensive training program on state aids carried out by the EIPA. In addition, in-service trainings delivered by the experienced experts of the General Directorate continue as well.

**Table 2: Distribution of Competition Board Decisions According to Their Types  
(November 2012)**

<b>Decisions concerning Distortion of Competition (Article 4 and 6)</b>	<b>36</b>
- Those Rejected*	32
- Those Fined	1
- Those for which Article 9/3 was implemented	3
* In addition to those rejected, also includes those granted an exemption and/or those for which an opinion was rendered	
The number of on-going investigations	23
The number of the investigations concluded between 1998 and 2012.	186
<b>Decisions on Merger / Acquisition / Joint Venture</b>	<b>29</b>
- Those authorized	25
- Those where the transaction is cancelled	-
- Those out of scope or those not subject to authorization	4
● Acquisition	22
● Merger	1
● Joint Venture	6
<b>Decisions on Privatization</b>	<b>9</b>
- Those authorized (subject to conditions)	6
- Those out of scope or those not subject to authorization	3
● Board opinions as to pre-notification	-
<b>Decisions of Negative Clearance and Exemption</b>	<b>6</b>
- Those granted block exemption	-
- Those granted individual exemption	4
- Those where individual and block exemption assessed together	-
- Those granted individual exemption subject to conditions	1
- Those granted negative clearance	1
- Other	-
<b>Decisions Taken following a Council of State decision</b>	<b>-</b>
<b>Other (Requests for reviewing the decision etc.)</b>	<b>2</b>
<b>TOTAL</b>	<b>82</b>

**Table 3: Type of Fine (TL)**

Fines imposed on account of substance under Article 16/3	3.942.906.72
Fines imposed on account of substance under Article 16/3 (Assessed after the decision of the Council of State)	-
Fines imposed under Article 16/4 (managers/employees of undertakings whose decisive influence has been detected)	-
Fines imposed under Article 16/1(a) (False, misleading information/document in exemption and negative clearance applications and in authorization requests for mergers and acquisitions)	-
Fines imposed under Article 16/1(b) (Implementation of mergers and acquisitions which are subject to Board's authorization before receiving the authorization)	-
Fines imposed under Article 16/1(c) (False, misleading information/document in the application of the Articles 14 and 15 of the Act)	-
Fines imposed under Article 16/1(d) (Preventing on-the-spot inspections)	-
<b>TOTAL</b>	<b>3.942.906.72</b>

## Chapter 9: Financial Services

Financial Services is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

On the other hand, the efforts on alignment in the field of financial services are maintained by taking the EU *acquis* and international standards into account and in such manner that it can satisfy the market needs and the recent developments, and the level of alignment in this field is quite high.

As from 1 July 2012, the Basel II standards have become mandatory for the banking sector. A number of by-laws and communiqués supplementing the Basel II practices were published in the Official Gazette in June. In this context, the procedures and principles regarding the measurement and evaluation of banks' capital adequacy, internal systems of banks, credit risk mitigation techniques, financial statements to be announced to public by banks, structural position, risk measurement models, calculation of market risk and calculation of the risk-weighted amounts in relation to securitization were laid down. The scope of these measures was not only limited to Basel II but also complied with the CRD-III Directive which is under the EU *acquis* in the field of banking and which contains Basel 2,5 provisions.

In 2012, alignment was achieved with the EU standards in the rules regarding confidentiality of the information shared with the foreign supervisory agencies, and this paved the way for an easier cooperation with the banking supervisory agencies of EU

Member States. Furthermore, the number of countries with which memorandum of understanding was signed increased to 33.

When the efforts carried out by the Central Bank of Turkey (CBT) on the Draft Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions and the secondary legislation based on it are finalised in the forthcoming period, our national legislation will be harmonised with the Directive 1998/26/EC on Settlement Finality, Directive 2007/64/EC on Payment Services and Directive 2009/110/EC on Electronic Money Institutions.

During the preparation of this Draft, a participative process was pursued through consultations with the relevant partners both in the public and private sector in accordance with the governance principles. The Draft, which was prepared by taking account of the alignment with the EU legislation and benefiting from the practices in the Member States, aims to regulate the institutions which are not subject to the Banking Law in the field of payments and respond to the requests on the matter. The Draft also aims to re-organise the legislation on payment systems under a single law which was previously regulated by several institutions and different legal instruments and to regulate the activities of service providers in this field with the aim of ensuring protection of the customers.

The system of settling insurance disputes without going to court (arbitration) serves 97.5% of the non-life insurance sector and 95.6% of the life insurance sector on the basis of premiums. With the amendment of the Law on Individual Pension Savings and Investment System, tax incentives in occupational pensions were abolished and instead, state contribution was introduced, thus it was aimed to grow further and deepen the sector. With the Law on Catastrophe Insurance introduced on 18 May 2012, the existing practice of compulsory earthquake insurance is being strengthened and further effort is being planned for other types of catastrophes as well. In 2012, by making use of the EU funds, the Turkish Undersecretariat of Treasury carried out a short-term project which included a legal gap study that assessed the EU *acquis* in the field of insurance and the Turkish insurance legislation, and seminars that updated the information of partners in the sector on the EU *acquis* in the field of insurance.

The new Capital Markets Law, which was prepared by considering the perspective of full alignment with the EU *acquis*, the Istanbul Financial Centre Project, the market needs and the opinions and contributions of all partners, entered into force upon its publication in the Official Gazette of 30 December 2012. The Law increases Turkey's level of alignment with the EU *acquis* in the field of capital markets. The discrepancies between the EU *acquis* and the Turkish legislation especially in terms of collective investment undertakings, market abuse, investment services, investor compensation schemes and prospectus requirements are addressed through the legal framework laid down by the Law. The Law abolishes the system of registering the capital market

instruments with the Board and introduces instead, in parallel with the EU *acquis*, the system of having the prospectus approved by the Board. In the field of the capital market activities in parallel with the EU practices, the Law adopts the activity-based regulation procedure instead of the principle of institution-based regulation referred in the previous Law. The central clearing, trade repository and central counterparty structures, all of which are included in the EU *acquis*, were transposed into the Turkish legislation through the Law.

Similarly in parallel with the EU *acquis*, “Investors Compensation Scheme” was set up for compensation of the investors in case of financial difficulty of the entities operating in the capital markets. With the Law, the sector of investment funds and trusts became more competitive and harmonised with the EU measures. Within the framework of the EU measures, amendments regarding capital market crimes and sanctions were made and a number of new crimes were introduced. Improvement of the investment environment through this new legal framework laid down by the Law will contribute to strengthening of Turkey’s capital markets infrastructure and its competitiveness.

The activities on strengthening financial literacy which is carried out under the coordination of the Capital Markets Board of Turkey (CMB) continued during 2012 as well. In this context, several public opinion surveys were conducted, reports were drawn up, and trainings and conferences were held.

The activities carried out by the CMB within the scope of the “Initial Public Offering (IPO) Campaign” continued. While only 1 public offering was made in Turkey in 2009, this number increased to 27 as of the end of November, thanks to the “IPO Campaign”.

The number of foreign authorities with which memorandum of understanding was signed within the scope of capital markets increased to 31, 11 of which were the capital market regulatory and supervisory authorities of EU Member States.

## **Chapter 10: Information Society and Media**

Within the scope of the Information Society and Media chapter, the aim is to reach the EU standards in the telecommunications, informatics, radio and television broadcasting sectors.

The sectors in question have become inseparable from one another with the rapid developments in recent years in the field of information and communication. Being able to watch the television broadcasts on the internet and mobile phones or making phone calls on the internet are among the most obvious examples of such convergence.

The work that aims to increase the alignment of Turkey in terms of the chapter gained pace during the negotiation process. The main primary legislation which was introduced with the aim of alignment with the EU regarding the chapter consists of the following laws:

- “Electronic Signature Law” No. 5070 dated 3 January 2004,
- “Universal Service Law” No. 5369 dated 25 June 2005,
- “Electronic Communications Law” No. 5809 dated 10 November 2008,
- “Law No. 6112 on the Establishment of Radio and Television Enterprises and Their Media Services” dated 3 March 2011.

The work performed within the scope of the chapter is reflected to our citizens mainly as follows:

- Cheap and accessible communication facilities,
- Cheap and high-speed internet,
- Modern and accessible television and radio broadcasts,
- Development of broadcasting in Turkish and other languages.

The most part of the primary legislation that must be introduced within the scope of the alignment with regard to **Electronic Communications and Information and Communications Technologies** has already been harmonised.

The “Draft Law on the Regulation of Electronic Commerce” which is expected to increase the level of alignment within the scope of the chapter is pending at the General Assembly of the TGNA and expected to be adopted in a short time. With this Draft Law, the short messages sent to our citizens’ mobile phones, e-mails and calls with commercial contents will also be prevented.

The “By-law concerning Amendments to the By-law on Authorisation in Electronic Communications Sector” entered into force upon its publication in the Official Gazette No. 28353 of 14 July 2012 and with the amendment of the By-law in question, it is aimed to reduce the administrative burden on the operators by restricting the scope of the information and the documents that the operators must submit to the Information and Communication Technologies Authority (BTK).

The “Communiqué on Quality of Services in Operators providing Internet Services” entered into force upon its publication in the Official Gazette No. 28207 of 17 February 2012. With the Communiqué, criteria and target values regarding the services of the internet service providers were established and it was aimed to increase the transparency and service quality in the provision of the services. Thus, it is aimed to reach a certain quality of internet in every point of Turkey.

The “By-law on Processing the Personal Data and Protection of Privacy in the Electronic Communication Sector” entered into force upon its publication in the Official Gazette No. 28363 of 24 July 2012. This By-law regulates the principles that the operators will be subject to for the processing, storage and protecting the confidentiality of personal data in the electronic communication sector.

The “By-law on Emergency Service Calls in the Electronic Communication Sector” entered into force upon its publication in the Official Gazette No. 28314 of 5 June 2012.

The “By-law on Market Analysis” which was prepared as a result of the developments over time in the electronic communication sector, the changes in the European Union (EU) legislation and the needs for regulation that emerge in parallel with these changes entered into force upon its publication in the Official Gazette No. 28480 of 27 November 2012 and the “By-Law on the Principles and Procedures regarding the Designation of the Undertakings with Significant Market Power in the Electronic Communications Sector and the Remedies to be Imposed on Those Undertakings” which entered into force upon its publication in the Official Gazette No. 27336 of 1 September 2009 was repealed.

Within this period, the Information and Communication Technologies Authority also initialised the third round market analyses. The Significant Market Powers (SMP) are determined in the markets identified with the market analyses and several obligations may be imposed to these SMPs.

Access and interconnection obligations may also be imposed on the operators that have SMP, and within the scope of this obligation, an upper limit may be introduced for the wholesale fee that the operators get in return for the call termination services they offer to the other operators<sup>30</sup>. Within the scope of this obligation an upper limit can be introduced for the wholesale fees that an operator requests from another operator. While in 2006, the interconnection fees that represent the wholesale rate were between 15,2 Kr. and 17,5 Kr. per minute; with the regulations made over years these fees have been reduced and by 2012, it is between 3,13 Kr. and 3,70 Kr<sup>31</sup>. As a result, owing to the reductions in the termination fees which are inputs for the inter-network electronic communication services offered at the retail level, the mobile tariffs that the consumers pay for also became cheaper.

With this regulation made under the scope of the alignment with the EU *acquis*, the “To All Directions” tariffs which have become much cheaper and varied especially in 2012 were introduced.

The number of transactions made within the framework of the “Mobile Number Portability” which was realized on 9 November 2008 within the scope of the alignment with the EU exceeded 50 million<sup>32</sup> in 2012. Approximately 6 million of this figure belongs to the transactions made during the last 6 months of 2012. No fees are charged from the consumers during number porting.

The Mobile Number Portability and the regulation made within the scope of the EU in this regard were reflected to our citizens as “Cheap Communication”. As a result of the possibility of selecting an operator without changing the number, the competition among the operators increased and this reflected to the prices.

<sup>30</sup> The wholesale fee that the operator from whom the call is made to the operator to whom the call is made for 1 minute in the cases when a subscriber of an operator calls the subscriber of another operator.

<sup>31</sup> [http://www.tk.gov.tr/elektronik\\_haberlesme\\_sektoru/tarifeler\\_ve\\_erisim/arabaglanti\\_ucretleri/index.php](http://www.tk.gov.tr/elektronik_haberlesme_sektoru/tarifeler_ve_erisim/arabaglanti_ucretleri/index.php)

<sup>32</sup> 12.12.2012, <http://www.nts.gov.tr/>



With these regulations, now our citizens can use phone services at a lower price.<sup>33</sup> While the total call time was approximately 85 billion minutes in 2004, it increased up to 170 billion minutes in 2011.

While at the end of 2008, 6 million subscribers had access to the broadband internet facilities, at the end of the 3rd quarter of 2012, the number of subscribers increased up to over 19 million. Given that this number was around 20,000 in 2003, the importance of the regulations within the framework of the EU becomes more prominent.

The BTK made a commitment of not introducing regulation to the fibre market for 5 years<sup>34</sup> as from October 2011 in order to render the fibre internet become widespread. By this means, it is aimed to introduce the new generation internet facilities to many people. The number of subscribers who used the naked DSL service approached 700,000 in 2012<sup>35</sup>. Furthermore, the Operator Change process regarding the DSL services was widely benefited and more than 750,000 of transfers were made by the end of November 2012. With the BTK regulations issued in 2012, it was ensured that the fees the operators charge for the calls made to the call centres and short numbers with 3 digits are not higher than the tariffs for the calls made to the fixed network. After these regulations, the consumers have been able to make calls to those directions within the all direction call packages.

In accordance with the alignment with the EU *acquis*; “Cooperation Protocol between the Competition Authority and the Information and Communication Technologies Authority” was signed and entered into force on 2 November 2011, as a result of the coordinated works between the BTK and the Competition Authority for the establishment, development and protection of the competition environment of the electronic communication sector, and with the aim of ensuring a common interpretation of the relevant legislation, mutual cooperation and coordination.

The legal basis of the Registered Electronic Mail (REM) system was established with the provisions in the point 3 of Article 18 of the Turkish Commercial Code No. 6102. Moreover, with the point 2 of Article 1525 of the aforementioned Code, the BTK was mandated to establish the secondary legislation regarding the REM system, the rights and obligations and authorisation and supervision of the REM service providers. In this context, the BTK prepared the By-law on Principles and Procedures of the Registered Electronic Mail System, the Communiqué on Processes and Technical Criteria Concerning Registered Electronic Mail System and the Communiqué on Registered Electronic Mail Guide and the Registered Electronic Mail Account Addresses and these regulations entered into force on 1 July 2012 with the Turkish Commercial Code No. 6102.

While ensuring the effective, high quality and cost-effective use of the information and communication technologies by more people in the process of the transformation into

<sup>33</sup> The data are compiled from the BTK quarterly market data reports.

<sup>34</sup> Or, until the percentage of the subscriptions with fibre connection reaches 25% of all broadband subscriptions.

<sup>35</sup> The ADSL subscription without being a telephone subscriber.

information society, the establishment of trust and security in the usage of the information systems based on the technologies in question is essential. Based on this, in 2012 the work was started to ensure the coordination of the cyber security at the national level which has been on the agenda for the last few years.

In this context, the Decree No. 2012/3842 of the Council of Ministers on “Implementation, Management and Coordination of the National Cyber Security Works” entered into force upon its publication in the Official Gazette No. 28447 of 20 October 2012. In accordance with the said Decree, the Cyber Security Board chaired by the Ministry of Transport, Maritime Affairs and Communications was established in order to determine the measures to be taken regarding cyber security, to approve the plans, programs, reports, procedures, principles and standards that are prepared and to ensure the implementation and coordination of them. With the same Decree of the Council of Ministers, the duty of preparing the policies, strategies and action plans for ensuring the national cyber security was entrusted to the Ministry of Transport, Maritime Affairs and Communications. All public institutions and organizations, and natural and legal persons are obliged to fulfil their duties and comply with the procedures, principles and standards within the framework of the policies, strategies and action plans laid down by the Cyber Security Board.

This Decree was an extremely important step in ensuring the coordination of the cyber security in Turkey at the national level. In the next step, policies, strategies and action plans will be established in the leadership of the Cyber Security Board and concrete actions will be carried out.

The main regulation concerning the **Audio Visual Policy** is the “Law No 6112 on the Establishment of Radio and Television Enterprises and Their Media Services” dated 3 March 2011. The “By-law on Principles and Procedures of Media Services” which was prepared within the scope of this Law entered into force upon its publication in the Official Gazette No. 28103 dated 2 November 2011.

The other secondary legislation introduced in this field in the last quarter of 2011 and in 2012 is as follows:

- By-law of the Radio and Television Supreme Council on Broadcasting via Satellite (Official Gazette No. 27965 of 15 June 2011)
- By-law of the Radio and Television Supreme Council on Broadcasting via Cable Networks (Official Gazette No. 27965 of 15 June 2011 )
- By-law of the Radio and Television Supreme Council on Principles and Procedures of the Terrestrial Broadcast and Ranking Tender (Official Gazette No. 28462 of 9 December 2012)
- By-law on Principles and Procedures Relating to the Implementations of Multiple Partnerships with Media Service Providers (Official Gazette No. 28144 of 16 December 2011)

By the end of 2012, the regulations to be introduced within the scope of the Law No. 6112 were finalized.

The “By-law of the Radio and Television Supreme Council on Principles and Procedures of the Terrestrial Broadcast and Ranking Tender” is about the realization of the tender of the terrestrial broadcast and ranking. It is aimed to conclude this tender at the end of March 2013. This tender aims to put an end to the concept of unlicensed terrestrial broadcast that has been practiced from the mid-1990s on and to bring the field a certain harmonisation and order. Within the scope of these works, it is anticipated to close off analogue broadcasts by 3 March 2015 and to complete the transition to the digital broadcasting.

With the complete transition to the digital broadcasting, it will be possible to ensure broadcasting at a higher level and quality and to use the spectrum that will emerge from the switching of the analogue broadcasting, for various purposes.

Another important progress in the field of broadcasting was achieved with regard to the broadcasting in languages and dialects other than Turkish. The number of these broadcasters increased to 25 in 2012. These broadcasters can freely broadcast without restrictions regarding the content, time limitations or subtitles/consecutive interpreting requirements.

As a result, through the secondary legislation introduced under the “Information Society” part of the chapter, it was aimed to ensure the increase in the quality of internet services, to increase the communication quality and to facilitate the access of the consumers to cheap and high-quality communication.

The number portability practice particularly was considered as a best practice by the EU and continued to form a basis for the competition among the operators in Turkey to be maintained at a high level. With the regulations for alignment with the EU, Turkey continued to have a high rate of growth, maintained a large number of broadband subscribers and a high broadband speed. The work was continued to spread the fibre technology, which is the internet technology of the new period.

With the secondary legislation issued by the end of 2012 following the Law No 6112 on “the Establishment of Radio and Television Enterprises and Their Media Services” introduced in 2011, the alignment in the media part of the chapter was ensured. The preparations for the “Tender of the Terrestrial Broadcast and Rating” anticipated to take place at the beginning of 2013 have been one of the important works carried out this year. With the complete transition to the digital broadcasting, it will be possible to ensure broadcasting at a higher level and quality and to use the spectrum that will emerge from the switching of the analogue broadcasting, for various purposes.

## **Chapter 11: Agriculture and Rural Development**

Agriculture and Rural Development is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association

Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

### **Alignment with the EU *Acquis* and Administrative Capacity Building**

The eleventh meeting of the EU-Turkey Sub-Committee No. 1 on Agriculture and Fisheries was held on 15-16 February 2012 with the participation of the European Commission, Ministry of Food, Agriculture and Livestock, and relevant institutions. At this meeting, alignment with the *acquis* and implementation under this chapter were reviewed.

The “Agricultural Policies and Implementation Mechanisms Working Group”, which has been established under this Sub-Committee and is the first specific working group for Chapter 11: Agriculture and Rural Development, held its first meeting in Brussels on 14 February 2012.

As regards **agricultural subsidies**, at the Working Group Meeting on Agricultural Policies and Implementation Mechanisms held on 14 February 2012, the working method to be pursued for the impact analysis that will be carried out prior to the development of the strategy on agricultural support mechanisms to be prepared for the fulfilment of the third opening benchmark for the chapter, and the opportunity of Turkey to make use of EU funds for this purpose, were discussed.

As regards **horizontal issues**, the Farm Accountancy Data Network (FADN) System was extended to include 800 agricultural holdings in 12 provinces. Awareness was raised at central and local level. Comprehensive feedback reports were drawn up for farmers and a selection plan was prepared using TURKSTAT data for 2006. Within the framework of the programming works of 2012, the Ministry of Food, Agriculture and Livestock made a project proposal on FADN and statistics for the package of ESEI (Enhanced Support Activities to Strengthen the European Integration Process-SEI). The evaluation process of the application continues.

The tender process of the Land Parcel Identification System Project included in the programming of the EU-Turkey Financial Cooperation for 2010 started.

As regards **agricultural statistics**, at the meeting of the Working Group for Chapter 18: Statistics, which is one of the 8 working groups within the scope of the Positive Agenda established between the EU and Turkey, the updated text of the “Draft Strategy Paper on Improvement of the Agricultural Statistics System”, prepared to fulfil the fifth opening benchmark of Chapter 11: Agriculture and Rural Development, was presented to the European Commission.

The Turkish Statistical Institute held a workshop on the Agricultural Census and Agricultural Holdings Registration System in Antalya on 2-3 November 2012.

With the aim of assessing the opinions received from the European Commission regarding the “Draft Strategy Paper on the Improvement of the Agricultural Statistics System” and determining a work schedule, a working group was established composed of representatives from the Ministry of Food, Agriculture and Livestock, Turkish Statistical Institute and the Ministry for EU Affairs.

The closing meeting of the “Technical Assistance and Data Collection for Strengthening the Statistical Capacity of the MoFAL in Turkey” project “financed by the EU was held on 31 May 2012. Within this project, the agricultural statistics infrastructure of the Ministry of Food, Agriculture and Livestock and Turkish Statistical Institute was strengthened. Furthermore, olive trees in the Manisa-Gölmarmara region were counted. Work on the establishment of the Agricultural Holdings Registry System (TIKAS) started.

As regards **quality policy**, there are already 4 applications made to the European Commission in the field of **geographical indications**. In addition to the applications made for the Antep Baklava within the scope of Protected Geographical Indication on 10 July 2009 and the Aydın Fig within the scope of Protected Designation of Origin on 24 August 2010, Protected Geographical Indication application was made for the Afyon Sausage and Afyon Pastrami on 13 August 2012.

Following the submission of the application file (technical file) regarding Turkey’s inclusion in the EU third countries list on **organic farming** to the European Commission in 2003, updates and amendments of national legislation on organic farming were communicated to the Commission on a regular basis. Within this framework, the “By-law on Principles and Implementation of Organic Farming” was amended by the by-laws published in the Official Gazette No. 28076 of 6 October 2011 and the Official Gazette No. 28384 of 14 August 2012.

The Ministry for EU Affairs and the Ministry of Food, Agriculture and Livestock participated in the “Multi-Country Workshop on the EU Policies, Regulations and Member States Experiences in Organic Farming” held in Sarajevo, Bosnia and Herzegovina on 4-6 December 2012.

The officials of the Ministry for EU Affairs and the Ministry of Food, Agriculture and Livestock participated in the session titled “Organic Agriculture in Turkey and Collaboration Opportunities” in Biofach World Organic Trade Fair held in Nürnberg, Germany on 12-18 February 2012 and informed the participants on organic farming in Turkey.

As regards **rural development**, the “By-law on the Tasks and Working Rules of the Managing Authority of the Rural Development Program” entered into force upon publication in the Official Gazette No. 28331 of 22 June 2012; and the “By-law on the Formation and Working Rules and Procedures of the Monitoring Committee for the Instrument for Pre-accession Assistance Rural Development Program” entered into force upon publication in the Official Gazette No. 28344 of 5 July 2012.

The funds allocated to Turkey within the framework of the Instrument for Pre-Accession Assistance – Agriculture and Rural Development (IPARD) were made available to beneficiaries for three measures<sup>36</sup> in 20 provinces<sup>37</sup> included in the first implementation period of the IPARD Program and through decisions published by the European Commission on 29 August 2011 (17 provinces) and 2 March 2012 (3 provinces) conferring management powers. The IPARD Managing Authority (Ministry of Food, Agriculture and Livestock, General Directorate of Agricultural Reform) has been making facilitating modifications to the Program with an aim to increase the absorption rate of the funds. In accordance with the decision taken at the Seventh Official Meeting of the IPARD Monitoring Committee held in Ankara on 6 June 2012, an “IPARD Program Modification Proposal” calling for the implementation of measures currently not applied in some of the first implementation period provinces (Afyon, Erzurum, Isparta, Kahramanmaraş, Malatya, Ordu, Şanlıurfa, Van and Yozgat), was communicated to the European Commission.

As a result of the inspections over the conferral of management carried out by the Commission, the conferral of management of the funds regarding some sub-measures within the measures No. 103 and 302 was approved by the Commission Implementing Decision No. C(2012)7143 of 17 October 2012.

The Agriculture and Rural Development Support Institute has so far launched 8 calls for application, and has signed 298 contracts in total within the scope of the first 6 calls. The total amount of support bound by 269 contracts, excluding cancelled projects, is 197,295,251.51 TL (nearly 86 million Euros). The total amount to be paid, including those accrued within the scope of these contracts, is 23,088,577.03 TL.

As a result of the work on the modification of the IPARD program carried out with the cooperation of the European Commission and the Agriculture and Rural Development Support Institute with an aim to increase the rate of absorption of the funds, 60 modification proposals were agreed upon.

These proposals were approved by the Monitoring Committee at the meeting held on 6 June 2012 and formally submitted to the European Commission on 9 August 2012. The modifications were approved by Commission Decision No. C(2012) 6115 of 7 September 2012 by taking into account the positive opinion of the Rural Development Committee.

The Agriculture and Rural Development Support Institute is preparing new modification proposals and will submit them to the European Commission in the upcoming days.

<sup>36</sup> The measure No. 101 regarding the “Investments for the Restructuring of the Agricultural Holdings and Reaching the Union Standards”; the measure No. 103 regarding the “Investments for the Restructuring of the Processing and Marketing of Agricultural and Fisheries Products and Reaching the Union Standards” and the measure No. 302 regarding the “Diversification and Development of the Rural Economic Activities”.

<sup>37</sup> Afyon, Amasya, Balıkesir, Çorum, Diyarbakır, Hatay, Isparta, Kahramanmaraş, Kars, Konya, Malatya, Şanlıurfa, Samsun, Sivas, Tokat, Trabzon, Yozgat, Van, Ordu and Erzurum.



The Monitoring Committee approved the modifications regarding the financial statements on 6 June 2012 and submitted them to the Commission on 16 August 2012. Furthermore, the IPARD Program including the approved modifications and financial statements was submitted to the Commission. The revision works of the eligible expenditure lists continue.

Within the framework of preparations regarding the second implementation period of the IPARD Program, with the employment of 913 additional employees by the Agriculture and Rural Development Support Institute Provincial Coordination Units established in 22 provinces<sup>38</sup>, the total number of personnel at the central office and the provincial coordination units reached 1812.

Furthermore, 22 provincial coordination units completed their infrastructure works within the scope of the accreditation preparations based on information processing.

Within the scope of the second implementation period for conferral of management, the seventh IPARD Conferral of Management Mission regarding the inspection of 9 provincial coordination units selected by the European Commission through sampling was conducted on 12-23 November 2012. Five of the inspected provincial coordination units were found eligible by the Commission for the conferral of management. The remaining 17 provincial coordination units have not been inspected yet. The Agriculture and Rural Development Support Institute completed the physical settlement of 22 provincial coordination units within 8 months, starting from January 2012; recruited 913 personnel and trained them and completed the process required for conferral of management by receiving national accreditation. However, the relevant unit of the Commission has not given an exact date regarding inspections over the conferral of management of the remaining 17 provincial coordination units.

As regards the Technical Support Measure No. 501, national accreditation was completed and an application was submitted to the Commission. The validation inspection and conferral of management decision are expected to be announced in the first half of 2013.

A TAIEX workshop on the measures and implementation of the IPARD Program was organized in Ankara on 15-16 November 2012.

The six-month “Twinning Light Project on Capacity Building for Extension/Advisory Service for IPARD” ended on 29 June 2012. The project aimed to strengthen the institutional capacity of the public and private sector extension/advisory services and the operational competence for the effective implementation of the IPARD Program.

Within the scope of the project, more than 900 consultants were trained; 3 workshops for the determination of local priorities and 3 seminars for the IPARD provinces to be accredited were organized.

<sup>38</sup> Ağrı, Aksaray, Ankara, Ardahan, Aydın, Burdur, Bursa, Çanakkale, Çankırı, Denizli, Elazığ, Erzincan, Giresun, Mersin, Kastamonu, Kütahya, Manisa, Mardin, Muş, Nevşehir, Uşak, Karaman.

In the light of experiences gained during the project period, a Protocol was signed on 5 June 2012 between the General Directorate of Agricultural Reform and the Training, Extension and Publication Department for the conduct of publicity and publication activities in 42 IPARD provinces. With this Protocol, the publicity activities for IPARD will be carried out through the cooperation of the Provincial Coordination Units of the Agriculture and Rural Development Support Institute and the Provincial Directorates of the Ministry of Food, Agriculture and Livestock.

Such activities will be carried out within the framework of annual publicity plans and reported 4 times a year to the Training, Extension and Publication Department and the General Directorate of Agricultural Reform.

The Agriculture and Rural Development Support Institute carried out 732 communication and publicity events and 1029 media activities during the report period within the scope of communication and publicity activities. Approximately 12,000 people participated in these activities. The Institute prepared and distributed around 200,000 publicity materials.

As regards **imports of livestock and meat**, live cattle and beef have been imported to Turkey since 2010 within the framework of the relevant legislation and under the conditions laid down by the Ministry of Food, Agriculture and Livestock, from countries classified under the “negligible” and “controllable” risk categories for bovine spongiform encephalopathy (BSE) by the World Organisation for Animal Health (OIE), by taking into consideration the OIE Terrestrial Code.

The veterinary health certificates issued for live cattle and beef to be exported from EU Member States to Turkey were harmonised with the requirements of EU legislation (Commission Regulation No. 206/2010/EC).

As from 2010, Turkey has imported live cattle from 12 EU Member States and beef from 15 Member States. No quota was applied for beef imports. As Bulgaria and Romania are listed in the undetermined risk category for BSE by the OIE, live cattle and beef have not been imported from these countries.

### **Financial Cooperation Projects under the Chapter**

#### **Project on Technical Assistance and Data Collection for Strengthening the Statistical Capacity of the Ministry of Food, Agriculture and Livestock**

The total budget of the project, which was completed on 31 May 2012, is 1,150,150 Euros.

Within the scope of the project, by means of procurement of goods and services (technical assistance), activities were carried out regarding training of the personnel of the Ministry of Food, Agriculture and Livestock on survey design according to EU methods and reliable data collection, the use of new methods in pilot provinces on the

early harvest estimate of corn and wheat, and the improvement of the quality of agricultural statistics produced by the Ministry.

### **Twinning Light Project on Capacity Building for Extension/Advisory Services for IPARD**

The total budget is 250,000 Euros for the short-term twinning project, which was completed on 30 June 2012. Within the scope of the project, trainings were organised for the extension/advisory service providers in the public and private sectors within the framework of the training program prepared.

### **Project on Extending the Scope and Ensuring the Sustainability of the Farm Accountancy Data Network**

The total budget is 1,450,000 Euros for the project, which was completed on 12 December 2012. In the project, with the aim of extending the scope of the Farm Accountancy Data Network (FADN), which was initialized in 9 pilot provinces, to cover 12 provinces, the institutional structure was reviewed, trainings were organised for the purpose of increasing the institutional capacity, and publicity and promotion works were carried out with the aim of extending FADN implementation.

### **Project on the Digitization of the Land Parcel Identification System**

The total budget of the project for which the tender process started is 46,200,000 Euros. Within the framework of 3 service contracts, the project aims to create orthophotos through the procurement of the raw footage of the entire territory of Turkey, to carry out the quality control of this data and to establish the Land Parcel Database based on digital reference parcels to be formed by using the orthophotos.

### **Project on Capacity Building on the Integrated Administration Control System**

The total budget of the project for which the financing agreement was signed is 1,500,000 Euros. The project aims to establish an Integrated Administration and Control System in Turkey and a Land Parcel Identification System, which is a component of this system, and to meet training needs on the use of these systems.

The 2013 IPA-I Sector Identification Fiche (SIF) was prepared based on the Agriculture and Rural Development Sector Alignment Strategy prepared in 2011 and comprising the priorities of the Agriculture and Rural Development Sector in terms of alignment with the EU, with a view to financing selected priorities therein under the EU-Turkey Financial Cooperation Programme.

## Chapter 12: Food Safety, Veterinary and Phytosanitary Policy

### Alignment with the EU Acquis

Within the scope of the opening benchmark for the Chapter 12:” “Food Safety, Veterinary and Phytosanitary Policy”, the “Law No. 5996 on Veterinary Services, Phytosanitary, Food and Feed” entered into force and a Strategy Paper was prepared for the transposition and the implementation schedule of the EU acquis under this chapter.

In parallel with the schedule in the Strategy Paper, over 140 regulations in total entered into force between September 2011 and December 2012 upon their publication in the Official Gazette. 73 of these regulations were prepared in parallel with the EU legislation in their fields. The others are for the administrative structures necessary for the implementation of the EU acquis and the establishment of the control and inspection mechanisms and cover the regulations in the fields that are left to the national regulations of the EU Member States.

In addition to this, within the scope of this chapter, the transposition of 121 EU legislation was planned in 2013 and the works in this field have been accelerated.

In 2012, significant progress was achieved regarding the chapter, particularly with regard to the alignment with the EU acquis. A significant part of the basic legislation of the EU under this chapter as listed below was transposed through by-laws issued. However, as the legislation is very recent, some problems have been observed in terms of its implementation.

### **Food and Feed Safety**

- *By-law on Official Controls of the Food and Feed* prepared in line with the EU Regulation No. 882/2004 entered into force upon its publication in the Official Gazette No.28145 of 17 December 2011.
- *By-law on Food Hygiene* prepared in line with the EU Regulation No. 854/2004 entered into force upon its publication in the Official Gazette No.28145 of 17 December 2011.
- *By-law Establishing Specific Rules on Official Controls of the Food of Animal Origin* prepared in line with the EU Regulation No. 852/2004 entered into force upon its publication in the Official Gazette No. 28145 of 17 December 2011.
- *By-law on Registration and Approval Procedures of the Food Establishments* was published in the Official Gazette No.28145 of 17 December 2011.
- *By-law on Measures to be Taken for the Monitoring of Certain Substances and Residues thereof in Live Animals and Animal Products* which is in line with the EU legislation No. 96/23 and 1997/747 entered into force upon its publication in the Official Gazette No. 28145 of 17 December 2011 .

- *By-law on Working Principles and Procedures of the Risk Assessment Committee and Commissions* which is in line with the EU legislation No. 178/2002 entered into force upon its publication in the Official Gazette No. 28152 of 24 December 2011.
- *By-law on Specific Hygiene Rules for the Food of Animal Origin* prepared in line with the EU Regulation No. 853/2004 entered into force upon its publication in the Official Gazette No.28155 of 27 December 2011.
- *By-law on Methods of Sampling and Analysis for the Official Control of Feed* which is in line with the EU legislation No. 152/2009 entered into force upon its publication in the Official Gazette No. 28155 of 27 December 2011. *By-law on Placing on Market and the Use of Feed* which is in line with the EU legislation No. 767/2009 entered into force upon its publication in the Official Gazette No.28155 of 27 December 2011.
- *By-law on Feed Hygiene* which is in line with the EU legislation No. 183/2005 entered into force upon its publication in the Official Gazette No.28155 of 27 December 2011.
- *By-law on Determination of the Establishment, Duties, Authorisations and Responsibilities and Working Principles and Procedures of the Food Control Laboratories* which is in line with the EU legislation No. 882/2004 entered into force upon its publication in the Official Gazette No. 28157 (bis) of 29 December 2011.
- *The Turkish Food Codex By-law on Maximum Residue Limits of the Pesticides* which is in line with the EU legislation No. 149/2008 entered into force upon its publication in the Official Gazette No. 28157 (bis) of 29 December 2011.
- *The Turkish Food Codex By-law on Microbiological Criteria* which is in line with the EU legislation No. 2073/2005 entered into force upon its publication in the Official Gazette No. 28157 (bis) of 29 December 2011.
- *The Turkish Food Codex By-law on Contaminants* which is in line with the EU legislation No. 1881/2006 entered into force upon its publication in the Official Gazette No.28157 (bis) of 29 December 2011.
- *The Turkish Food Codex By-law on Materials and Articles in Contact with Food* which is in line with the EU legislation No. 1935/2004 entered into force upon its publication in the Official Gazette No.28157 (bis) of 29 December 2011.
- *The Turkish Food Codex By-law on Labelling* which is in line with the EU legislation No. 2000/13, 2008/5, 1999/10, 2002/67, 608/2004, 90/496, 87/250, 1924/2006 entered into force upon its publication in the Official Gazette No. 28157 (bis) of 29 December 2011.

- *The Turkish Food Codex By-law on Food Additives* which is in line with the EU legislation No. 1333/2008 entered into force upon its publication in the Official Gazette No. 28157 (bis) of 29 December 2011.
- *The Turkish Food Codex By-law on Flavourings and Food Ingredients with Flavouring Properties* which is in line with the EU legislation No. 1334/2008 entered into force upon its publication in the Official Gazette No.28157 (bis) of 29 December 2011.
- *The Turkish Food Codex Communiqué on Foods Suitable for People Intolerant to Gluten* which is in line with the EU legislation No. 41/2009 entered into force upon its publication in the Official Gazette No.28163 of 4 January 2012 .
- *The Turkish Food Codex Communiqué on indications or marks identifying the lot to which a foodstuff belongs* which is in line with the EU legislation No. 89/396 entered into force upon its publication in the Official Gazette No. 28163 of 4 January 2012 .
- *The Turkish Food Codex Communiqué on Sampling Methods for the Chemical Analysis of the Edible Casein and Caseinates* which is in line with the EU legislation No. 86/424 entered into force upon its publication in the Official Gazette No. 28163 of 4 January 2012.
- *The Turkish Food Codex Communiqué on Sampling, Sample Preparation and Analysis Method for the Official Control of the Level of the Dioxins and Dioxin-like Polychlorinated Biphenyls in Certain Foods* which is in line with the EU legislation No. 1883/2006 entered into force upon its publication in the Official Gazette No. 28163 of 4 January 2012 .
- *The Turkish Food Codex Communiqué on Sampling Methods for the Chemical Analysis of the Condensed Milk and Milk Powder* which is in line with the EU legislation No. 87/524 entered into force upon its publication in the Official Gazette No. 28163 of 4 January 2012 .
- *The Turkish Food Codex Communiqué on Purity Criteria of the Additives Used in Foods Other Than Colours and Sweeteners* which is in line with the EU legislation No. 2008/84 entered into force upon its publication in the Official Gazette No. 28258 of 8 April 2012 .
- *The Turkish Food Codex Communiqué on Restricting the Use of Certain Epoxy Derivatives in the Materials and Articles in Contact with Food* which is in line with the EU legislation No. 1895/2005 entered into force upon its publication in the Official Gazette No.28262 of 12 April 2012 .
- *The Turkish Food Codex Communiqué on Ceramic Materials in Contact with Food* which is in line with the EU legislation No. 84/500 entered into force upon its publication in the Official Gazette No.28269 of 19 April 2012 .



- *The Turkish Food Codex Communiqué on Materials and Articles Made of Regenerated Cellulose Films Come into Contact With Food* which is in line with the EU legislation No. 2007/42 entered into force upon its publication in the Official Gazette No.28269 of 19 April 2012 .
- *The Turkish Food Codex By-law on Classification of Pharmacologically Active Substances That Can Be Contained in the Food of Animal Origin and the Maximum Residue Limits* which is in line with the EU legislation No. 37/2010 entered into force upon its publication in the Official Gazette No. 28282 of 4 May 2012.
- *The Turkish Food Codex Communiqué on Honey* which is in line with the EU legislation No. 2001/110 and 2005/396 entered into force upon its publication in the Official Gazette No.28366 of 27 July 2012.
- *By-law on Registration Process of the Establishments That Manufacture Materials and Articles In Contact With Food and on Good Manufacturing Practices* which is in line with the EU legislation No. 2023/2006 entered into force upon its publication in the Official Gazette No. 28373 of 3 August 2012.

In addition to the above, the following were drawn up:

- The draft *Communiqué on Quick-Frozen Foods* in parallel with the EU legislation No. 89/108,
- The draft *Communiqué On Monitoring of the Temperature During Transport, Warehousing and Storage of Quick-Frozen Foods* in parallel with the EU legislation No. 37/2005, The draft *Turkish Food Codex Communiqué On Analysis Method for the Official Control of the Fats and Oils intended to be used for human consumption and the Erucic Acid Level in the foods containing oils or fats* in parallel with the EU legislation No. 80/891,
- The draft *By-law Amending the Regulation on Natural Mineral Water* which amends the By-law No. 25657 on Natural Mineral Water of 01.12.2004, which is published in line with the EU legislation No. 80/777,
- The draft *Communiqué Regulating the Matters Related to Local, Marginal and Restricted Activities* which is prepared after the practices regarding the provision in the 5(b) (ii) paragraph of Article of the EU legislation No. 853/2004/EC and which is based on Article 2 Paragraph 4 Point (b) subparagraph2 of the By-law on *Specific Hygiene Rules for the Food of Animal Origin*,
- The draft *By-law on Feed Additives Used For Animal Nutrition* which is prepared in line with the EU legislation No. 1831/2003,
- The draft *Turkish Food Codex Communiqué on Salt, Turkish Food Codex Communiqué on Spices, Turkish Food Codex Communiqué on Wheat Flour*,

- The draft *Turkish Food Codex Communiqué on Materials and Articles in Contact With Food* which is prepared in parallel with the EU legislation No. 10/2011,
- The draft *Turkish Food Codex Communiqué on List of the Food Simulants Used in the Migration Test of the Components of the Plastic Materials and Articles in Contact With Food* which are prepared in parallel with the EU legislation No. 10/2011 and 85/572,
- The draft *By-law on Import, Manufacturing, Processing and Placing on the Market of the Food Supplements*.

#### **Veterinary**

- *By-law amending the By-law On Protection and Combat Against the Avian Influenza* in line with the EU legislation No. 2005/94 entered into force upon its publication in the Official Gazette No.28044 of 4 September 2011.
- *By-law On Protection and Combat against the Newcastle Disease* in line with the EU legislation No. 92/66 entered into force upon its publication in the Official Gazette No.28044 of 4 September 2011 .
- *Communiqué on Freedom Status without-vaccination from Newcastle Disease* which is prepared in line with the Commission Decision No. 94/327 entered into force upon its publication in the Official Gazette No.28110 of 12 November 2011.
- *By-law on Identification, Registration and Monitoring of the Bovine Animals* which is in line with the EU legislation No. 1760/2000, 494/98, 1082/2003, 911/2004 and 2006/28 entered into force upon its publication in the Official Gazette No.28130 of 2 December 2011 .
- *By-law on Identification, Registration and Monitoring of the Ovine and Caprine Animals* which is in line with the EU legislation No. 21/2004, 1782/2003 and 1505/2006 entered into force upon its publication in the Official Gazette No.28130 of 2 December 2011 .
- *By-law on Animal Health Requirements Applicable on Non-commercial Movements of the Pet Animals* which is partly in line with the EU legislation No. 998/2003 and 2004/824 entered into force upon its publication in the Official Gazette No.28133 of 5 December 2011 .
- *By-law on Principles of the Stud Book and Pre-Stud Book on Animals* entered into force upon its publication in the Official Gazette No.28133 of 5 December 2011.

- *By-law on Welfare and Protection of the Animals Used For Experimental and Other Scientific Purposes* which is in line with the EU legislation No. 2010/63 entered into force upon its publication in the Official Gazette No.28141 of 13 December 2011.
- *By-law On Protection and Combat Against the Transmissible Spongiform Encephalopathies* which is partly in line with the EU legislation No. 999/2001 entered into force upon its publication in the Official Gazette No.28143 of 15 December 2011.
- *By-law on Regulating the Veterinary Controls to be Conducted on Animals Entering the Country* which is partly in line with the EU legislation No. 91/496 and 97/794 entered into force upon its publication in the Official Gazette No.28145 of 17 December 2011 .
- *By-law on Pre-Notification and Veterinary Controls Conducted on Animals and Products Entering the Country* which is partly in line with the EU legislation No. 282/2004 and 136/2004 entered into force upon its publication in the Official Gazette No.28145 of 17 December 2011 .
- *By-law on Regulating the Veterinary Controls to be Conducted on Products Entering the Country* which is partly in line with the EU legislation No. 97/78 entered into force upon its publication in the Official Gazette No.28145 of 17 December 2011.
- *By-law on Protection and Combat Against the African Horse Sickness* which is partly in line with the EU legislation No. 92/35 entered into force upon its publication in the Official Gazette No.28149 of 21 December 2011 .
- *By-law on Animals and Products Which Are Subject to Veterinary Controls in the Entry to the Country* which is partly in line with the EU legislation No. 275/2007 entered into force upon its publication in the Official Gazette No.28149 of 21 December 2011 .
- *By-law on Monitoring of Zoonosis and Zoonotic Agents, Relevant Antimicrobial Resistance and Food-Borne Outbreaks* which is in line with the EU legislation No. 2003/99 entered into force upon its publication in the Official Gazette No.28151 of 23 December 2011 .
- *By-law On Protection and Combat against the Bovine Leucosis* which is partly in line with the EU legislation No. 64/432 and 78/52 entered into force upon its publication in the Official Gazette No.28151 of 23 December 2011 .
- *By-law on Welfare of the Farm Animals* which is partly in line with the EU legislation No. 98/58, 1999/74 and 2008/119 entered into force upon its publication in the Official Gazette No.28151 of 23 December 2011.

- *By-law on Animal By-products Not Intended for Human Consumption* which is partly in line with the EU legislation No. 1069/2009 entered into force upon its publication in the Official Gazette No.28152 of 24 December 2011.
- *By-law on Welfare and Protection of the Animals during Transport* which is partly in line with the EU legislation No. 1/2005, 64/432, 93/119 and 1255/97 entered into force upon its publication in the Official Gazette No.28152 of 24 December 2011 .
- *By-law On Protection and Combat Against Rinderpest, Peste des Petits Ruminants, Swine Vesicular Disease, Bluetongue Disease, Epizootic Haemorrhagic Disease of Deer, Sheep and Goat Pox, Vesicular Stomatitis, Lumpy Skin Disease, African swine fever, Classical Swine Fever and Rift Valley Fever* which is partly in line with the EU legislation No. 92/119 entered into force upon its publication in the Official Gazette No.28163 of 4 January 2012.
- *By-law on Compensated Animal Diseases and Compensation Rates* entered into force upon its publication in the Official Gazette No.28173 of 14 January 2012.
- *By-law on Compensation for Animal Diseases* entered into force upon its publication in the Official Gazette No.28173 of 14 January 2012.
- *By-law on Principles and Procedures on Work and Supervision of the Dealers Involved in Animal Trade* which is in line with the EU legislation No. 64/432, 91/68, 96/23, 85/358, 86/469, 89/187, 91/664 and 98/58 entered into force upon its publication in the Official Gazette No.28177 of 18 January 2012.
- *By-law on Protection and Combat against Rabies* entered into force upon its publication in the Official Gazette No.28177 of 18 January 2012 .
- *By-law on Provisions to be Applied in the Combat against Contagious Animal Diseases* entered into force upon its publication in the Official Gazette No. 28179 of 20 January 2012.
- *By-law on Health Requirements of the Aquaculture Animals and Protection and Combat against Their Diseases* which is in line with the EU legislation No. 2006/88 and 2008/946 entered into force upon its publication in the Official Gazette No.28190 of 31 January 2012 .
- *Communiqué On Rules on Entry into the Country of the Personal Consignments of Animal Products* which is in line with the EU legislation No. 206/2009 entered into force upon its publication in the Official Gazette No.28191 of 1 February 2012.
- *Foot and Mouth Disease Contingency Plan* was published on the web-page of the Ministry of Food, Agriculture and Livestock General Directorate of Food and Control on 16 April 2012.

- *The Newcastle Disease Contingency Plan* was published on the web-page of the Ministry of Food, Agriculture and Livestock General Directorate of Food and Control on 17 August 2012.
- *Peste des Petits Ruminants Contingency Plan* was published on the web-page of the Ministry of Food, Agriculture and Livestock General Directorate of Food and Control on 9 October 2012.

In addition to the above, the following were drawn up:

- The draft By-law on *Welfare of the Animals During Their Slaughtering and Killing* which is in line with the EU legislation No. 1099/2009,
- The draft By-law on *Identification and Registration of Cats and Dogs*,
- The draft By-law on *Control of Salmonella and Other Specified Food-borne Zoonotic Agents* prepared in parallel with the EU legislation No. 2160/2003, 1177/2006 and 2007/407,
- The draft By-law on *Welfare of the Farm Animals* which is prepared in parallel with the EU legislation No. 98/58, 1999/74, 2008/119, 2008/120 and 2007/43 in order to make amendments in the By-law on Welfare of the Farm Animals.

#### **Phytosanitary**

- *By-law on Combat against San-Jose Scale* which is in line with the EU legislation No. 2006/91 entered into force upon its publication in the Official Gazette No.28055 of 15 September 2011.
- *By-law on Combat against the Carnation Leaf-Rollers* which is in line with the EU legislation No. 74/647 entered into force upon its publication in the Official Gazette No.28055 of 15 September 2011.
- *By-law on Combat Against the Potato Ring Rot* which is in line with the EU legislation No. 93/85 entered into force upon its publication in the Official Gazette No.28064 of 24 September 2011.
- *By-law on Combat Against the Bacterial Wilt in Potatoes and Tomatoes and the Potato Brown Rot* which is in line with the EU legislation No. 98/57 entered into force upon its publication in the Official Gazette No.28064 of 24 September 2011.
- *By-law on Combat against Potato Cyst Nematodes* which is in line with the EU legislation No. 2007/33 entered into force upon its publication in the Official Gazette No.28073 of 3 October 2011.
- *By-law on Issuing Health Certificate in the Export of the Food and Feed of Plant Origin and the Products Returned From the Export* which is partly in line with

the EU legislation No. 882/2004, 669/2009 and 178/2002 entered into force upon its publication in the Official Gazette No.28123 of 25 November 2011 .

- *By-law on Recording of the Plant Protection Products Used in the Plant Production* which is in line with the EU legislation No. 91/414, 2000/29 entered into force upon its publication in the Official Gazette No.28123 of 25 November 2011 .
- *By-law on Plant Quarantine* which is in line with the EU legislation No. 2000/29 entered into force upon its publication in the Official Gazette No.28131 of 3 December 2011.
- *By-law on Heat Treatment and Marking of the Wood Packaging Materials* which is in line with the EU legislation No. 2000/29 entered into force upon its publication in the Official Gazette No.28132 of 4 December 2011.
- *By-law on Official Controls of the Import of Food and Feed of non-animal origin* which is partly in line with the EU legislation No. 882/2004 and 669/2009 entered into force upon its publication in the Official Gazette No.28145 of 17 December 2011.
- *By-law amending the By-law on Production, Certification and Marketing of the Strawberry Seedlings* which is in line with the EU legislation No. 92/34 entered into force upon its publication in the Official Gazette No.28303 of 25 May 2012.
- *By-law amending the By-law on Certification and Marketing of vine and Propagating Material* which is in line with the EU legislation No. 68/193 entered into force upon its publication in the Official Gazette No.28303 of 25 May 2012.
- *By-law amending the By-law on Certification and Marketing of the Nursery Trees and Propagating Material* which is in line with the EU legislation No. 92/34 entered into force upon its publication in the Official Gazette No.28303 of 25 May 2012.
- *By-law on Combat against the Western Corn Rootworm* which is in line with the EU legislation No. 2003/766 entered into force upon its publication in the Official Gazette No.28483 of 30 November 2012.
- *By-law on Combat against the Pepino Mosaic Virus* which is in line with the EU legislation No. 2004/200 entered into force upon its publication in the Official Gazette No.28483 of 30 November 2012.

Moreover, practice directions, circulars and guidance documents concerning details on the implementation of the published legislation listed above were prepared by the Ministry of Food, Agriculture and Livestock and announced to all those concerned on the website of the Ministry.



Besides, the works with regard to fulfilment of the closing benchmarks of the chapter have continued. In year 2012, the 11<sup>th</sup> meeting of the EU-Turkey Sub-Committee No. 1 on Agriculture and Fisheries was held on 15-16 February 2012 with the participation of the relevant institutions and organisations, in particular the Ministry of Food, Agriculture and Livestock and European Commission.

The Working Group on Food Safety, Animal Health and Phytosanitary trade issues which was set up within the scope of the sub-committee in question held its first meeting on 17 February in Brussels and its second meeting on 14 November 2012 in Ankara.

A technical meeting was held on 16 February 2012 in Brussels on the modernization of the food establishments which is one of the closing benchmarks of the chapter. During the meeting in which the details of the national regulations on modernization were addressed, the representatives of the Commission highlighted the issues to which Turkey should pay attention based on their previous experiences.

The Working Group on Animal Health which was also established under this sub-committee, held its meeting on 18-19 September 2012 in Brussels and discussed the details of the projects which are financed in the field of animal health under the IPA I.

In addition, mission visits within the scope of the subjects listed below were made in 2012 by the Directorate-General for Health and Consumers (DG - SANCO) the Food and Veterinary Office (FVO).

During the mission visit regarding the export of the heat treated milk and milk products to the EU, the FVO representatives stated that 4 establishments producing milk and milk products had met the necessary criteria in order to be included in the list of the establishments authorised to export to the EU. This paved the way for the milk and milk products of Turkish origin to be placed in the EU markets.

In 2012, the FVO made visits in order to:

- Evaluate the food safety control system in place governing the production of fishery products and live bivalve molluscs intended for export to the EU,
- Evaluate the animal welfare standards at the border crossing points for animals exported from the EU to Turkey,
- Evaluate the control of aflatoxin contamination in hazelnut and dry fig intended for export to the EU,
- Evaluate the situation with regard to the poultry/poultry meat establishments in Turkey, in relation to the technical closing benchmark No 3 of the Food Safety, Veterinary and Phytosanitary Chapter No. 12 regarding the modernization plan of the food establishments,

- Evaluate the action taken with regard to the veterinary public health controls carried out in the food of animal origin and the modernization of the food establishments which process red meat and milk, in view of Turkey's future accession to the EU,
- Evaluate the production and certification procedures of the heat treated milk and milk products intended for human consumption which are intended for export to the EU,
- Evaluate the implementation of health rules on animal by-products and derived products

### **Administrative Capacity Building**

In the closing benchmarks of the chapter, Turkey is expected to establish and develop the administrative structures that the EU *acquis* requires, further strengthen its administrative capacity and infrastructure and demonstrate that it will have adequate administrative capacity to properly implement and apply all the *acquis* within the scope of this chapter by the accession.

In this context, the administrative structures established within the scope of the projects carried out in the framework of the EU financial assistance since 2002 continued to be strengthened in view of new necessities. In order to enhance the administrative capacity, staff has been recruited to work either at the central organisation or at the laboratories taking part in the controls and inspections and at the border inspection points and at the provincial organisation, in 2012. Regarding the new legislation published in the field of the animal health, food and feed safety and phytosanitary and the secondary legislation already in operation, the Ministry of Food, Agriculture and Livestock carried out;

- 116 training sessions in the field of Food Safety in 2012 for the personnel who work in the Central Organisation and Provincial Directorates within the scope of the In-service Training Program with the participation of 2232 people,
- 251 training sessions in the field of veterinary with the participation of 7539 people,
- 214 training sessions in the field of phytosanitary with the participation of 7256 people,
- 503 training activities with the participation of 16434 in total, 3 of which being carried out with the participation of 300 people in relation to the chapter 12 in general.

The number of the public and private laboratories which carry out control and inspection activities in the field of food and feed safety and which are accredited in various diagnosis, assay and detection methods are 28 and 51 respectively.

In addition to the above, the following were accomplished:

- Besides the implementation of risk-based controls and inspections carried out frequently enough, the inspections and controls have been carried out within the scope of the yearly inspection and monitoring program. During the first 9 months of 2012, around 400.000 establishments were inspected by the Ministry of Food, Agriculture and Livestock and 610.000 analyses were performed on approximately 90.000 products taken from these establishments.
- A circular was updated for the “By-law on *Measures to be Taken for the Monitoring of Certain Substances and Residues thereof in Live Animals and Animal Products* (Official Gazette No. 28145 of 17 December 2011) and the National Residue Monitoring Plan of 2012 was revised.
- Courses and expert visits were carried out on food inspection, official controls, GMO controls, food safety in the catering sector, food poisoning, milk hygiene and control.
- The control programs in 72 product categories, pesticide residue control programs in 27 product categories and the aflatoxin control program in 8 products continued within the scope of the Annually Control and Monitoring Programs of 2012.
- Within the scope of the Regional Training Programs (RTP) which is established in 2007 in order to extend the implementation of the EU *acquis* aligned with in this chapter, in the rural areas 567 people participated in 7 workshops carried out in 2012.
- Within the scope of the Technical Assistance and Information Exchange (TAIEX), 157 people in total participated in 3 workshops held in Turkey, 44 people attended the 3 expert missions and 4 people participated in 1 study visit.
- Participation was provided to a series of meetings held in Brussels on 24 May-20 June 2012 in order to determine the fields of training and activities planned for 2012 and 2013 in the field of Food Safety, Veterinary and Phytosanitary using the TAIEX mechanism . As a result of the meetings, the “Training Map” was prepared and submitted to the Commission.

### **Progress Achieved Within the Scope of Projects Carried Out under the Financial Cooperation between Turkey and the European Union**

#### **Project on the Ear Tagging and Vaccination of the Sheep and Goats**

Within the scope of the project for which total budget is 29,579,750 Euros, the following activities are foreseen: raising public awareness, technical assistance for the coordination of the vaccination and ear tagging activities, procurement of plastic ear tags and PPR vaccines, ear tagging and vaccination of the sheep and goats and

establishment of a database for keeping records of sheep and goats. Within the scope of the project, the database became functional in 2012 and training of the personnel of the provincial organisation of the Ministry of Food, Agriculture and Livestock and vaccination and ear tagging activities were carried out.

### **Project on Rabies Control in Wildlife**

Within the scope of the “*Project on Rabies Control in Wildlife*”, the procurement of 4,536,000 vaccines was planned for the oral vaccination of the animals in wildlife against rabies. The project with a total budget of 2 million 200,000 Euros is at the stage of tender.

### **Control and Eradication of Foot and Mouth Disease in Turkey (Stage II)**

The project on the “Control and Eradication of Foot and Mouth Disease in Turkey (Stage II)” has a budget of 8,276,000 Euros and within the scope of the project, 710,000 doses of vaccines for the ovine and caprine animals and 910,950 doses of vaccines for the bovine animals were procured in the Thrace region and the vaccination activities were completed during 2012.

### **Electronic Identification and Sheep and Goats Registration System**

The aim of the “Electronic Identification and Registration System for Sheep and Goats” project which is included in the IPA-I program of 2012 and has a total budget of 34,100,000 Euros is defined as “establishing an electronic identification and registration system for the purpose of monitoring the movements of the ovine and caprine animals and the combat against animal diseases in parallel with the EU requirements.” The following are foreseen within the scope of the project having supply components for the procurement of electronic and plastic ear tags and hand-held terminals and technical assistance component for communication activities with regard to raising the awareness and the coordination of ear-tagging activities:

- (i) The procurement of 24,2 million pairs of ear-tags (one electronic and one plastic ear-tag for each animal) and 5,000 hand-held terminals in 81 provincial directorates,
- (ii) Awareness-raising activities for the sheep and goat breeders and training activities for the veterinary health technicians and official and private veterinarians
- (iii) The establishment of an electronic identification and registration system in Turkey in compliance with the EU requirements.

Within the scope of the Support Activities to Strengthen the European Integration Process (SEI), the projects of “Development of a Strategy for the Harmonization of the EU Animal By-Products Legislation”, Supporting the Establishment of the Phytosanitary Border Control Points” and “Supporting the Preparation of Veterinary Strategy” were prepared in 2012 and sent to the Central Finance and Contracts Unit for

assessment. Furthermore, all stages of the project on the “Development of the Capacity of Ministry of Food, Agriculture and Livestock Risk Assessment Unit” were completed in 2012.

Based on the Agriculture and Rural Development Sectoral Alignment Strategy prepared in 2011 in which the EU alignment priorities of the Agriculture and Rural Development Sector take place, the 2013 IPA-I Sector Identification Fiche (SIF) was prepared in order to meet the selected sectoral requirements from the EU-Turkey Financial Cooperation Program.

### **Chapter 13: Fisheries**

Fisheries is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

#### **Alignment with the EU *Acquis***

The eleventh meeting of the EU-Turkey Sub-Committee No. 1 on Agriculture and Fisheries was held on 15-16 February 2012 with the participation of representatives from the European Commission, the Ministry of Food, Agriculture and Livestock and the relevant institutions. In the meeting of the sub-committee, Turkey proposed the Commission to establish a working group with regard to alignment with the legislation in the fisheries chapter.

The second meeting of the “Fisheries Dialogue Working Group”, which was set up in order to improve the cooperation between the EU and Turkey in the field of fisheries, to maintain the dialogue and to exchange opinions on the possible fields of cooperation in the Mediterranean and Black Sea, was held in Ankara on 10 May 2012.

Within the framework of alignment with the EU fisheries *acquis*, work for the revision of the Fisheries Law was carried out by the Directorate General for Fisheries and Aquaculture of the Ministry of Food, Agriculture and Livestock. With this arrangement, it is aimed to enhance resource management in fishing production and to ensure respect of the environment in breeding by observing the balance between conservation and exploitation.

In order to be implemented for commercial fisheries between 1 September 2012 and 31 August 2016, the “Communiqué No. 3/1 on the Regulation of Commercial Fishing”, which regulates the obligations, limitations and prohibitions on fishing to ensure the conservation and sustainable exploitation of fisheries resources by taking into account scientific, environmental, economic and social aspects, entered into force. Furthermore, the “Communiqué No. 3/2 on the Regulation of Recreational Fishing”, which lays down the procedures and principles of those who will perform fishing with small boats in

unrestricted zones for non-commercial purpose or for sports activities, entered into force.

Thus, in the light of scientific data obtained, protective regulations were put into force by the Ministry of Food, Agriculture and Livestock, in parallel with the “Council Regulation (EC) No. 1967/2006 concerning management measures for the sustainable exploitation of fishery resources in the Mediterranean Sea”.

### **Administrative Capacity Building**

Work on administrative capacity building was further continued in 2012. Some progress was achieved in the fields of resource and fleet management, and inspection and control.

Fisheries port offices (fisheries administrative buildings), 29 of which have been built with EU grants provided within the scope of EU-Turkey Financial Cooperation, reached a total number of 41 in 2012. The construction of two port offices in Düzce/Akçakoca and Sinop/Demirciköy continue.

Work has been initiated for protecting fish stocks, reducing fishing pressure and ensuring sustainable fishing. Within this framework, the “Communiqué No. 2012/51 on Aid to Those Who Decommission Fishing Vessels” was published in the Official Gazette No. 28328 of 19 June 2012 by the Directorate General for Fisheries and Aquaculture of the Ministry of Food, Agriculture and Livestock. Accordingly, the vessel-owners, who voluntarily decommission their vessels licensed for fishing activities on sea with licences still valid; which are of 12 metres’ or more length and registered to the Fisheries Information System (FIS), are covered by the scope of this support.

The functionality and scope of the Fisheries Information System were extended in a way that it comprises the registry of recreational fishermen, special fishing permits, the issuing of inspection forms and the collection of fisheries production statistics. The inquiry and reporting infrastructure was strengthened. Efforts to further extend the use of remote sensing and geographical information systems continued.

Within the scope of the “Project on Acoustic Method for Determination of Black Sea Anchovy Stocks and Continuous Monitoring Model Generation”, jointly carried out by TÜBİTAK and the Ministry of Food, Agriculture and Livestock and launched in 2011, acoustic screening and fish counting work began for the determination of the status of anchovy stocks in the Black Sea.

The “EU-Turkey Evaluation Meeting of the 2012 Bluefin Tuna Campaign” was held in Istanbul on 19 October 2012 with the aim of exchanging information between Turkey and the EU on inspections carried out during the tuna fishing season. At this meeting, the EU was informed about Turkey’s effective inspection mechanism.



Through a pilot training carried out within the scope of the “TA for developing a National Training Strategy to enhance Administrative Capacities of Public Institutions in the context of Accession Negotiations and implementation of Pilot Training Modules” carried out by the Ministry for EU Affairs and supported with EU funds, 47 personnel appointed at the Ministry of Food, Agriculture and Livestock, the Ministry for EU Affairs and the Turkish Coast Guard Command were trained on the EU Common Fisheries Policy. With the comprehensive pilot training carried out within the scope of the same project, 28 personnel working for the Ministry of Food, Agriculture and Livestock and the Ministry for EU Affairs were trained on the fisheries chapter.

In order to meet the sectoral needs in a better way, the number of personnel of the Directorate General for Fisheries and Aquaculture was increased and in-service trainings were continued.

Turkey signed bilateral fisheries agreements with Morocco and Ukraine. Turkey also became a member of the Central Asian and Caucasus Regional Fisheries and Aquaculture Commission (CACFish).

### **Progress Achieved within the Scope of the EU-Turkey Financial Cooperation Projects**

#### **Project on Institutional Capacity Building for Fishery Producer Organisations**

The financing agreement for 2011, which includes this project with a total budget of 1 million Euros, was signed. With this project, it is aimed to draw up legislation and develop policies for alignment with the EU common market organisation for fisheries products, to formulate policies, to create a schedule for the establishment of functional producer organisations as provided for in the EU fisheries *acquis*, and to enhance the capacity of the Ministry of Food, Agriculture and Livestock and producer organisations through trainings, study visits and communication activities.

The 2013 IPA-I Sector Identification Fiche (SIF) was prepared based on the Agriculture and Rural Development Sector Alignment Strategy prepared in 2011 and comprising the priorities of the Agriculture and Rural Development Sector in terms of alignment with the EU, with a view to financing selected priorities therein under the EU-Turkey Financial Cooperation Programme.

#### **Chapter 14: Transport Policy**

Transport Policy is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

### **Alignment with the EU *Acquis***

In the field of land transport, for alignment of the driving licences with the EU standards, Turkey became a party to the relevant conventions by the following:

- “Law No. 6299 Ratifying Our Accession to the Convention on Road Traffic and the European Agreement Supplementing This Convention” published in the Official Gazette No. 28288 of 10 May 2012 and;
- Decree No. 2012/3346 of the Council of Ministers on Our Accession by way of Entering Reservations to the “Convention on Road Traffic” and the “European Agreement Supplementing 1968 Convention on Road Traffic” which is published in the Official Gazette No. 28378 of 8 August 2012.

The necessary work on making the required amendments to the Road Traffic Law No. 2918 is on-going, and this process is planned to be finalized in 2013.

The digital tachograph system is applied in vehicles used in international freight and passenger transport without any problems. In addition, the “Regulation on Inspection and Sealing of Recording Equipment” which includes provisions for the system to be implemented in domestic transport was published in the Official Gazette No. 28171 of 12 January 2012. In this respect, the transformation in terms of the domestic transport vehicles will have been completed in five years.

The work on becoming a party to the amendment packages No. 4, 5 and 6 of the European Agreement concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR) is on-going.

After this process is completed, the working and resting periods will also become aligned with the EU, and Turkey will have remedied its deficiencies regarding inspection.

Furthermore, with regard to road safety, 76,000 vehicles which were manufactured in or before 1985 were withdrawn from the traffic. For the purpose of withdrawing the vehicles from the traffic which were manufactured in or before 1990 by the end of 2013, the “Ministerial Decree No. 66 on Withdrawal of Certain Road Motor Vehicles from Traffic” entered into force upon publication in the Official Gazette No. 28470 of 17 November 2012.

In the field of rail transport, although the national rail passenger transport markets have not been completely liberalized in the European Union, Turkey maintains its works regarding the separation of freight and passenger transport and the liberalization of the market by restructuring the rail transport system. In this context, the Draft Law on Liberalization of the Rail Transport in Turkey was prepared, and the work for its enactment is on-going.

In the field of civil aviation, the Horizontal Aviation Agreement which is an important step towards the recognition of the “Community Designation” and which was initialized in 2010 is planned to be signed during the first quarter of 2013. Furthermore, a “Civil Aviation Dialogue” has been developed between Turkey and the European Commission. In this context, the talks started between the parties on a comprehensive aviation agreement which will include many fields, in particular the issues of the aviation safety and Turkey’s representation under the European Aviation Safety Agency (EASA).

During this period, the following regulations and instructions in the field of civil aviation were drawn up in compliance with the EU *acquis* and entered into force:

- By-law on Air Passenger Rights (SHY-YOLCU) (Official Gazette No. 28131 of 3 December 2011),
- By-law of Same Name Repealing the Regulation on Continuing Airworthiness (SHY-M) published in the Official Gazette No. 28149 of 21 December 2011 (Official Gazette No. 28503 of 20 December 2012),
- By-law on Aircraft Maintenance Training Organisations (SHY-147) (Official Gazette No. 28388 of 18 August 2012),
- Instruction on Aircraft Maintenance Training Organisations (SHT-147) (5 September 2012),
- Instruction on Computerised Reservation Systems (SHT-CRS) (11 October 2011),
- Instruction on Procedures and Principles on Preparation and Approval of the Master Minimum Equipment List (MMEL) and Minimum Equipment List (MEL) (SHT-MMEL/MEL) (12 October 2011),
- Instruction on Required Navigation Performance Approaches Operations (SHT-RNP 20-27) (27 January 2012),
- Instruction on Quality Management System and Standardization for CNS Services (SHT-CNS) (1 March 2012),
- Instruction on Helicopter Pilot License (SHT-2) (20 April 2012),
- Instruction on Procedures and Principles of the Commercial Air Transport by Plane Business Operations (SHT-OPS 1) (19 November 2012),

- By-law On Obstacle Criteria on Communication, Navigation, Surveillance Systems (Official Gazette No. 28451 of 24 October 2012),
- Conversion Instruction SHT 66-01 (14 November 2012).

In the field of maritime transport, steps were taken to become party to many international agreements and ratification laws were brought up to the agenda of the Parliament especially for the following:

- International Convention on Control of the Harmful Anti-Fouling Systems on Ships (AFS 2001),
- Convention on Facilitation of International Maritime Traffic (FAL 1965),
- Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (Hong Kong SRC 2009),
- Annexes III, IV and VI to the International Convention for the Prevention of Pollution from Ships (MARPOL),
- International Convention for the Safety of Life at Sea (SOLAS) Protocols of 1978 and 1988,
- Protocol on Preparedness, Response and Co-operation to Pollution Incidents by Hazardous and Noxious Substances, 2000 (OPRC-HNS 2000).

Furthermore, investments from the national resources continue in order to set up response centres for the purpose of increasing the urgent response capacity for the oil spill in the seas.

Turkey signed the “Protocol of 2010 to the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea” (HNS 2010 Protocol) on 25 October 2011. The Training and Authorisation Regulation within the Scope of the International Maritime Dangerous Goods Code (IMDG Code) was revised and published in the Official Gazette No. 28201 of 11 February 2012.

### **Administrative Capacity Building**

On 1 November 2011, the Ministry of Transport was restructured as the Ministry of Transport, Maritime Affairs and Communications. With this restructuring, several new general directorates, in particular the Directorate General of Railway Regulation, the

Directorate General of Road Regulation and the Directorate General of Dangerous Goods and Combined Transport were established.

The Undersecretariat of Maritime Affairs was abolished and incorporated in the Ministry, and various permanent and temporary boards were established such as the Accident Research and Investigation Board and Railway Coordination Board, to which the European Union attach importance.

The accreditation process regarding the take-over of tasks on tendering, contracting, paying and reporting within the scope of the Transport Operational Program from the Central Finance and Contracts Unit (CFCU) to the Managing Authority established under the Ministry of Transport, Maritime Affairs and Communications was finalized in November 2012.

Within the scope of the ESEI funds financed by the EU for the purpose of increasing the administrative capacity of the Directorate General of Civil Aviation, the “Project on Strengthening the Institutional and Administrative Capacity of the Directorate General of Civil Aviation” was included into the programming package of 2011. This project is planned to start in the upcoming period.

In 2012, two projects were initiated within the scope of 2010 IPA-I component on maritime affairs for the purpose of strengthening the administrative capacity: the “Project on Control of Ship-sourced Emissions in Turkey” (TR2010/0314.02) in order to ensure the high-level control of the emissions from the ships, and the “Project on Improved Maritime Education and Training in Turkey” (TR2010/0314.01) for the purposes of strengthening the systems of education, training and certification of the Turkish seamen and defining a long-term training strategy and ensuring the training of the trainers and the legislative alignment.

In the field of land transport, the projects on the “Weight and Dimension Controls of Commercial Vehicles” (TR2009/0314.01) for the purpose of increasing the effectiveness of the roadside inspections of commercial vehicles and on “Strengthening the Intermodal Transport in Turkey” (TR2009/0314.02) for the purpose of improving the institutional and administrative infrastructure on intermodal transport in our country are financed within the scope of 2009 IPA-I funds, and their implementation still continues.

The opening meeting of the “EU Technical Assistance for the Stakeholder Analysis and Consultation on the Accessibility of the Disabled People to Transport Services” (TR2009/740.01-02) was held on 9 November 2012, and the works within the scope of the project are expected to be finalized in four months.

Furthermore, the implementation of the project on the “Technical Assistance for the Reform of the Turkish Railways” (TR0702.27-01) which is financed within the scope of

2007 IPA programming still continue and is expected to be finalized in the first quarter of 2013.

## **Chapter 15: Energy**

### **Alignment with the *Acquis***

Energy is one of the cooperation fields with the EU within the framework of the “Positive Agenda”. During the meetings held in the field of energy as part of the Positive Agenda, a decision was taken to set up a joint working group for determining the state-of-play and to prepare a road map in this regard.

As a result, the “Enhanced EU-Turkey Energy Cooperation Document” was drawn up with the contribution of the officials from all relevant institutions and organisations and the European Commission. Following the quartet summit held on 14 June 2012 with the participation of the Minister for EU Affairs and Chief Negotiator, Minister of Energy and Natural Resources and members of the European Commission responsible for Enlargement and Energy, a new process began for the development of the energy cooperation.

The outputs of the studies to be carried out by this joint working group will constitute a preliminary work leading way for the opening of the chapter to negotiations. The location of Turkey, which serves as a bridge between the countries which consume energy and are located on its west and the countries which produce petrol and natural gas, increases the importance of our country in terms of the security of energy supply.

In this context, connection works on natural gas are being carried out. The work on finalising the legislative and regulatory framework for the transportation of natural gas is maintained. Within this context, the negotiations on “Trans-Anatolian Natural Gas Pipeline” (TANAP) which will transport the natural gas to be produced within the scope of Shah Deniz Phase 2 from east to the west of Turkey were finalized and the conditions for 6 billion cubic meters of natural gas to be sold to Turkey and 10 billion cubic meters of natural gas to be transported to Europe were agreed on.

Within this framework, the Intergovernmental Agreement and the Memorandum of Understanding were signed on 25 October 2011 and in December 2011, respectively. The agreement for the natural gas transportation to Europe through TANAP was signed on 26 June 2012. The project which is estimated to be actualised in five years will be carried out in four stages and the first stage will be concluded in 2018. The capacity of the line will reach 16 billion cubic meters in 2020, 23 billion cubic meters in 2023 and 31 billion cubic meters in 2026. Furthermore, Turkey gave permission for the utilization of its exclusive economic zone and participated in the required technical works for the South Stream Natural Gas Pipeline Project which will transport the Russian natural gas directly to Europe through the pipeline to be built under Black Sea whose foundation was laid this year.



The work to finalise the legislative framework and solve the technical problems for realizing the cross-border electric trade between Turkey and the EU is on-going.

The trial synchronous parallel operation period is at its third stage. It is planned to be completed in 2013. In order to develop the electric trade between Turkey and ENTSO-E's Continental Europe Synchronous Area in this stage, the joint agreement signed among Bulgaria, Greece and Turkey in accordance with the ENTSO-E practices and the EU rules, allows for the capacity allocation.

When the synchronized parallel operation of the Turkish electric system with the European electric system becomes fully functional, the possibility of making electric trade with Europe will be brought to the agenda.

Within this context, technical preparations are necessary in order for the Turkish electric system to be able to operate in parallel with ENTSO-E. The project within the IPA 2007 programming, which is carried out for the purpose of increasing the knowledge and performance levels of the personnel of TEİAŞ and EÜAŞ is completed. The closing meeting of the project was held on 18 June 2012.

Within the scope of the work on Integration with the South East Europe Regional Energy Market to be established in the South East Europe and with the European Union Internal Energy Market, TEİAŞ voluntarily participated in the South East European Coordinated Auction Office (Project Team Company, PTC).

The work regarding the **internal energy market** gained momentum in 2012. The “Draft Electricity Market Law” and the “Draft Law amending the Natural Gas Market Law” were prepared for the liberalization of the energy market in Turkey. The “Draft Law for Electricity Market” which was forwarded to the TGNA contains regulations on licensing, the principles of pre-licensing, activities of electricity market, Energy Market Regulatory Authority, the tariffs, supporting the consumers, the efforts of privatization, security of supply and the establishment of the Turkish Energy Exchange.

The “Draft Law amending the Natural Gas Market Law” introduces amendments for the restructuring of the security of energy supply and BOTAŞ.

The stipulated amendments increase the alignment of our electric and natural gas market legislation with the EU’s Third Energy Package.

In addition to the work regarding draft legislation, the following legislation entered into force:

- Electricity Market Law was amended by the “Law Amending Certain Laws” (Official Gazette No. 28351 of 12 July 2012), (Official Gazette No. 28350 of 11 July 2012 ), (Official Gazette No. 28344 of 5 July 2012), (Official Gazette No. 28324 of 15 June 2012)

- Amendment to the By-Law on Eligible Customers (Official Gazette No. 28257 of 7 April 2012),
- By-Law on Inspection and Supervision of the Activities of Generation and Distribution Companies which Operate in the Electricity Market within Their Licences (Official Gazette No. 28082 of 12 October 2011),
- Amendment to the By-Law on the Electricity Market Licencing (Official Gazette No. 28253 of 3 April 2012),
- Amendment to the By-Law on Electricity Market Customer Services (Official Gazette No. 28408 of 11 September 2012),
- Amendment to the By-law on Electricity Production Without License in the Electricity Market (Official Gazette No. 28229 of 10 March 2012),
- Communique on Electricity Production Without License in the Electricity Market (Official Gazette No. 28229 of 10 March 2012),
- Procedures and Principles on the Tariff Practices of Legal Persons with Distribution Licence and Designated Retail Sales Companies (Board Resolution No. 4193 of 18 December 2012. Official Gazette No. 28511 of 28 December 2012),
- Procedures and Principles on the Legal Unbundling of the Distribution and Retail Sales Activities (Board Resolution No. 4019 of 12 September 2012. Official Gazette No. 28424 of 27 September 2012),
- By-Law on Service Quality of the Distribution and Retail Sales of Electricity (Official Gazette No. 28504 of 21 December 2012),
- Amendment to the By-Law on Electricity Market Distribution (Official Gazette No. 28408 of 11 September 2012),
- Amendment to the By-Law on Electricity Market Balancing and Settlement (Official Gazette No. 28415 of 18 September 2012),
- By-Law amending the By-Law on Electricity Market Activities of Organised Industrial Zones (Official Gazette No. 28208 of 18 February 2012),
- By-Law on Selection of Legal Persons Who Apply for a Licence In Order to Carry Out Natural Gas Storage Activities At the Same Place (Official Gazette No. 28211 of 21 February 2012),
- By-Law amending the By-Law on Natural Gas Market Distribution and Customer Services (Official Gazette No. 28281 of 3 May 2012),
- By-Law amending the By-Law on Natural Gas Market Licencing (Official Gazette No. 28253 of 3 April 2012),

- By-Law amending the By-Law on Natural Gas Market Certification (Official Gazette No. 28321 of 12 June 2012),

Following the promulgation of the Procedures and Principles on the Legal Unbundling of the Distribution and Wholesale Activities, the definition of unbundling for the vertically integrated undertakings was made and procedures on creating tariffs and definitions regarding the implementation were introduced.

Within the scope of the privatization of electricity distribution, 13 of 21 regions were transferred to private sector while 3 regions are still waiting for the tendering process. During the first months of 2013, it is expected that electricity distribution services will completely be carried out by the private sector and 21 distribution regions will be privatised. On the other hand, the efforts regarding the privatization of the energy generating assets still continue. Tenders initiated for privatising seventeen run-of-the-river power stations which are divided into ten groups belonging to Electricity Generation Corp. were finalised in 2012. The licences of the electricity production facilities subject to privatization were regulated and thus the privatisation of the electricity production was accelerated. When these works are finalized, the process of establishing an energy private sector which is also important in terms of the alignment with the EU will be completed to a large extent.

The free consumer threshold for 2012 in the electricity market decreased to 25,000 kWh and theoretically it corresponds to a market opening of 77%. The free consumer threshold for 2012 was reduced to 300,000 cubic metres in the natural gas markets.

An agreement which aims to provide technical support in order to ensure the alignment with the European Union energy market and to establish a market similar to the energy markets of the European Union was signed between the Ministry of Energy and Natural Resources and the German Federal Ministry for Economic Co-operation and Development. Furthermore, an agreement was signed with the European Energy Exchange, which also includes technical cooperation. In addition, in order to ensure the technical information exchange and the compliance review of the market the technical negotiations are maintained with Nord Pool, which is one of the most important exchanges in Europe and has an operation system most similar to the Turkish electricity market, and with other similar European Union Energy Exchanges.

The Energy Market Regulatory Authority published its Board Resolution on 28 March 2012, which establishes the Basic Operating Principles and Procedures of Silivri Underground Storage Facility. In this framework, the third parties will be able to access to the underground storage facility which is operated by Turkish Petroleum Corporation (TPAO).

In the field of **renewable energy**, the following regulations were published in the Official Gazette:

- Communiqué on Measurement Standard for License Applications Based on Wind and Solar Energy (Official Gazette No. 28212 of 22 February 2012),
- Communiqué on Electricity Production Without License on Electricity Market (Official Gazette No. 28229 of 10 March 2012),
- Amendment to the Communiqué on Measurement Standard for License Application Based Wind and Solar Energy (Official Gazette No. 28250 of 31 March 2012),
- Communiqué on Wind and Solar Measurement Principles for License Application Based on Wind and Solar Energy (Official Gazette No. 28349 of 10 July 2012),
- Communiqué on Bioethanol as an Additive in the Fuel Oil (Official Gazette No. 28346 of 7 July 2012).

The Higher Planning Council approved on 25 February 2012 the Energy Efficiency Strategy Paper (2012-2023) which lays down the policies determining the result oriented and concrete energy efficiency targets, and produces relevant strategies in the field of energy efficiency. With this paper, it is aimed in 2023 to reduce the energy amount consumed per GDP (energy density) in Turkey by at least 20% compared to the figures of 2011.

By-law amending the By-law on Improving Energy Efficiency for the Utilization of Energy Resources and Energy, thus introducing incentives for the industry and regulating the authorisations of the energy efficiency consultancy companies was published in the Official Gazette on 27 October 2011.

Within the scope of this by-law, the “Communiqué on Energy Efficiency Subsidies” was published in the Official Gazette on 3 July 2012. A set of new communiqués entered into force within the framework of the efforts on alignment with Eco-design Framework Directive (August 2011-February 2012).

Within the scope of the efforts on alignment with the EU Directive on energy labelling (2010/30/EU), the “By-law on the Indication by Labelling and Standard Product Information of the Consumption of Energy and Other Resources in Energy-related Products” was published in the Official Gazette on 2 December 2011. Within this context, communiqués on the energy labelling of the household washing machines, household dishwashers, household refrigerating appliances and television sets were published (Official Gazette No. 28331 of 22 June 2012).

The authorisations for energy efficiency services and energy management programmes are on-going. 4,600 certified energy-authorised people received their certificates and thus a total of 45,000 energy performance certificates were issued by November 2012.

In the field of **nuclear safety and protection against radiation**, within the scope of the work regarding the alignment with the legislation, Turkish Atomic Energy Authority (TAEK) proposed a technical assistance project for 2013 programming in order to establish the regulatory infrastructure for nuclear safety in our country. In addition, the work regarding the by-laws that need to be enacted or revised in order to ensure full alignment with the EU legislation within TAEK are on-going.

Turkey started the process for becoming a party to the “Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management”. The Draft Law on the ratification of the convention is pending before the TGNA.

The “Decree on the Ratification of the International Convention for the Suppression of Acts of Nuclear Terrorism with Declaration and Reservation” was published in the Official Gazette on 8 May 2012. Regulations regarding the protection against ionizing radiation and issuing licences to nuclear facilities were made through this decree.

By-law on Accounting for and Control of Nuclear Materials was published in the Official Gazette No. 28308 of 30 May 2012.

It is envisaged until 2023 that two nuclear power plants will be put into operation and the construction of the third nuclear power plant will be initiated. Within the scope of the nuclear cooperation, negotiations with South Korea, Japan, Canada and China are underway.

Turkey voluntarily participated in the project which was initiated by the EU on a voluntary basis and provides for the assessment of the nuclear power plants in the EU and the neighbouring countries with a set of stress tests in order to find out whether they are safe or not. Within this context, it was decided that once the nuclear power plants in Turkey, the construction of which were planned, are built and start to operate, they will be subject to the stress tests provided for by the EU.

### **Enhancing Administrative Capacity**

The calculation methodologies of the European Union and the International Energy Agency (IEA) in terms of the oil stocking systems are different. However, the European Union adopted the standards of the IEA in 2009.

During this process, it was realized that the Oil Stocking Agency which was planned to be established in Turkey is no longer necessary and the General Directorate of Petroleum Affairs is capable of meeting the obligations set by the International Energy Agency. In this context, the work on by-laws which regulate the tasks and authorities of the Directorate General are on-going.

The General Directorate of Renewable Energy was established under the Ministry of Energy and Natural Resources. The General Directorate is responsible for the

management of renewable energy, energy efficiency and energy knowledge and technology.

The Ministry also established the Department of Nuclear Energy Project Implementation which will support the developments on the nuclear energy and carry out the work in this field.

The Ministry has created a major sectoral project by combining similar project proposals submitted in the energy sector for the 2012 programming year. The budget of the Project on Enhancement of Turkish Energy Sector In Line With the EU Energy Priorities and Strategies is 11.8 billion Euros. The implementation of the project will also contribute to the development of capacity building of the Ministry of Energy and Natural Resources.

Furthermore, within the framework of the work on transition to sector approach, major sectoral projects have been designed for the 2013 programming year.

The development process of the project which consists of the electricity and natural gas markets, energy efficiency, renewable energy and nuclear energy sectors is still on-going. Unlike the previous programming years, the 2013 programming comprises a major part of the sector and is the most comprehensive energy project carried out under the EU-Turkey Financial Cooperation Program so far with a budget of 35-40 billion Euros.

## **Chapter 16: Taxation**

### **Alignment with the *Acquis***

In terms of indirect taxation, the tax amount applied to the imported alcoholic beverages was reduced and the tax amount applied to the domestic alcoholic beverages was increased with the amendment made on 7 May 2012 within the scope of the Special Consumption Tax, and thus, in accordance with the 2009 Action Plan drawn up for the purpose of meeting the opening benchmark of the chapter, the tax disparity between raki and whiskey was reduced.

The work on drafting a new Income Tax Law is on-going. With the Draft Law drawn up with the effort of not compromising the fiscal discipline, it is aimed to expand the tax base by increasing the number of the tax payers who submit declaration. Along with reducing the exemptions and exceptions, it is aimed to draw up a more simple and comprehensible text by reducing the number of articles in the Law.

### **Administrative Capacity Building**

In terms of administrative capacity, combining the tax inspection functions under a single institution, namely the “Presidency of Tax Inspection Board” is regarded as an important step with regard to the planning and implementation of the tax inspections.



Furthermore, the development of the analysis systems and databases within the Ministry of Finance continued in order for the inspection methods to be more effective.

The institutional capacity of the Revenue Administration was increased and the taxpayer services were improved with the “Introduction of Quality Management in the Revenue Administration Technical Support Project” carried out by the Revenue Administration. In line with the Action Plan for Combating the Unregistered Economy adopted in 2011, the electronic registration of the tax payers was initiated in April 2012.

## Chapter 17: Economic and Monetary Policy

### Alignment with the *Acquis*

In this chapter, the level of alignment with the *acquis* is advanced. Turkey was invited by a letter of the Council to prepare the negotiating position for the opening of the chapter which does not include any technical opening benchmarks. Turkey’s Negotiating Position Paper on the Economic and Monetary Policy Chapter was submitted to the EU on 9 March 2007.

The Negotiating Position Paper of the chapter was not addressed in the Council of the EU and accordingly the Common Position of the EU has not been prepared as France argued that this chapter is directly linked to full membership during the EU Heads of State and Government Summit held on 26 June 2007. Despite this unjust blockage during the negotiation process, the technical work committed in the Negotiating Position Paper is being implemented by the relevant institutions even during the course of global crisis, and due to the advanced level of alignment, the chapter can be opened to negotiations if the political blocks are removed.

Within the framework of pre-accession economic policy coordination, Turkey has been regularly submitting Pre-Accession Economic Programme and Fiscal Notifications to the Commission since 2001. In particular, Turkey has achieved a significant progress in terms of the accuracy of Excessive Deficit Procedure notifications.

The Law No. 1211 on the Central Bank of the Republic of Turkey (CBRT) was amended with the Law No. 6111 published in the Official Gazette No. 27857 (bis) of 25 February 2011 in order to prevent the monetary financing of the public sector by the CBRT, and progress was made in terms of strengthening the financial independence of the Central Bank. With the amendment in question, an important progress was made regarding the prohibition of monetary financing of public sector by the Central Bank.

The Central Bank used different policy instruments in order to ensure the price and financial stability in the area of **monetary policy**. The Central Bank used many policy instruments such as interest rate corridor, reserve requirements, foreign exchange auctions and interventions effectively, and it became notably successful and efficient particularly in terms of suppressing the credit expansion and thus reducing the current account deficit. The Central Bank aims to reach the rate of 5% which is the year-end inflation target for 2012.

The capacity for **economic policy** formulation and coordination is at adequate and the overall preparedness of Turkey is at a high level. While The Medium-Term Plan for the period between 2013 and 2015 expects the sustainment of the growth, the maintenance of fiscal discipline and the increase in employment and savings, the Pre-Accession Economic Program, submitted to the European Commission in 2012, offers a significantly consistent and comprehensive macroeconomic framework.

## **Chapter 18: Statistics**

### **Alignment with the Acquis**

In 2012, significant progress was recorded in terms of the alignment with the EU *acquis* within the scope of the Chapter on Statistics. Turkey's level of alignment with the *acquis* regarding this chapter is advanced.

Statistics is one of the eight chapters for which working groups were set up under the "Positive Agenda" established in 2012 between Turkey and the EU and the first working group meeting in this regard was held on 12 July 2012 in Brussels.

During the meeting, the work performed so far regarding closing benchmarks on agriculture statistics and national accounts were explained and a roadmap on actions to be taken in the coming period was submitted to the EU.

Within the scope of the work on the alignment with the *acquis* in the field of classifications and registers, the adaptation work for all classifications was finalized. The publication of the data according to NACE Rev.2, a system used for the statistical classification of the economic activities in the European Union, was initiated. The Action Plan for the establishment of the Agricultural Holding Register which is envisaged to be an administrative record which will significantly contribute to the production of the agriculture statistics in line with the EU standards was submitted to the Commission at the working group meeting held in July within the scope of the Positive Agenda. The overall level of alignment in the field of classifications and registers is high.

In the field of sector statistics, the implementation of the ESA 2010 (European System of National and Regional Accounts in the European Union) and accordingly, the transition to the NACE Rev.2 classification in GDP calculations with production, expenditure and income approach are on-going. The preparations for drawing up the Supply and Use Tables for 2012 are underway. The relevant field application will be carried out in 2013.

The General Communiqué on General Government Finance Statistics, published in the Official Gazette No. 28256 and dated 6 April 2012, redefined the scope of general government. In this framework, some national account tables regarding the period between 2006 and 2010 (ESA Table 2 and ESA Table 9) were submitted to the Eurostat

in accordance with the new scope of the general government sector. The tables on Excessive Budget Deficit Procedure were revised and updated.

With regard to the population, for the first time, in 2011 the “Population and Housing Survey” was conducted which, unlike the previous censuses, was based on the administrative records in order to collect information on labour and employment, fertility, migration and its reasons, infant, child and adult mortality, disability, buildings and dwellings, and which could not be obtained with the Address Based Population Registration System was conducted. With Population and Housing Survey conducted in 2011, TURKSTAT used for the first time, modern data collection methods which reduced the burden for the respondent by gathering the data collected with the registers and the data collected from the field.

Settlement populations are calculated as of 31 December each year, by adding the institutional population to the data taken from the Address Based Population Registration system which has been updated by the Ministry of Interior, General Directorate of Population and Citizenship Affairs and the results are announced to the public. Accordingly, the results of 2011 were announced to the public on 27 January 2012.

TURKSTAT announced the financial intermediary institution statistics of 2010 and foreign-controlled enterprise statistics of 2009 which were drawn up in accordance with the EU structural business statistics regulations and NACE Rev.2.

In order to examine the generation process of the data produced by the relevant institutions and organisations using administrative registers and the compliance of the results obtained to the international standards, TURKSTAT carried out the “Data Evaluation Study at Institutions/Organisations”, within the framework of the “quality of the statistics generated” which is the main point of the second planning period of the Official Statistics Programme (OSP) and in the direction of the principles and procedures of the “Data Quality Control Board” established with Turkish Statistical Law No. 5429. With this study, it is aimed to raise awareness in the institutions/organisations which produce data within the scope of the OSP, about the “European Statistics Code of Practice” and the “Quality Components” defined by Eurostat. Furthermore, within the scope of restructuring TURKSTAT, the “Register Systems Department” was set up as an independent department in order to improve the administrative registers.

Within the scope of the environmental statistics, TURKSTAT published 2010 data on the statistics of water, wastewater and waste, environmental income and expenditure, in accordance with the Eurostat definitions and classifications and reported these to the Eurostat. Furthermore, the greenhouse gas emission inventory of the period between 1990 and 2010 was published and communicated to the UN Climate Change Secretariat. In the framework of the environmental accounts, Air Emission Accounts tables were compiled and reported to the Eurostat.

In terms of the sectoral statistics, Turkey's level of alignment with the EU *acquis* is significantly high.

### **Administrative Capacity Building**

The Official Statistics Program of the period between 2012 and 2016 was published in the Official Gazette No. 28164 of 5 January 2012.

The main objective of the program is to define the main principles and standards on the production and organisation of the official statistics. The program was prepared in accordance with the European Statistics Code of Practice laid down by the Statistical Programme Committee of the European Commission. In accordance with Turkish Statistical Law No. 5429, all institutions and organisations which produce official statistics within the scope of the Program are obliged to perform their duties in the framework of these principles. With the Official Statistics Program of 2012-2016, the process of producing statistics in Turkey started to be more harmonious with the vision that the European Statistics System envisages.

TURKSTAT performed certain work in 2012 in order to comply with the proposals determined as a result of the peer review activity carried out by the Eurostat in 2011. The most important of these was to establish certain rules on the access to micro data. Owing to the establishment of the rules in question, the statistical information became more usable and accessible.

Through a provision in the Law No. 6327 amending the Law on Individual Pension Savings and Investment System and Certain Decree-Laws, published in the Official Gazette No. 28338 and dated 29 June 2012, TURKSTAT obtained the opportunity to issue administrative fines to the senior administrators of the relevant institutions and organisations in the event that all registers and data requested as per the Article 9 of the Turkish Statistical Law are not submitted within thirty days or not put into service of TURKSTAT. This development has increased TURKSTAT's role of coordination and effectiveness within the Turkish Statistical System.

In 2012, the Revenue Administration, Social Security Institution, Directorate of Overseas Turks and Related Communities, Turkish Journalists Association, Union of Chambers of Certified Public Accountants and Sworn-in Certified Public Accountants of Turkey, the Tax Council, and 3 faculty members selected from different departments by the Council of Higher Education were officially included in the institutions participating in the Statistical Council and an important step was taken with regard to strengthening the Turkish Statistical System and including all the stakeholders in the system.

TURKSTAT is implementing the TR2009/0318.01 Project: "Upgrading the Statistical System of Turkey Programme Phase III", which has two components, alongside with

the Eurostat Multi-Beneficiary Programs that it has participated by using the Instrument for Pre-Accession Assistance (IPA).

Owing to the educational grant component of the project, participants from many institutions that are included in the Turkish Statistical System and contribute to the official statistics production process made study visits to the official statistical offices of the EU Member States. Within this framework, they had the opportunity to examine the EU practices more closely. Trainings, conferences, workshops and seminars regarding official statistics were also held under the education component. Technical assistance which is another component of the project is expected to become operational in 2013.

Within this framework, it is aimed to perform activities in order to strengthen the administrative structure and capacity of TURKSTAT and the Statistical System of Turkey with regard to business registers, social statistics, environmental statistics, macroeconomic statistics and business statistics.

## **Chapter 19: Social Policy and Employment**

Important work was undertaken regarding the opening benchmarks for the Chapter 19 Social Policy and Employment in 2012 and steps were taken on fulfilling these benchmarks. With regard to the expansion of trade union rights which is one of the opening benchmarks for the chapter, two Draft Laws were adopted in order to reflect the amendments made in the Constitution regarding trade union rights on relevant laws.

The Law No. 6356 on Trade Unions and Collective Labour Agreements was published in the Official Gazette No. 28460 of 7 November 2012 and replaced the Law No. 2821 on Trade Unions and the Law No. 2822 on Collective Labour Agreements, Strikes and Lockouts.

The Law Amending the Law on Public Servants' Trade Unions published in the Official Gazette No. 28261 of 11 April 2012 amended the Law No. 4688 on Public Servants' Trade Unions.

The said laws can be regarded as reforms in terms of the amendments they provided.

The following developments were provided by the Law on Trade Unions and Collective Labour Agreements adopted in the General Assembly of TGNA on 18 October 2012 in order to remove the obstacles to association, ensure peace at work, remove the problems arising from implementation and align with the EU norms and ILO Conventions:

- Qualified as two fundamental laws of the industrial relations system, the Law No. 2821 on Trade Unions consisting of 68 Articles and the Law No. 2822 on Collective Labour Agreements, Strikes and Lockouts consisting of 84 Articles,

were united under a single text by paying attention to make it brief, simple and more comprehensible.

- Trade unions and confederations were allowed to carry out their activities freely provided that they comply with the limitations stated in the Law and specify them in their regulations.
- Definitions in the Law were made compliant with the definitions in the Law No. 4857 on Labour and harmony was ensured in terms of the laws governing the working life.
- The minimum age for trade union membership was decreased to fifteen, which is the minimum working age.
- The obstacles to the establishment of trade unions, formation of their organs, conditions for founders and functioning of trade unions were removed. Formation of trade union organs and procedures for the establishment of trade unions were facilitated.
- The condition for founders of trade unions to have Turkish citizenship and be Turkish literate was removed.
- The right to be a member of more than one trade union was given to workers working in the same branch of activity and different work places at the same time.
- The number of branches of activity was decreased to 20 from 28 by considering world practices and international standards.
- It was proposed that the regulation regarding the coverage of branches of activity should be stated in a by-law considering international norms after the opinion of workers' and employers' confederations were received.
- It was ensured that trade unions may freely become founding members of international workers' and employers' organisations, send members and representatives and establish foreign representative offices.
- The condition of notarisation was removed for becoming a member to a trade union and withdrawal from the membership. Instead, e-government application which would run simply and free of charge was introduced. Notification of membership/withdrawal from the membership should be made by the employee to the Ministry by means of e-government application.
- With regard to the number of members required for trade unions to obtain authority for concluding collective labour agreements, the enterprise threshold was reduced to 40% from 50%. The said regulation made on the enterprise threshold helped trade unions to obtain authority in work places of the same employer in the same branch of activity. The branch of activity threshold was decreased to 3% from 10%. However, a transition period was provided for the branch of activity threshold. Within this scope, the branch of activity threshold



will not be required for the collective labour agreements to be concluded by the current authorized trade unions and implementation of branch of activity threshold of three percent for trade unions which are the members of a confederation will start to be applied gradually as from July 2018.

- The request for determining branch of activity and actions brought therefor ceased to be a suspensive reason in authority determination actions. With the regulation, trade unions were given the opportunity to conclude collective labour agreements without waiting for the result of the actions lasting for years.
- Trade union representatives in work places were given the guarantee of reinstatement to their employment in parallel with ILO Conventions No.135 and 158.
- The guarantees of workers related to trade unions were increased. In this context, freedom of association is guaranteed for all workers in the entry to the work, course of the work and dismissal from the work. With regard to the guarantee of the trade union freedom, if the employment contract is terminated for reasons related to a trade union, the worker may bring an action pursuant to Article 18, 20 and 21 of the Law No. 4857.
- The Law provides the opportunity to conclude group collective labour agreements and framework agreements as well as enterprise labour agreements in the private sector.
- The professions and places in which no strike or lock-out is permitted were limited to those which are indispensable. Notary services and such work places as businesses producing vaccine and serum, clinics, sanatoriums, preventoriums, dispensaries and pharmacies, educational institutions, institutions providing child care services and nursing homes, which were prohibited to go on a labour strike in the former law, were excluded from the scope of the ban on strike/lock-out by this law.
- The ban on strike in the civil aviation sector was removed.
- The upper limit was removed in the amount of trade union membership dues. It was established that the amount of membership due should be determined by the general board in accordance with the principles and procedures stated in the regulations of the organisations.
- Trade unions will not be responsible for the losses caused by the workers who participate in the strikes but are not their own members.
- Unauthorized acceptance of donations from international organisations by trade unions was ceased to be the reason for suspending their activities.
- The provision banning certain strikes and quasi-strike actions such as “politically motivated strikes, general strikes and solidarity strikes as well as the occupation of work premises, labour go-slows and reduced productivity” were

removed from the text of the law in parallel with the amendments made in the Constitution.

The following progressive steps were provided by the Law Amending the Law on Public Servants' Trade Unions adopted in the General Assembly of TGNA on 4 April 2012 and published in the Official Gazette on 11 April 2012:

- Top administrators and their assistants in the work places with 100 or more public servants and private security personnel of public institutions and organizations were excluded from the groups not permitted to have trade union membership and they were entitled to become trade union members.
- Public servants became entitled to benefit from collective agreements in parallel with the amendment in the Constitution. The scope of the recently prepared collective agreement overlaps with the scope of the collective bargaining it replaced. It was also ensured that the retired civil servants could be entitled to benefit from collective agreements, as well.
- Parties to collective agreements, methods and principles for concluding agreement, provisions on the establishment and functioning of Public Employees' Arbitration Board were regulated.
- Civil servants became entitled to apply to the Public Employees' Arbitration Board in case of a dispute regarding collective labour agreements.
- If a dispute occurs during the negotiations on collective labour agreement, decisions of the Public Employees' Arbitration Board shall be valid and have the same effect and force as the collective labour agreement.
- In addition to general collective agreement, it was also made possible to conclude agreement at the level of branch of service. Local administrations were enabled to conclude agreement for their employees optionally in principle within the scope of the social balance compensation.
- The requirement of two years of service for being the founder of a trade union was removed.
- Procedures regarding the establishment and functioning of trade unions and confederations were simplified. The number of documents required for the establishment of trade unions and confederations was reduced and bureaucratic process was simplified.
- Legal safeguards of trade union representatives at work places were increased and rights and duties of trade union representatives at work places were defined.

### **Labour Law**

It is not sufficient to exclusively rely on legislative arrangements in the solution of the problem of "child labour" since it is an extensive issue. In this context, there have been

many efforts on child labour for implementation to support legislative arrangements in the last year.

A cooperation protocol was signed between the Ministry of Labour and Social Security and the Ministry of Family and Social Policies on 17 February 2012. The cooperation protocol aims to:

- Prevent child labour,
- Guide the children who live/are forced to work on the streets and are older for the primary or compulsory education to vocational training or İŞKUR Provide appropriate social service and aid for families of the children who live/are forced to work on the streets,
- Identify unemployed families of these children and guide them to İŞKUR.

A protocol was signed between the Ministry of Family and Social Policies and 16 NGOs in May 2012 in order to provide treatment, rehabilitation and education for the children who live/are forced to work on the streets and open to abuse and reintegrate them into the society and to make effective cooperation with all sectors for this purpose.

Activities continued in cooperation with relevant organisations, administrations, civil society organisations and universities within the scope of the “Prime Ministerial Circular on the Service Model for the Children Who Live/ are Forced to Work on the Streets” which entered into force in 2005. As provided for in the relevant Circular, mobile teams consisting of professionals (psychologists, social workers, child development specialists, and sociologists), leader children and civil policemen from the child branch of the police investigated the places and hours in which children are present intensely and identified the children on the streets and placed them in suitable organizations.

As of June 2012, 294 of the children who live/are forced to work on the streets and 434 of the children with the risk of working on the streets were saved and it was ensured that they could have education. 1893 children were supported by Children and Youth Centres providing protective and preventive services within the education system. Families of 1298 children, who are poor, were supported through social assistance and it was ensured that these children did not live or work on the streets any more.

Activities continued for the implementation of “Time-Bound Policy and Program Framework for Preventing Child Labour” prepared in 2005. Preparatory work continued for the units to be established in provincial organisations of the Ministry of Labour and Social Security in order to ensure local coordination for preventing child labour by means of a project included in the investment program of 2012. The said units will ensure cooperation and coordination with other organizations and institutions in the province and carry out activities to prevent child labour particularly those in the worst conditions.

Significant activities were carried out particularly in the agricultural sector in which the number of the working children is higher within the scope of the fight against child labour. In this context, activities were carried out to supervise and provide services for children with the cooperation of local governments particularly in the provinces with a high level of hazelnut production within the framework of the “Action Plan on Keeping Children away from Farms in the Provinces Producing Hazelnut” prepared in 2011. Furthermore, work was carried out to ensure that the children who didn’t have access to education could have education within the scope of the “Strategy and Action Plan on Improving Working and Social Lives of Migrant and Seasonal Agricultural Workers”. It is likely to implement an EU project on “Preventing Child Labour in Seasonal Agriculture” through EU funds in the next period.

The “Child Rights Monitoring and Evaluation Board” was established with the Circular No. 2012/9 published in the Official Gazette dated 4 April 2012.

As indicated in the Circular on “Mobbing in Work Places”, published in 2011, applications made to the Ministry of Labour and Social Security through the “ALO 170” telephone line, as well as through other means, have been responded to by providing guidance to these persons, such as informing these persons on this matter and offering psychological support to those who believe that they are being subject to mobbing in their workplaces and recommending solutions to this problem. Moreover, work is on-going to establish a Board for Combating Mobbing in order to contribute to the identification of policies throughout the country for preventing mobbing at work places, coordinate and guide training and information activities, make researches and examinations on the subjects needed or have them made, prepare reports, guides and information documents and carry out awareness raising activities.

### **Occupational Health and Safety**

The new Law No. 6331 on Occupational Health and Safety, which was fully harmonized with the Framework Directive 89/391EEC on Occupational Health and Safety and compliant with ILO Conventions No. 155 and 161, was adopted in June 2012. Moreover, by-laws on the implementation of the said Law are under preparation, previous by-laws are under revision and activities are carried out to implement and publicize the law. One of the most important novelties of the law is its coverage of our employees in all work places. All employees will benefit from the services of health and safety at work without any number limits and regardless of the type of work place. The law adopts an approach based on prevention and protection in accordance with the class of risk.

Until the end of 2013, training meetings will be held with all stakeholders including public and private sector representatives, employees, chambers of profession, civil society organisations in 81 provinces and information will be provided on the Law in

order to create a culture of occupational health and safety and raise awareness on this matter.

The second “Strategy Workshop for Occupational Health and Safety”, the first of which was held in 2010, was held on 23-24 March 2012 with the participation of public institutions and civil society organisations which are members of the National Council for Occupational Health and Safety and academicians who are members of the Advisory Board and work was carried out on the draft “National Strategy Document on Occupational Health and Safety”.

## **Employment**

Work continued to fight against the undeclared work. The Operation on Promoting Registered Employment through Innovative Measures carried out under the employment priority of the Human Resources Development Operational Programme within the scope of the 4<sup>th</sup> Component of the Instrument for Pre-Accession Assistance was completed. As of August 2012, the rate of undeclared work was recorded as 40.1% with a decrease of 3.5 points compared to the same period of the previous year. It is believed that the said operation was influential in the increase of the declared work as well as in economic development and effective policies implemented.

The Operation on Promoting Women’s Employment continued within the scope of the employment priority of the Human Resources Development Operational Programme. 10.000 women were provided with professional skill and personal development training within the scope of the grant component of the operation. Out of 10,000 women receiving training within the scope of the grant, 3,600 women were employed.

According to the data from the Turkish Statistical Institute, the number of people employed in August 2012 increased by 483,000 people compared to the same period of the previous year and reached 25,367,000 people. In this period, the number of people working in the agricultural sector decreased by 140,000 people and the number of people working in the non-agricultural sector increased by 623,000 people.

In August 2012, the labour participation rate was 50.7% across Turkey. The labour participation rate for women went up to 30.1% from 28.8%. The number of unemployed decreased by 76,000 compared to the same period of the previous year and became 2,445,000. The unemployment rate amounted to 8.8% with a decrease of 0.4% points. As of August 2012, the rate of youth unemployment was recorded as 17.2% with a decrease of 1.4% compared to the same period of the previous year. The rate of female employment was recorded as 26.8% with an increase of 0.3% points compared to the same period of the previous year and the rate of female unemployment amounted to 11.1% with a decrease of 0.4%.

### **Equal Opportunities between Women and Men**

Since the gender equality is one of the basic values on which the EU is founded, the Union formed a legislative framework in the field of equality between women and men and implemented a great number of directives, strategies and action plans in this context. Turkey also continues its efforts to align with these targets. The work and efforts of Turkey as a result of the importance it attached to this issue had significant influences in the progress made in recent years.

In the school year 2011-2012, the net enrolment rate in primary education was 98.67%, and net enrolment rate for boys and girls was 98.77% and 98.56%, respectively. In the school year 2011-2012, the net enrolment rate in secondary education was 67.37%, and net enrolment rate for boys and girls was 68.53% and 66.14%, respectively. Besides, it is believed that the enrolment rate in secondary education would increase continuously with the transition to 12-year compulsory education. According to 2011-2012 data, net enrolment rate in higher education for women had an increase compared to the previous year and went up to 35.42% from 32.65%. In the school year 2011-2012, enrolment rate in higher education for men was 35.59%. 45% of students receiving university education are women.



**Table 4 (a): Status of Women in Labour Market**

	Labour Force (000)	Employed People (000)	Employment Rate (%)	Labour Force Participation Rate (%)	Unemployment Rate (%)	People not included in the Labour Market (000)
<b>2002</b>	6,760	6,122	25.3	27.9	9.4	17,455
<b>2003</b>	6,555	5,891	23.9	26.6	10.1	18,098
<b>2004</b>	5,669	5,047	20.8	23.3	11.0	18,624
<b>2005</b>	5,750	5,108	20.7	23.3	11.2	18,936
<b>2006</b>	5,916	5,258	21.0	23.6	11.1	19,165
<b>2007</b>	6,016	5,356	21.0	23.6	11.0	19,464
<b>2008</b>	6,329	5,595	21,6	24,5	11,6	19,526
<b>2009</b>	6,851	5,871	22,3	26.0	14,3	19,466
<b>2010</b>	7,383	6,425	24.0	27.6	13.0	19,357
<b>2011</b>	7,859	6,973	25.6	28.8	11.3	19,414
<b>August 2012</b>	8,386	7,460	26.8	30.1	11.1	19,444

Source: TURKSTAT, Labour Statistics

Rates of labour participation and employment for women have increased in recent years along with the influence of policies and projects carried out in the field of female employment.

According to the data of August 2012, while the women labour amounts to 8,386,000, the number of employed women is 7,460,000. The labour participation rate for women is 30.1%, female employment rate is 26.8% and female unemployment rate is 11.1%. When compared to the data of 2011, it is observed that there is an increase in labour participation and employment rates and a decrease in unemployment rates for women.

As of August 2012, 43% of employed women works in service sector, 42.3% works in agricultural sector and 14.5% works in industrial sector. While most of the women work as unpaid family workers in 1980s, the rate of women working as unpaid family workers decreased by years as a result of the urbanization and agricultural decomposition in recent years. This rate is 35.9% for August 2012. When it is considered that this rate was 49.6% in 2002, it is obvious that there is a significant progress. Women, who were employed in the agricultural sector and as unpaid family workers for a long time, are employed in the service sector in parallel with the growth in the economy and decomposition in the agriculture.

While the rate of women working with no registration in a social security institution was 72.5% in 2002, this rate decreased to 58.5% in 2010, 57.8% in 2011 and 56.2% in August 2012.

The activities carried out in our country for the purpose of alignment with the European Employment Strategy create an impetus for increasing female employment. Status of women in the labour market was analysed in the Employment Situation Report prepared and a draft National Employment Strategy was prepared accordingly.

The Women Employment National Monitoring and Coordination Board assembled in March. It is planned that the second meeting will be held after the approval process of the National Employment Strategy.

With the Law No. 6111 which entered into force in 2011 and allowed positive actions to provide new employment opportunities for women, the premium incentive system which was started to be implemented in order to increase female employment was continued.

Table 4 (b): Status of Women in Labour Market

Year	Number of Work Places	Number of People Insured		
		Men	Women	Total
2011	65,258	74,167	73,424	147,591
2012/01	72,264	79,964	80,078	160,042
2012/02	78,941	86,120	84,943	171,063
2012/03	84,329	92,221	90,221	182,442
2012/04	87,161	96,027	94,119	190,146
2012/05	90,331	103,088	99,360	202,448
2012/06	93,034	110,126	105,347	215,473

Source: The Ministry of Labour and Social Security

Furthermore, meetings were held with the Ministry of Family and Social Policies, civil society organisations, financial institutions, Banking Regulation and Supervision Agency, Banks Association and Credit Guarantee Fund (KGF) in order to support women entrepreneurship and facilitate access of women to financial resources and work was undertaken with the Undersecretariat of Treasury in order to support women entrepreneurs.

Moreover, meetings with relevant parties continued under the coordination of the Ministry of Family and Social Policies General Directorate on the Status of Women following the meetings on “Facilitating the Women Entrepreneurs’ Access to Financing” and main problems in supporting women entrepreneurship were addressed. It was detected that women entrepreneurs needed support in the fields of financial resource, consultancy and entrepreneurship training on the course of starting/establishing a business. With the participation of the General Directorate on the Status of Women in the preparatory work, the “First Step Credit Surety Support Protocol” was signed between the Credit Guarantee Fund (KGF) and Halkbank on 10 December 2012 for supporting women entrepreneurship in order to solve the problem regarding financial resource which is one of the main problems experienced by women entrepreneurs.

The Turkish Gender Equality Mission Group established with the participation of representatives of leading firms of Turkey under the presidency of the Minister of Family and Social Policies Fatma Şahin in the World Economic Forum organised in Istanbul on 4-6 June 2012 and focused on the Middle East, North Africa and Eurasia undertook an important mission to decrease the gap between economic participation and opportunities in Turkey down to 10% within 3 years. The said mission group continues its activities.

The Law No. 657 on Civil Servants and the Law No. 4857 on Labour were revised based on gender equality in order to increase female employment by aligning working and family life and work was carried out to remove the differences between women workers and civil servants and on the durations of paid maternity leave, breast-feeding and parental leave. Moreover, different proposals were drawn up on the flexible working. In this context, it is aimed that different flexible working forms such as working upon call, working at home, working remotely will be included in Articles 3 and 14 of the Law No. 4857 on Labour and the said working forms will have a legal framework.

Another work carried out to increase female employment by aligning the working and family life is a child care incentive model for the children of working women. In order to prevent working women from leaving working life due to their responsibility of child care, preparatory work is on-going for a project to be carried out in pilot provinces in order to provide the women who have a child between the ages 0-5 and work or do not work but actively seek for a job with incentives to meet the services they will provide from child care centres.

Furthermore, it is aimed that the number of kindergartens in organised industrial zones will be increased in order to prevent women from leaving the working life due to their responsibility of child care. In this context, it was decided that kindergartens which will be identified by receiving support from the private sector will be opened in 10 organised industrial zones and work for this purpose is on-going.

Establishment of the Ministry of Family and Social Policies gathered different units developing policies and providing services for the people with disabilities, children, families, poor people and women under one roof. The Ministry signed various protocols with public organizations and institutions in order to ensure cooperation in the activities to be carried out in the field of gender equality.

A cooperation protocol was signed between the Ministry of Family and Social Policies established on 6 July 2011 and the Ministry of Science, Industry and Technology on 10 February 2012 in order to support entrepreneurship activities for women, martyrs' relatives and veterans as well as the people with disabilities and to increase female employment. The Ministry of Family and Social Policies and the Ministry of Science, Industry and Technology carried out a joint work within the scope of the protocol signed for the purposes of training the people with disabilities and their relatives on entrepreneurship to enable them to start their own business and participate in production, provide guidance on starting their own business, assure them to benefit from the KOSGEB Entrepreneurship Grant Program and encourage sustainability by means of the monitoring work following the establishment of business environments and realized the "No Disability for Entrepreneurs" project aiming to integrate our disabled citizens into the labour market and strengthen them economically and socially.

Agreement was reached on disseminating the professional consultancy services providing by İŞKUR to people with disabilities the people with disabilities, adding “disabled” module in the training module of Business and Job Counsellors and providing this training to all business and job counsellors. Legislative work to support protected work places was carried out in coordination with İŞKUR and agreement was reached on main principles and regulatory frameworks were created.

It was envisaged by another protocol signed between the Ministry of Family and Social Policies and the Ministry of Science, Industry and Technology on 17 February 2012 that the participation of women and people with disabilities in the economic life would increase, the working and family life would be harmonized with each other the kindergartens would be expanded within this context, women’s rights would be included in the training modules in labour training courses provided by İŞKUR for unemployed people, work would be carried out to improve living and working conditions of women who work as seasonal agricultural workers, the access to İŞKUR of women who are victims of violence, have less than one year for release, are left by the husband, are divorced and whose husband died or is in prison would be ensured.

The Cooperation Protocol for Training of Women Farmers was signed between the Ministry of Family and Social Policies and the Ministry of Food, Agriculture and Livestock and the Union of the Turkish Chambers of Agriculture on 14 May 2012. The protocol aims to educate women living in rural areas and engaged in farming on such issues as agriculture, gender equality, and violence against women, personal rights and freedoms, etc. and to improve interinstitutional cooperation.

The Ministry of Food, Agriculture and Livestock prepared the Action plan on Empowerment of Women in Rural Area (2012-2016), which will cover a period of 5 years, in cooperation with public organizations and institutions, NGOs, universities and financial institutions. The National Action Plan has the purpose to introduce solution offers for the problems in such areas as poverty, education, health, social security, agricultural production, entrepreneurship, association, employment, marketing, etc., implement these solution offers, strengthen women in rural areas and enhance their capacities as identified in the national workshop held in 2008 and in regional workshops organised upon the decision made in the national workshop. The Action Plan on Empowerment of Women in Rural Area which consists of 4 strategic areas, 9 development axes and 24 measures was shared with the public on 6 November 2012.

Efforts of our country to establish gender equality are supported by financial instruments of the EU. Within the scope of the Project on Promoting Gender Equality in Working Life finalized in March 2012, Turkish and EU legislative documents were examined in terms of gender equality and noncompliant issues were determined and reported. Training and awareness raising activities were also carried out within the scope of the project. Furthermore, as a result of the legislative work carried out within the scope of the project, the provision that trade unions and confederations may act by

observing gender equality was added to the Law No. 4688 on Civil Servants' Trade Unions and Collective Agreements and the Law No. 6356 on Trade Unions and Collective Labour Agreements.

Moreover, the "Operation on Promoting Women's Employment", which covers the period of 2011-2013, is carried out under the 4<sup>th</sup> Component of IPA. The Operation aims to support İŞKUR to provide a more effective public employment service particularly at local level in order to enhance employability of women, facilitate their employment in more and better jobs and remove the obstacles to their participation in labour force. Within the scope of the grant plan of the Operation, 23,770,589 Euros was used in 131 grant projects which support employability of women and women entrepreneurship and aim to reduce cultural and other obstacles to participation of women in the labour market. The said projects were carried out in Van, Artvin, Trabzon, Bingöl, Çorum, Kayseri, Gümüşhane, Ordu, Sivas, Samsun, Malatya, Ardahan, Hatay, Giresun, Bitlis, Tokat, Gaziantep, Rize, Elazığ, Amasya, Ankara, Mardin, Tunceli, Yozgat, Hakkari, Erzurum, Erzincan, İstanbul, Çankırı, Kahramanmaraş, Şanlıurfa, Diyarbakır, Bayburt and Muş provinces. The number of women who registered in the said projects is about 10,000.

Another project to be implemented in the next period is the Project on "Promoting Gender Equality in Education" whose beneficiary is the Ministry of National Education. The project aims to encourage the equality for girls and boys in schools and the equality and a gender sensitive approach in the educational system.

The Ministry for EU Affairs is also drafting a pilot project within the scope of gender equality. The general objective of the project is to include in Turkey-EU financial cooperation programs (including the Components I and IV of IPA) the gender mainstreaming approach. Within the scope of the project, the personnel of the operating structures of Turkey-EU Instrument for Pre-Accession Assistance (IPA) and of the public organizations and institutions which are the potential beneficiary of the projects prepared will be provided with training on the implementation of the gender mainstreaming approach at different stages of project management.

### **Social Dialogue**

Social dialogue mechanisms, particularly the Tripartite Consultative Board, were used effectively and the social dialogue mechanism was operated by making technical committee work with social parties repeatedly in the preparatory process of the Law on Trade Unions and Collective Labour Agreements and the Law Amending the Law on Public Servants' Trade Unions.

The Law No. 6356 on Trade Unions and Collective Labour Agreements changed the structure of the High Board of Arbitration. If the confederation to which the trade union, a party to the dispute, is affiliated is different, it will be possible for a member to be



selected by the confederation to which the trade union is affiliated to participate in the meeting as a Board member in lieu of the second member. Thus, an amendment was adopted in the structure of the High Board of Arbitration, which functions as the social dialogue mechanism, in accordance with tripartite representation by ensuring more rights to participate in and providing other confederations with the right to participate in the meetings.

In accordance with the Law Amending the Law No. 4688 on Public Servants' Trade Unions, a Public Employees' Advisory Board was formed in order to improve the social dialogue between public servants' trade unions and confederations and public administrations, evaluate legislation on public servants and public management practices, to carry out joint activities to enable the management to have a better functioning structure, ensure participation of civil servants in the management and develop solutions for the problems experienced by public administrations. The Board, under the presidency of the Minister to which the State Personnel Presidency is affiliated, consists of the chairmen of three confederations having the highest number of members and chairman of the public servants' trade union having the highest number of members in each branch of activity and the State Personnel President.

Besides, amendments were made on many issues such as the establishment of trade unions, membership to trade unions, protection of trade union representatives and workers, trade union activities, the right and levels of collective bargaining, settlement of collective labour disputes in order to align with the ILO Conventions No. 87 and 98 regarding trade union rights.

Work was carried out to remove the reservations on the first paragraph of Article 4 of European Social Charter regarding the right to a fair remuneration, Article 5 regarding the right to organise, the first, the second and the third paragraphs of Article 6 regarding the right to bargain collectively and to be a party to the mentioned Articles and paragraphs. It is planned that this work will be finalized in 2013.

### **Social Inclusion and Protection**

The employment procedures of disabled public servants were revised through an amendment in the Law No. 657 on Public Servants on 13 February 2011.

The examinations which used to be held four times a year by public organizations and institutions which will employ public servants with disabilities before the amendment were made centrally administered. The "By-law on Conditions of Employment of Persons with Disabilities as Public Servants and the Procedure of Central Exam and Lot Draw" prepared based on the amendment made in the Law was published in the Official Gazette No. 28073 of 3 October 2011.

Pursuant to the By-law, people with disabilities who graduated from institutions providing secondary education, associate degree or undergraduate degree or who will

graduate from such institutions in the year of Public Personnel Selection Examination for Persons with Disabilities (ÖMSS) will become civil servants by means of a written examination and people with disabilities who graduated from elementary, secondary and primary education will become civil servants by means of drawing lots. Furthermore, ÖMSS questions will be prepared considering educational status and disability groups of people with disabilities. As a result of these progressive steps, the first ÖMSS was held on 29 April 2012 with the participation of 60,367 candidates. The drawing of lots was made between 14 and 25 May 2012. Vacancies for people with disabilities in the government were filled significantly as a result of this examination prepared specifically. According to the results of 2012 ÖMSS, 4,274 people and according to the results of the drawing of lots, 980 people were placed in vacancies in accordance with their preferences.

The number of people with disabilities who found jobs through İŞKUR increased by 48% in November of this year compared to the same month of the previous year. While the number of people with disabilities employed in November 2011 was 2,478, 3,687 people with disabilities were employed in November 2012.

Preparatory work started for a strategy and action plan including the titles of health, housing, education and employment for Roma citizens under the coordination of the Ministry of Family and Social Policies and with the participation of relevant institutions.

Furthermore, the Public-NGO Dialogue Group for Roma Project is carried out for the purpose of forming a Public-NGO Dialogue Group which can produce solutions for socio-economic and cultural victimisation of Roma communities and also contribute to the representation processes and the main beneficiary of the project is the Zero Discrimination Association.

Within the scope of the project, representatives of relevant public institutions and civil society organisations come together and carry out work on such issues as the activities conducted or planned by Public institutions and organizations with regard to Roma, the obstacles to Public institutions and organizations in the solution of the problems experienced by Roma, the way to overcome existing obstacles, the path and methods required to be pursued by Public institutions and organizations in creating permanent policies and expectations from NGOs in this field.

### **Care Services for People with Disabilities**

The organizations affiliated to the Ministry of Family and Social Policies General Directorate for Services to Disabled Persons and the Elderly provides care services for people with disabilities; issues licenses and audits special care centres; places disabled people in need of nursing in special care centres; provides home-based care services for

the disabled by their relatives within the scope of the home-based care services. Work is on-going in order to improve the standard of care services at all levels.

While 4,644 people with disabilities were provided with live-in care service in 81 live-in care and rehabilitation centres as of July 2011, the number of live-in care and rehabilitation centres and of disabled people who were provided with the service increased and the number of centres reached 85 and the number of disabled people provided with the service reached 4,968 as of July 2012.

While 444 people with disabilities were provided with day care service in 7 day care family consultation and rehabilitation centres as of July 2011, the number of people provided with day care service went up to 468 as of June 2012.

The relatives nursing the people with disabilities at home were given a payment amounting to the net minimum wage. While 328,523 people with disabilities benefited from the home-based care services as of July 2011, this number increased and reached 387,097 according to the data of July 2012. 242,765,684 TL was paid for the provision of home-based care services in July 2012.

Special care centres were made a payment amounting to twofold of the net minimum wage for each disabled person in consideration for the care service they provided. In July 2011, 5,954 disabled people in need of nursing were provided with care service in 91 special care centres and 7,709,460 TL was paid for this service in the beginning of August. The number of special care centres increased and reached 131 as of July 2012 and 12,312,523 TL was paid for this service and 8,466 people with disabilities benefited from this service in July 2012.

### **Accessibility**

The Accessibility Strategy and Action Plan, adopted by the Decision No. 2010/35 of the Higher Planning Council on 25 October 2010 and entered into force upon publication in the Official Gazette No. 27757 of 12 November 2010 was completed on 31 January 2012. Some of the activities carried out within the scope of the Action Plan are as follows:

The Ministry of Culture and Tourism published a circular on 27 June 2011 to emphasize the requirement of the commitment for fulfilling the responsibilities and obligations introduced by the Law No. 5378 Amending the Law on People with Disabilities, Certain Laws and Decree-Laws adopted on 1 July 2005.

The circular on including the subject of “Design for Everyone” in the curriculum at the universities as adopted in the General Board of the Council of Higher Education (YOK) on 22 September 2011 was sent to all universities by YOK in order to enable that students receiving education in the departments of Architecture, Urban and Regional

Planning, Landscape Architecture, Interior Architecture and Industrial Design have knowledge on disability and accessibility.

YOK organised the “Curriculum Workshop on Design for Everyone” to change the content of curriculum so as to cover accessibility in relevant departments of universities providing education for technicians.

The Circular No. 2011/56 of 19 October 2011 of the Ministry of National Education made an assessment on the accessibility of educational institutions and included measures required to be taken in order to fulfil the responsibilities and obligations introduced by the Law No. 5378 Amending the Law on People with Disabilities, Certain Laws and Decree-Laws.

TS 911: Indoor Accessibility Requirements for Persons with Disabilities or Mobility Restrictions was revised and approved in the TSE Technical Board on 22 November 2011.

TS 12576: Within the scope of preparatory work for Structural Accessibility Measures for Urban Vehicular and Pedestrian Ways and Design Rules for Marking Pedestrian Environments, the Ministry of Family and Social Policies General Directorate for Services to Disabled Persons and the Elderly organised two workshops on 7-8 and 27-28 March 2012. The revised standard was adopted on 14 June 2012.

The Ministry of Family and Social Policies issued brochures on “Planning Criteria”, “Public areas” and “Buildings” in order to inform people with disabilities and their families on their rights of accessibility and raise awareness in the society on social and cultural obstacles. A short film was made by TRT on accessibility and the said film was communicated to local governments for broadcasting on local channels and closed-circuit screens. Commemorative Stamp and First Day Cover themed “Accessible Turkey for Everyone” and “Turkey with No Disability” were prepared in cooperation with General Directorate of PTT.

Meetings were held with the participation of chambers of profession in order to raise awareness of chambers of profession on accessibility. Training programs on accessibility were organised for the technical personnel of relevant ministries and municipalities. Training on accessibility of people with disabilities was provided in the series of seminars titled “Regional Seminars on Development Planning, Coastal, and Construction Applications” organised by the Ministry of Environment and Urbanization for local governments.

The Ministry of Family and Social Policies General Directorate for Services to Disabled Persons and the Elderly organised a Symposium on Barrier Free Services from Local to General on 26-28 December 2011 in cooperation with the Municipality of Çayirova.

Accessibility Regional Sharing meetings started as from the beginning of 2012. In this context, meetings were organised in 15 provinces as Kocaeli, Adana, Kayseri, Trabzon, Diyarbakır, İzmir, Erzurum, Antalya, Ankara, Bursa, İstanbul, Van, Samsun, Malatya and Gaziantep.

The commissions consisting of representatives of various institutions and organizations prepared the “Public Areas Designation Form” and “Buildings Designation Form” in order to identify the level of accessibility of existing buildings and services. These forms were published on the website of the General Directorate for Services to Disabled Persons and the Elderly in December 2011.

Within the scope of the “Accessibility Strategy and Action Plan”, the “Workshop on Tactile Walking Surfaces-I: Measurements” was organised on 13-14 July 2011 and the “Workshop on Tactile Walking Surfaces - II: Guiding Patterns and Place Selections” was organised on 12-13 September 2012. The reports prepared following the workshop were submitted to the Turkish Standards Institute in order to contribute to the publication of national standards.

The Ministry of Family and Social Policies gave the Quality Promotion Prizes for Accessibility to institutions and organizations appreciated with their exemplary practices on Accessibility on 3 December 2011 on the occasion of International Day of Persons with Disabilities. Institutions and organizations which were awarded include the Ministry of Transport, Ministry of Youth and Sports, Ministry of Health, Mersin University, Anadolu University, Union of Municipalities in Turkey, Metropolitan Municipality of İstanbul, Metropolitan Municipality of Konya, Governorship of Bursa, District governorship of İstanbul/Beykoz, Keçiören Municipality of Ankara, Çankaya Municipality of Ankara, Ümraniye Municipality of İstanbul, Küçükçekmece Municipality of İstanbul, Alanya Municipality of Antalya, Hendek Municipality of Sakarya, General Directorate of TRT, Council of Higher Education, Union of Municipalities in Marmara.

The Law No. 5378 Amending the Law on People with Disabilities, Certain Laws and Decree-Laws was amended on 12 July 2012. The said amendment extended the duration for one year in which the existing official structures of public institutions and organizations, all existing roads, sidewalks, crosswalks, open and green fields, sports fields and similar social and cultural infrastructure field and any structure built by natural and legal persons and serving publicly should be made suitable for the accessibility of people with disabilities.

With a statement added to the Provisional Article 3, it is envisaged that monitoring and supervision of the implementation of accessibility standards should be applied by a commission consisting of the representatives of the Ministry of Family and Social Policies, Ministry of Interior, Ministry of Environment and Urbanization, Ministry of Transport, Maritime Affairs and Communication and confederations related to people with disabilities in each province. The Ministry of Family and Social Policies will

impose administrative fines on natural and legal persons under private law who own any kind of publicly serving building and public area and public transport vehicles and are determined by audit commission that they do not to fulfil their obligations.

The Accessibility Support Project (UDEP) initiated in 2012 by the Ministry of Family and Social Policies General Directorate for Services to Disabled Persons and the Elderly aimed to support the projects prepared in accordance with scientific criteria and TSE standards for pilot areas including different urban uses by means of governorships in 7 provinces and disseminate accessibility across the city and country through these work planned to be carried out in all provinces with the technical information support of the General Directorate. The said project will continue in 2013.

### **Other activities relating to people with disabilities**

The existing information guide on the rights of the people with disabilities and the services they may utilize was updated with the addition of information on elderly people in August 2012 and named as the Information Guide for Disabled and Elderly People. The new guide was published by the General Directorate for Services to Disabled Persons and the Elderly in August 2012. The said guides include information on the rights of disabled and elderly people and how they will use these rights, relevant laws, the services they may utilize and necessary conditions for utilizing from these services.

The ratification of accession to the UN Convention of the Rights of Persons with Disabilities was passed by TGNA agreed with the Law No. 5825 on 3 December 2008 International Day of Persons with Disabilities and the process continued with the Decree No. 2009/15137 of 27 May 2009 of the Council of Ministers on the ratification of the Convention. At the ceremony organised within the scope of the Convention Event in the 64<sup>th</sup> General Assembly of the United Nations on 28 September 2009, the Convention on the Rights of Persons with Disabilities became binding for our country. At the same ceremony, the Additional Optional Protocol to the Convention was also signed on behalf of our country. The General Directorate for Services to Disabled Persons and the Elderly, which is the main institution responsible for promoting and monitoring implementation of the Convention by relevant institutions pursuant to its Article 33 titled National Implementation and Monitoring, realized a project titled “Human Rights and Disability Information Seminars” for the purpose of informing different target groups on the Convention and the obligations it brought and taking the Convention as the basis in the policies and practices regarding persons with disabilities. Within the scope of the project, 4 different seminars were organised with the participation of legislation experts, members of the judiciary, and representatives of public institutions and organizations and civil society organisations and various publications were provided regarding the Convention.

In this context, as a result of the correspondences by the General Directorate for Services to Disabled Persons and the Elderly with the United Nations Publications Board for publishing the “Handbook for Parliamentarians on the Convention and



Optional Protocol on the Rights of Persons with Disabilities” prepared by the UN Committee on the Rights of Persons with Disabilities to guide implementation of the Convention in Turkish, the book was published in cooperation with the Human Rights Joint Platform and Union of Municipalities in Turkey. It is believed that the said book, which is actually prepared for parliamentarians, will be reference source which will contribute to all parties included in the policy making and implementation processes for people with disabilities and play a guidance role in making implementation of the Convention effective.

A meeting was held on 11 July 2012 in order to prepare an implementation plan for the implementation of the “Situation of Elderly People in Turkey and National Action Plan on Ageing” adopted with the decision of the Higher Planning Council on 1 March 2007. Following the meeting, “Draft Implementation Program of the Situation of Elderly People in Turkey and National Action Plan on Ageing” was shared with public institutions and organizations and finalized after receiving opinions of relevant parties. In the next period, the draft will be submitted to the Higher Planning Council.

It is envisaged that the Implementation Program will be submitted to responsible organizations following its adoption by the Higher Planning Council and implementation reports will be demanded from these organizations on their work at the end of each year for a 3-year period.

The Project on “Improved Integration of Disabled Persons into Society” is carried out under the 1<sup>st</sup> Component of the Instrument for Pre-Accession Assistance (IPA I) by the Ministry of Family and Social Policies General Directorate for Services to Disabled Persons and the Elderly.

Within the scope of the ÖDES Program, which aims to support social integration by raising awareness in all sections of the society with regard to the disability and prevention of disability in Middle and Eastern Black Sea provinces which are transferred a resource of 2 million TL for 33 projects in 2011 and where disability rates are relatively high and highlights the cooperation between civil society organisations in this field and local elements, the General Directorate for Services to Disabled Persons and the Elderly transferred a resource of 4 million TL for 63 projects which are approved following the evaluations among 109 projects proposed to the Ministry of Family and Social Policies from 11 provinces.

### **Combating Poverty and Social Assistance**

The services provided to children and young people in need of protection by the Ministry of Family and Social Policies aim to hold the family together and the institution therefore mainly attach importance to the provision of financial and other social services.

In this regard, 17,877 children utilized from social and financial assistance and 158 children began to live with their foster families during July 2011-March 2012. Currently, 1,344 children live with their foster families.

638 children under the care of the institution returned to their families in the period of March-July 2012. 4,966 children utilized from financial and social assistance without leaving their families. 413 children were adopted in the period of July 2011-March 2012 and total number of adopted children reached 11,758.

In the field of legislation, with the amendment made in Article 2 of the Law No. 3294 on Promotion of Social Assistance and Solidarity dated 29 May 1986, the coverage of the law has been extended. Accordingly, from among the persons who are subject to social security institutions established by the law or receive salary or earn income from such institutions, those whose household income per person is less than 1/3 of the net minimum wage determined for those older than sixteen years old and who are poor and in need in accordance with the criteria to be determined by the Fund Board are included in the scope of the law. The amendment made in the Law No. 3294 allowed working poor people to receive social assistance.

The persons who suffered from disasters, martyrs' relatives and veterans will also utilize from the rights to be provided by this Law within the scope of the criteria and durations to be determined by the Fund Board and Social Assistance and Solidarity Foundations. The additional article attached to the same Law aims to prevent the distraintment of the aids and project assistances provided pursuant to this law and old-age and disability aids provided pursuant to the Law No. 2202 and the transfer and assignment of them to others.

The Law No. 6327 which entered into force on 29 June 2012 amended the third paragraph of Article 73 of the Law No. 5411 and dated 9 October 2005 on Banking. This amendment provided that the provision of the information and documents regarding the implementation of Article 8 and Article 100 of the Law No. 5510 on General Health Insurance and the exercise of the income test in general health insurance to the Ministry of Family and Social Policies General Directorate for Services to Disabled Persons and the Elderly for the purpose of exercising income tests by determining holders of the right to social assistance provided by provincial and district social assistance and solidarity foundations shall not be considered as the "disclosure of private information".

The ratio of social expenditures to the GDP was increased by 3 times. While the ratio of social expenditures to the GDP was 0.50% in 2002, this ratio reached 1.42% in 2011.

Information on other programs of the Ministry of Family and Social Policies regarding poor persons and families are presented below.

Table 5: Social Service Expenditures

Social Service Expenditures	Estimation on Resources to be Transferred as of the end of 2012 (TL)
Salary for Home- based Care	2,946,048,000.00
MFSP Social Service (*)	1,888,338,300.00
Compensative Payments (Service Disabled, Martyr's Relative, Rural Guard, etc.)	515,000,000.00
MEB Special Education (Education for Students with Disabilities)	997,047,700.00
<b>TOTAL</b>	<b>6,346,434,000.00</b>

Table 6: Social Aid Expenditures

Social Assistance Expenditures	Estimation on Resources to be Transferred as of the end of 2012 (TL)
Law No. 2022	2,709,732,610.98
Educational Assistance	708,447,489.20
Conditional Educational and Health Assistances	752,214,257.00
General Health Insurance Costs	4,331,228,711.16
Health Assistances	12,549,741.00
Housing Assistance and Social Housing	229,289,707.00
One-Time Assistance	75,000,000.00
Regular Assistance Program for Women who lost their Husband	330,582,500.00
Project Supports	394,538,110.00
Periodical Transfers and Other Assistances	941,788,807.05
Sum of Directorate General for Social Assistances Aids	10,485,371,933.39
T.R Prime Ministry Directorate General of Foundations (VGM)	36,648,767.00
Ministry of National Education (MEB) Scholarships	304,503,618.61
Credit and Dormitories Agency Scholarship	828,141,209.70
General Directorate of Turkish Coal (TKİ) + Turkish Hard Coal Institute (TTK)	697,784,000.00
<b>TOTAL SOCIAL ASSISTANCE</b>	<b>12,352,449,528.70</b>

**Table 7: Information on Other Programs of the Ministry of Family and Social Policies regarding Poor Persons and Families**

Assistance	Number of Beneficiaries	Payments-March 2012 (TL)	Payments-February 2012 (TL)	Payments 2012 (TL)
<b>Maternity Assistance</b>	411	28,770.00	33,460.00	62,230.00
<b>Women</b>	411	28,770.00	33,460.00	62,230.00
<b>Postnatal Assistance</b>	462	17,550.00	16,710.00	34,260.00
<b>Women</b>	462	17,550.00	16,710.00	34,260.00
<b>Conditional Cash Transfer Program Pregnancy Assistance</b>	6,125	273,690.00	268,620.00	542,310.00
<b>Women</b>	6,125	273,690.00	268,620.00	542,310.00
<b>Conditional Cash Transfer Program Educational Assistance (Primary School)</b>	1,363,537	84,436,485.00	81,411,695.00	165,848,180.00
<b>Boys</b>	693,313	39,594,460.00	38,031,160.00	77,625,620.00
<b>Girls</b>	670,224	44,842,025.00	43,380,535.00	88,222,560.00
<b>Conditional Cash Transfer Program Educational Assistance (Secondary School)</b>	208,624	19,504,600.00	19,689,565.00	39,194,165.00
<b>Boys</b>	108,550	9,094,860.00	9,043,400.00	18,138,260.00
<b>Girls</b>	100,074	10,409,740.00	10,646,165.00	21,055,905.00
<b>Conditional Cash Transfer Program Health Assistance</b>	264,107	30,597,420.00	32,569,830.00	63,167,250.00
<b>Boys</b>	134,759	15,619,650.00	16,593,900.00	32,213,550.00
<b>Girls</b>	129,348	14,977,770.00	15,975,930.00	30,953,700.00

As a result of the “Research Project for Developing Cash Social Aid Program for Women whose husbands are dead” carried out with the cooperation of the Ministry of Family and Social Policies and Boğaziçi University, various social policy proposals were presented so as to form a regular cash social assistance program for women whose husbands are dead. As a result of this, regular cash social assistance program was

initiated for women whose husbands are dead with the decision of the Social Assistance and Solidarity Promotion Fund in 2012.

Social Housing Project is being implemented in order to meet housing requirements of poor people under the cooperation of the General Directorate of Social Assistance and TOKİ. It is possible to acquire houses built as 1+1 and 2+1 houses with monthly instalments of 100 TL in 270 months. In this context, construction of 12,000 houses was completed; a protocol was signed for the construction of 40,000 houses and necessary planning for this purpose was made. It is aimed that 100,000 houses will be completed until 2023 in this context. Social housing program is also implemented in the provinces where the population of Roma is high and their housing requirements are satisfied. Moreover, work is on-going to provide social housing specific to neighbourhoods and towns where the population of Roma is high.

A free line called Alo 183 offers service in order to provide psychological, legal and economic consultancy and guidance for women and children who are disabled, abused or have the risk of being abused and in need of support and make them reach the service type they need. The said call centre has been renewed since January 2012 and its personnel number has been increased. It serves with its 26 personnel in total, consisting of 10 experts and 16 call centre representatives.

The Ministry of Family and Social Policies Communication Centre started to operate in Gaziantep on 11 September 2012. The said centre was established due to the need to create a new communication centre since Alo 183 (Prime Ministry General Directorate of Social Services and Child Protection Agency) and Alo 144 (Prime Ministry General Directorate of Social Assistance and Solidarity) lines which used to serve for two separate General Directorates of the Prime Ministry in the past period were transferred to the Ministry of Family and Social Policies upon the establishment of this Ministry. Following the establishment of the centre, services for families, women, children, disabled persons, elderly persons, martyrs' relatives and veterans will be provided via Alo 183 line and services for social assistance and social assistance projects will be provided via Alo 144 line.

Preparatory activities are on-going for the Operation on Promoting Active Inclusion in Turkey which will be carried out under the social inclusion priority of the Human Resources Development Operational Program. Target groups of the Operation planned to be initiated in the first quarter of 2013 are identified as the people with disabilities, poor people or people who are under the risk of poverty, former convicts and prisoners, people displaced in their countries, groups requiring special attention (including Roma), people unemployed for a long time, people who lost their hope to find a job, disadvantaged groups (drug addicts, victims of domestic violence, parents of working children, temporary/seasonal workers, children involving in crime and their families), employers and employees.

## Chapter 20: Enterprise and Industrial Policy

Enterprise and Industrial Policy is a chapter intersecting with other policy areas such as free movement of goods, foreign economic relations, energy, capital, environment, science and research, state aids, competition, social policy and employment. This chapter is a horizontal chapter, which is composed of enterprise policy, industrial policy and sectoral measures and policies aimed at enhancing competitiveness mainly by determining general policies.

Revision of 'Industrial Policy for Turkey' (Towards EU Membership) published in 2003 by considering the renewed Lisbon Strategy and 9<sup>th</sup> Development Plan constitutes the technical benchmark for closing of the chapter. In this context, implementation of Turkish Industrial Strategy and Action Plan 2011-2014 (Towards the EU Membership) has initiated in 2011.

With regard to **Enterprise and Industrial Policy Principles**; Turkish Industrial Strategy Document and Action Plan (2011-2014) adopted in 2011 successfully continues its implementation.

Monitoring and assessment of the document continues with group meetings of Monitoring and Steering Committee, Monitoring and Assessment Board and 8 initiatives included in the Strategy, which come together regularly. A success rate of 85% was obtained in implementing the actions in the first year.

The Coordination Council for Improvement of Investment Environment held its 18<sup>th</sup> meeting on 2 August 2012. The Council announced the action plan drawn up for 2012 to public in order to assess the performance of the work carried out by YOIKK Technical Committees.

The work carried out within the scope of the SME Strategy and Action Plan 2011-2013, which entered into force in 2011, has accelerated. Out of 82 actions within the scope of the action plan, implementation of 8 actions has been completed. Turkey, with the participation of 32 organisations including public institutions and organizations and many civil society organisations, established an Entrepreneurship Council, which aims to create and implement strategies by gathering the work undertaken for improving entrepreneurship under one roof.

In addition, many by-laws which facilitate reduction of red tape for starting a business and which are about construction permits were adopted in April 2012. The "Law amending Law on the Land Records and Law on Cadastre" published in May 2012 removed the country based reciprocity principle for natural persons of foreign nationality.

While the amount of the loans granted to tradesmen and craftsmen with the guarantee of the Tradesmen and Craftsmen Credit and Guarantee Cooperative (ESKKK) was 153



million TL in 2002, this amount was raised to 6.3 billion TL as of the end of May 2012 as a result of the work within the scope of the Tradesmen and Craftsmen Change, Transformation, Support Strategy and Action Plan (ESDEP) which entered into force in 2010.

The loans granted increased 40 times within this period. While the interest subsidy was 20.6% in 2002, the interest subsidy is 50% for the loans up to 25,000 TL and 35% for the amount above 25,000 TL for the loans exceeding 25,000 TL in 2012. The Tradesmen and Craftsmen Council has been established upon the publication of the By-law on Tradesmen and Craftsmen Council in the Official Gazette on 29 June 2012, in order to provide tradesmen and craftsmen with the best service in the fastest way.

Turkish Commercial Code has started to be implemented as of 1 July 2012 following the amendments made to it. The By-law on SME Definition and Classification, which is compliant with the Recommendation 2003/361/EC of the European Commission on Definition of Small and Medium-Sized Enterprises, has been revised.

The Prime Ministry published the Principles of the Small Business Act for Europe as a Circular on 5 June 2011 and instructed all public institutions to take into account these principles in their work. Thus, implementation of the Small Business Act for Europe in Turkey has become more binding.

Under the national coordination of KOSGEB, all relevant parties participated in Implementation and follow-up of the Small Business Act (SBA) in Turkey and Balkan countries project. Turkey participated in the assessment made in this context for the first time and the report published stated that Turkey had strong SME policies and well-structured institutions and principles of the Small Business Act for Europe were addressed in all its dimensions.

European SME Week is an initiative started by the European Union in order to support entrepreneurship. Activities within the scope of the European SME Week are carried out for entrepreneurs or potential entrepreneurs at national, regional, or local level in 37 countries as well as in Turkey since 2009. Turkey participates in the European SME Week actively. Our country surpassed other countries and ranked first in terms of the number of activities carried out in 2011.

Turkish language option has been added to the website of the European SME Week, which used to be published only in official languages of member states, because of the attempts before the EU in order to allow our SMEs and entrepreneurs to easily monitor the website of the European SME Week. Out of 1441 activities carried out by 37 countries, 731 activities will be carried out in Turkey as of the year-end.

With regard to **Enterprise and Industrial Policy Instruments**, the implementation of Greater Anatolia Guarantee Facility started as of May 2012 and the G-43 Anatolian Venture Capital Fund started as of August 2011 in order to facilitate the access of

micro, small and medium-sized enterprises, which are the locomotive of the economy, to financing for the purpose of reducing the regional development gap in Turkey under the Regional Competitiveness Operational Programme implemented within the scope of the IPA 3 Regional Development Component.

Within the scope of the Greater Anatolia Guarantee Facility, a loan guarantee support of 320 million Euros was provided for more than 4,000 SMEs as of the third quarter of 2012. Thus, the aimed success rate was exceeded.

The Small Enterprises Loan Programme-II, which was started in 2008, created more than 16,000 loans with a total volume of 172 million Euros by means of available funds of above 85 million Euros for the financing of micro enterprises and SMEs in 49 project provinces up to 50,000 Euros.

The capital structure of the Credit Guarantee Fund has been improved and the number of its branches has been increased in order to facilitate the access of SMEs to financing.

Technology Development Zones bring industrialists together with researchers and universities and provide them with the opportunity to develop new products and production methods for technological production.

As of November 2012, 47 Technology Development Zones<sup>39</sup> were established, of which 34 are currently operational.

The number of companies engaging in activities in Technology Development Zones reached 2,114 as of the end of November 2012. These are mainly innovative companies working on design, nanotechnology, biotechnology, automotive, medical technologies, and renewable energy matters, particularly on software, informatics, electronics and advanced material technologies in the mentioned order.

The total number of R&D projects continuing in the regions is 5,397 as of the end of November 2012. These projects have been employing 17,828 personnel in total in Technology Development Zones as of the end of November 2012. The number of patents for which the companies have made/approved application is 322.

The Decree No. 2012/3305 of the Council of Ministers on State Aids in Investments published in the Official Gazette No. 28328 of 19 June 2012 has drawn the general framework of incentive practices for the regions with respect to directing savings towards investments with high added value, increasing production and employment, encouraging regional and large scale investments and strategic investments with a high research-development content which will increase the international competitiveness, increasing international direct investments, reducing regional development gaps, and

<sup>39</sup> Six in Ankara, 5 in Istanbul, 4 in Kocaeli, 2 in Izmir, and one in each of Konya, Antalya, Kayseri, Trabzon, Adana, Erzurum, Mersin, Isparta, Gaziantep, Eskişehir, Bursa, Denizli, Edirne, Elazığ, Sivas, Diyarbakır, Tokat, Sakarya, Bolu, Kütahya, Samsun, Malatya, Urfa, Düzce, Çanakkale, Kahramanmaraş, Tekirdağ, Van, Çorum and Manisa.

supporting research and development activities by means of clustering and investments directed towards protection of environment.

In this context, support is provided in the areas of tax exemption, VAT exemption, tax relief, employer share insurance premium, allocation of investment place, withholding tax on interest revenue and insurance premium.

The Ministry of Science, Industry and Technology has continued its Industrial Thesis (SAN-TEZ) and techno-initiative capital support programmes.

The Scientific and Technological Research Council of Turkey (TÜBİTAK) has been affiliated to the Ministry of Science, Industry and Technology. Thus, TÜBİTAK is expected to fill the gap between the scientific research and industrial development more.

Turkey provided support amounting to 153 million Euros in total to Turkish enterprises for R&D and innovation projects in 2011 and 2012.

In 2011, the Supreme Council for Science and Technology (SCST) issued 8 new decrees identifying the goals and priorities for the national innovation system, developing innovation and R&D tools for entrepreneurs, integrating entrepreneurial training into the entire education system starting from the basic education, supporting establishment of R&D intensive companies and increasing national patent applications.

The Small and Medium-sized Industry Development Organisation (KOSGEB) has continued to support Turkish SMEs under seven different programmes within the framework of a project based approach.

KOSGEB spent about 80 million Euros in total for these programmes in 2011, excluding interest-rate subsidy operations. The budget of KOSGEB was increased significantly for 2012; thus, KOSGEB will be able to provide more support.

Turkey continued to provide loan programmes for SMEs by means of Halkbank and various other banks by receiving interest-rate subsidy support from KOSGEB. Within the scope of these loan programmes, the total portfolio spent in 2011 is 8.8 billion Euros.

Turkey also continued to participate in the EU Entrepreneurship and Innovation Programme. It is still an active member of the Enterprise Europe Network. It provided a credit guarantee of 528 million Euros, which is expected to create 845 million Euros credit volume by means of the credit guarantee from financial instruments of the Entrepreneurship and Innovation Programme.

7 consortiums continuing its work within the scope of the Enterprise Europe Network provide service in the fields of information, internationalization and consultancy for SMEs in all 81 cities.

The consortiums had provided support for 576,000 SMEs in a period of one and a half year from the beginning of 2011 until midyear of 2012. Many companies benefited from the service of finding business partners from member states. Numbers of 300 technologic and business partnership agreements were signed by means of the Enterprise Europe Network consortiums.

From Turkey, Düzce University received the first prize in 2011 European Enterprise Awards in the category of Promoting the Entrepreneurial Spirit with its Project “Local honey bee spurs entrepreneurial buzz” in the field of encouraging the entrepreneurship spirit.

In 2012 European Enterprise Promotion Awards, the “Supporting disabled people into the workplace” of Denizli Municipality received the first prize in the field of Responsible and Inclusive Entrepreneurship.

With regard to **Sector Policies**, the National Science, Technology and Innovation Strategy is the main strategy document covering the priorities and main goals on information, technology and innovation vision of our country for the six-year period of 2011-2016.

In this context, the following were identified as the priority sectors:

- Automotive,
- Machinery,
- Manufacturing technologies,
- Information and communication technologies,
- Energy,
- Water,
- Food,
- Space and defence sectors

Turkish Automotive Sector Strategy Document and Turkish Machinery Sector Strategy Document came into effect in 2011 upon their publication in the Official Gazette. Implementation, monitoring and evaluation activities of them are on-going.

Turkish Cooperative Strategy and Action Plan entered into force upon its publication in the Official Gazette No. 28444 (bis) of 17 October 2012.

Preparations of Strategy Documents of Chemistry, Iron-Steel and Non-Iron Metals, Electricity and Electronics and Ceramic Sectors were completed and approved by the decision of the Higher Planning Council on 22 October 2012.

Preparation work for the Strategy Document of Turkish Textile, Clothing, Leather and Leather Products Sector and the Strategy Document of Turkish Pharmaceuticals Sector is on-going. Furthermore, preparation work for the Recycling Strategy is still on-going.

## Chapter 21: Trans-European Networks

With regard to **energy networks**, Turkey realized large scale projects such as Turkey-Greece natural gas interconnection, Baku-Tbilisi-Ceyhan, Kirkuk-Yumurtalık oil pipelines. It also continues to realize such projects as Nabucco West, Trans Anatolia Natural Gas Pipeline (TANAP), Baku-Tbilisi-Erzurum natural gas pipeline, Samsun-Ceyhan oil pipeline.

In this context, negotiations are concluded on the “Trans Anatolia Natural Gas Pipeline” (TANAP), which will transport the natural gas produced from the Shah Deniz Phase 2 field, from the easternmost part of Turkey to its westernmost part, and the parties agreed on the conditions regarding 6 billion cubic meter natural gas to be sold to Turkey and 10 billion cubic meter natural gas which will pass transit to Europe.

In this context, participating countries signed the intergovernmental agreement on 25 October 2011 and the Memorandum of Understanding in December 2011. The agreement on the natural gas transfer to Europe by means of TANAP was signed on 26 June 2012.

The project which is proposed to be realized within five years covers four stages. Its first stage will end in 2018. The capacity of the line will reach 16 billion cubic meters in 2020, 23 billion cubic meters in 2023 and 31 billion cubic meters in 2026.

With regard to **electricity networks**, work is on-going for the synchronous parallel operation of the Turkish power system with the European electricity system

The trial parallel operation period is in the third stage. It will end in 2013. The limited capacity allocation is permitted by the joint agreement signed between Bulgaria, Greece and Turkey in accordance with ENTSO-E practices and EU rules in order to realize the electricity trade between Turkey and ENTSO-E’s Continental European Synchronous Area at this stage.

In the field of **transport networks**, the TEN-T Network in Turkey which is defined pursuant to the New Trans European Transport Networks (TEN-T) rules has been included in the revised “Proposal of the European Commission” on TEN-T guidelines and the data on priority project and infrastructure has been included in the “TENtec Information System”. The work for the rearrangement of the mentioned maps and the data is on-going.

## Chapter 22: Regional Policy and Coordination of Structural Instruments

### Alignment with the EU Acquis

Although *the acquis* under this chapter does not require transposition into national legislation, it aims to make administrative and legal arrangements ensuring the effective use of Structural Instruments and create the structure for the use of funds in line with the principles and mechanisms given in the regulations on Structural Instruments (Structural Funds and Cohesion Fund). Work on regional development and investments made in this context are also evaluated under this chapter. The progress regarding the work carried out within the context of the legal and institutional framework is given below.

The necessary legal infrastructure was established in the relevant institutions and organizations for coordination and programming, budgeting, tendering and contracting, implementation, financial management and monitoring of EU co-financed project activities by means of the decrees issued in the last quarter of 2011 within the scope of the restructuring of the public administration.

Furthermore, the Prime Ministerial Circular on “Management of Pre-accession Funds to be Provided from the EU” which determines the committees providing coordination among Ministries and defines implementation units for the implementation of 3<sup>rd</sup> and 4<sup>th</sup> Components of IPA (Instrument for Pre-Accession Assistance), which are precursors to the Structural Funds and Cohesion Fund to be on the agenda along with membership, was revised and published in the Official Gazette No. 28088 of 18 October 2011.

The accreditation of finance and contracting units<sup>40</sup> in the Ministries which are the Operating Structures responsible for 4 Operational Programmes (Environment, Transport, Regional Competitiveness and Human Resources Development) within the scope of 3<sup>rd</sup> (Regional Development) and 4<sup>th</sup> (Human Resources Development) Components of IPA was completed and conferral of management was provided for tendering, contracting and payment operations which were carried out by the Central Finance and Contracts Unit (CFCU) for all programmes to the relevant Ministries.

The “Regional Development and Human Resources Development Committee”, which is an official platform gathering all institutions and organizations responsible for coordinating and carrying out 4 Operational Programmes within the scope of 3<sup>rd</sup> and 4<sup>th</sup> Components of IPA, meets regularly. The Committee came together three times in 2012 and its last meeting was held in December 2012.

Sectoral Monitoring Committee meetings which gather the Commission representatives and relevant institutions and organizations to monitor the progress, projects and implementation regarding each of the said Operational Programmes were held two

<sup>40</sup> Ministry of Environment and Urbanisation on 20.01.2011, Ministry of Labour and Social Security on 31.01.2012, Ministry of Science, Industry and Technology on 15.02.2012, Ministry of Transport, Maritime and Communication on 12.11.2012.



times in 2012, one in June and the other in November. Revisions and improvements on the Integrated Monitoring Information System (IMIS) developed for the monitoring and evaluation of operational programmes by the relevant parties electronically was completed in February 2012 and the system is currently operational with all its functions.

Progress made for identification of the projects within the scope of the Operational Programmes, preparation of the relevant documents and their implementation is summarized as follows:

- Out of 39 infrastructure projects amounting to 940 million Euros in total for the development of waste water, drinking water and integrated solid waste management services measures within the scope of the Environment Operational Programme, 15 projects were contracted and now the construction stage is in progress. Financing decision was received from the Commission for 22 projects and preparatory work is on-going for the remaining projects.
- Out of two large scale infrastructure projects amounting to 380 million Euros in total for strengthening the railway infrastructure measure within the scope of the Transport Operational Programme; construction and supervision contracts were signed on 14 October 2011 and 31 October 2011 respectively for Ankara-Istanbul High Speed Train Line Köseköy-Gebze Construction Project and construction and supervision contracts were signed on 14 December 2011 and 4 January 2012 respectively for Irmak-Karabük-Zonguldak Railway Line Rehabilitation Project and started to be implemented. Work is on-going for the revised Major Project Application Form regarding the Filyos Port Construction Project amounting to 361 million Euros developed for the measure which is to improve the port infrastructure of the operational programme.
- Out of 66 projects which have a total budget of 575 million Euros and which are implemented in four project packages in order to improve the business environment and enhance enterprise capacities and encourage entrepreneurship in 43 economically under-developed provinces (12 Regions) of Turkey within the scope of the Regional Competitiveness Operational Programme, Operation Identification Sheets (OISs) of 41 projects were approved by the Commission. Most of the projects include construction, supervision, supply and technical assistance components and, in this context, tender notices were published for 26 components and contracts were signed for some of them as of the end of 2012. Out of 24 contracts signed as of the end of 2012, 6 were construction contracts, 4 were supervision contracts, 5 were technical assistance contracts, 2 were grant contracts, 2 were framework agreement contracts and 5 were supply contracts. The total budget of the said contracts is 87.7 million Euros.

- 431 projects under 5 grant programmes amounting to approximately 76 million Euros for employment, education, lifelong learning and social inclusion measures within the scope of the Human Resources Development Operational Programme were completed as of the end of 2012. Calls for proposals were made for grant programmes on “Development of Vocational Training” amounting to 20 million Euros and on “Increasing School Enrolment Rates Especially for Girls” amounting to 16 million Euros in the second half of 2012.

“Interim evaluation reports” on operational programmes were prepared within Capacity Improvement in the Field of Economic and Social Cohesion Project (Phase II) and within the technical assistance component of each Operational Programmes separately in December 2011 and January 2012. The interim evaluation reports set out the first findings on implementation and provided input for the revision work regarding Operational Programmes for the period of 2012-2013.

The Development Agencies, which are the main actors of regional development, established in 26 NUTS Level II Regions have continued their activities within the scope of the regional plans they prepared for their regions and as of 2012 they started new term regional plan preparations which will determine socio-economic development trends, development potentials of the settlements, sectoral goals and distribution of activities and infrastructures at regional level for the post-2013 period.

Furthermore, Development Agencies’ investment support offices were established in all provinces and employed 200 personnel. They started to provide pre- and post-investment support for local and foreign investors in the area of investment support and publicity.

An amount of 450 million TL was allocated to Development Agencies from the central budget for 2012 and 417.2 million TL of this amount was used. The central budget contribution envisaged for 2013 is 473 million TL. An amount of 44.7 million TL grant was provided for 79 projects within 2 calls for proposals for which evaluation process was completed within the scope of financial support programmes in 2012. Project application processes are on-going for other calls for proposals announced in 2012.

The framework protocol was signed between the Ministry of Development and Foreign Economic Relations Board (DEİK) on 19 July 2012 in order to establish cooperation between Development Agencies and DEİK with a view to increasing the trade volume in Level II Regions, attracting more and qualified foreign investment and strengthening the investment environment. In addition, secondary protocols are being signed between DEİK and Development Agencies and cooperation areas and activities are being elaborated in these protocols.

Work continues on the “National Strategy for Regional Development” which aims to create a general framework and guidance for plans and strategies for the regional development of Turkey.

In order to determine general policies and priorities in the area of regional development at national level and coordinate their implementation and monitoring, the “Regional Development Committee” to carry out the technical work and the “Supreme Regional Development Council” as the decision organ for these policies were established within the scope of the Decree-Law No. 641 published in the Official Gazette No. 27958 (bis) of 8 June 2011. The Prime Ministerial Circular determining the Ministers who constitute the Supreme Regional Development Council chaired by the Prime Minister was published in the Official Gazette No. 28222 of 3 March 2012.

A significant part of the projects and activities carried out within the scope of GAP Action Plan (2008-2012) which aims to accelerate and complete the investments within the scope of the South-eastern Anatolia Project (GAP) and which is implemented on 4 development axes, was realized, progress was made particularly on irrigation, transport networks were improved, energy investments were almost completed and amounts of loans provided to SMEs were increased.

Education and health indicators reached the country average by means of the investments made. Resource allocated to the investments in the GAP Region was 4.26 billion TL in 2012 and 3.68 billion TL of this amount was allocated for GAP Action Plan investments. The GAP Action Plan will be completed at the end of 2012 and preparatory work is on-going for the Revised Action Plan (2013-2017) which includes new innovative, sustainable projects and programmes accelerating economic and social development and increasing employment.

Moreover, Eastern Anatolia Project Regional Development Administration, Konya Plain Project Regional Development Administration and Eastern Black Sea Project Regional Development Administration were established as of 8 June 2011 in order to coordinate public investments in their respective regions and ensure close cooperation with the public institutions and organizations in the regions they are responsible for. The said administrations started their preparatory work for the Action Plan regarding the investments in their regions as of 2012.

The new incentive system entered into force with the Decree of the Council of Ministers on bringing into force of the “Decree on State Aids in Investments” published in the Official Gazette No. 28328 of 19 June 2012. Within the scope of the new system, it is aimed directing savings towards investments with high added value, increasing production and employment, encouraging regional and large scale investments and strategic investments with a high research-development content which will increase the international competitiveness, increasing international direct investments, reducing regional development disparities, providing investment for clustering and protection of the environment and supporting research and development activities. Within the scope of the new system, Development Agencies have been authorised to assist in issuing the incentive certificates, perform certificate closure operations and also follow realization

of the investment included in the certificate and they started their duties in this field particularly through investment support offices.

### **Administrative Capacity Building**

The progress in this field generally includes capacity building and development work at the central and local level within the scope of the structure established to manage funds to be available upon membership in the EU. In this regard, the fundamental structure consists of the institutions and organizations involved in the implementation of 3<sup>rd</sup> and 4<sup>th</sup> Components of IPA (Instrument for Pre-Accession Assistance) at the central level and it consists of the actors (public sector, private sector and civil society) taking part in the utilization of funds at the regional and local level.

Within the scope of structuring at the central level, the administrative capacity and number of personnel of IPA units established particularly in the Ministries which are Operating Structures responsible for the implementation of operational programmes reached the necessary level lastly by the accreditation of finance and contracting unit of the Ministry of Transport, Maritime Affairs and Telecommunications on 12 November 2012. In order to ensure continuity of the capacity built, the Decree (Decree-Law No. 666) on improvement of the remuneration system for public experts which also cover the personnel working in IPA units was published in the Official Gazette No. 28103 (bis) of 2 November 2011.

Technical assistance projects are being implemented to enhance the capacities of institutions taking part in the IPA implementation process. 1990 man-days of training was provided on planning and programming, project preparation, implementation and monitoring in 2012 within the scope of the Capacity Improvement in the Field of Economic and Social Cohesion Project (Phase II) which is implemented to ensure that IPA system operates in an effective, efficient, transparent and accountable way and to contribute to the preparations regarding the EU Cohesion Policy.

Through the establishment of development agencies which are main actors who will take part in utilization of the EU funds at the local level during pre-accession and membership, the employment of qualified personnel in the regions was provided. As of today, in total 954 personnel including 24 Secretaries General, 762 experts, 156 support personnel and 12 internal auditors are employed in the development agencies.

Activities are carried out to enhance institutional capacities of the development agencies in order to increase their efficiency in utilization of the funds to be provided within the scope of the financial cooperation with the EU.

**Chapter 23: Judiciary and Fundamental Rights**

Although 6 years have passed since 2006 during which the screening meetings were completed as the first stage of the negotiation process, screening report on Chapter 23 has not been approved by the Council of the EU yet and the opening benchmarks has not been submitted to Turkey. Currently, the Southern Greek Cypriot Administration is blocking the opening of Chapter 23. Considering the negotiation process, the criticism in various EU reports and platforms against Turkey on Chapter 23 is unfounded.

Although the negotiations of this chapter are blocked by the EU by means of political considerations, Turkey continues to make comprehensive reforms in this field.

In this context, the following steps were taken:

- The Judicial Reform Strategy was prepared in 2009 in order to speed up the judicial services, and updating work was initiated in December 2011.
- Following the entry into force of the Third Judicial Reform Package which leads to a significant progress in the field of freedom of expression and freedom of media, work for drafting the Fourth Judicial Reform Package which would expand the freedoms in this field, is on-going.
- With the entry into force of the new Foundations Law No. 5737 in 2008, the legislation on community foundations was updated and an approach for settling the existing problems in this field was adopted.
- The Strategy and Action Plan for Enhancing Transparency and Strengthening the Fight against Corruption have been implemented since 2010.
- The work on the Action Plan on Prevention of Human Rights Violations is on-going under the coordination of the Ministry of Justice and with the participation of relevant institutions.
- Significant progress was made regarding institutionalization in the field of human rights in the recent period and the Law on Turkish National Human Rights Institution and the Law on Ombudsman Institution entered into force.
- Turkey became a party to the Additional Optional Protocol to the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) as of 27 September 2011. It is envisaged that Turkish National Human Rights Institution will undertake the function of the independent national monitoring mechanism provided within the scope of the OPCAT.

*(see: Political Criteria for more information)*

**Protection of personal data** was safeguarded by means of the Constitutional amendment made in 2010. Within this context, the Draft Law on Protection of Personal Data drawn up by the Ministry of Justice was submitted to the Prime Ministry in June 2012 and work is on-going with the participation of all relevant institutions.

The opening meeting of the **Positive Agenda**, the purpose of which is to strengthen the existing mechanisms for cooperation with the Commission in the fields of critical importance and thus, to open as many chapters as possible within a short period of time once the political blocks before our accession process are removed, and the **first working group meeting of the Chapter 23** were held on 17 May 2012. The second meeting of the working group was held in Brussels on 23 November 2012. The progress made within the scope of Chapter 23 was noted by the Commission particularly within the scope of the Positive Agenda.

#### **Chapter 24: Justice, Freedom and Security**

Although 6 years have passed since 2006 during which the screening meetings were completed as the first stage of the negotiation process, screening report on the Chapter 24 has not been approved by the Council of the EU yet and the opening benchmarks have not been submitted to Turkey. Currently, the Southern Greek Cypriot Administration is blocking the opening of Chapter 24. Although the negotiations of this chapter are blocked by the EU by means of political considerations, Turkey continues to make extensive reforms in this field.

Considering the negotiation process, the criticism in various EU reports and platforms against Turkey on Chapter 24 is unfounded.

The EU acknowledges that increasing the level of cooperation between Turkey and the EU in the fields such as migration and border management, visa policy, police cooperation, fight against terrorism and drug trafficking will be for the benefit of both parties. The political blocks in this chapter is the major obstacle for achieving an advanced cooperation that both parties desire.

Within the scope of the priority areas in this Chapter:

- The National Action Plan on Asylum and Migration was put into force in 2005.
- The negotiations for the Readmission Agreement between Turkey and the EU were completed and the Readmission Agreement was initialled on 21 June 2012.
- The work on the Road Map for Integrated Border Management is carried out in cooperation with the EU.
- National Strategy Document on the Fight against Organised Crime (2010-2015) and the Action Plan on Fight against Organised Crime (2010-2012) entered into force by



July 2010. However, the work on the second Action Plan on Fight against Organised Crime (2013-2015) is on-going with the participation of all relevant stakeholders.

It was decided to establish the **Working Group for Chapter 24** within the scope of the Positive Agenda which was set up for the purpose of opening as many chapters as possible in a short time in case the current cooperation mechanisms with the Commission in the fields of key importance are strengthened and thus the political obstacles blocking Turkey's accession process to the EU are removed. However, the meeting of the Working Group for Chapter 24 is yet to be held. Furthermore, although it is stated in the Enlargement Strategy Paper drawn up by the European Commission that the negotiation chapters such as Judiciary and the Fundamental Rights and Justice, Freedom and Security must be addressed at the earliest stage possible in order to give adequate time to the candidate country to form the necessary record of reforms, the failure of the European Union in taking steps in terms of starting the negotiations of Chapter 24 leads to problems of trust.

**In the field of migration management,** Turkey fulfils its obligations within the scope of international conventions and national legislation and continues its efforts to fight against irregular migration with determination.

As a result of the rapid economic growth and social development in the last decade, Turkey has completely left the status of being a source country of irregular migration and has increasingly become a country of destination. The number of foreigners entering Turkey via legal and illegal means and those seeking international protection are increasing day by day.

On the other hand, Turkish citizens who settled in Europe are returning to their homeland as Turkey becomes more prosperous and democratic. Furthermore, many citizens of the EU Member States, in particular German, British and Dutch people settle in Turkey by choosing to benefit from the opportunities that Turkey offers.

These developments have revealed the need for intensifying the efforts for becoming more efficient in the fields such as increasing the current capacity in migration management, fight against irregular migration and border management. Within this framework, in order to ensure a more integrated approach in migration management, the Asylum and Migration Bureau and the Border Management Bureau affiliated to the Ministry of Interior was established in 2008 and migration and border management have become important policy areas for Turkey.

The Ministry of Interior continues its efforts of establishing a comprehensive migration and asylum policy and preparing the relevant legislation. The Draft Law on Foreigners and International Protection which is one of the most important stages of the migration management policy and which will contribute to a comprehensive transformation in this field was prepared through a participatory process with the efficient cooperation of all

stakeholders. The Draft Law was adopted by the TGNA Committee on Internal Affairs on 27 June 2012 and submitted to the TGNA General Assembly. The adoption of this Draft Law regulating the international protection area and the status of the stateless in Turkey along with the matters on managing the regular and irregular migration is critical as it will ensure the preparation of a comprehensive legislation and establishment of a sound institutional infrastructure required in the field of migration management.

With the enactment of the Draft Law on Foreigners and International Protection, acts and transactions on asylum and migration will be carried out by the General Directorate of Migration Management to be established as a civil specialised institution affiliated to the Ministry of Interior. Thereby, an institutionalized structure will be set up in compliance with the examples in the world, which is guided by political will, and in which strategies are developed and the balance between human rights and security can be ensured. Furthermore, under the coordination of the General Directorate in question, it will be ensured that Turkey's short and long-term migration policies and strategies will be determined by the Migration Policies Board where all relevant institutions are represented at a high level. A comprehensive Action Plan regarding the issues stipulated in the Draft Law is being prepared by the Ministry of Interior with the support of the European Union funds.

Turkey is carrying out an effective fight against irregular migration through the amendments made in the legislation and the determined efforts of the security forces. The number of apprehended irregular migrants in 2012 amounted to 14,559 between 1 January and 1 July 2012. During the last 5 years, 4,949 migrant smugglers have been apprehended. Furthermore, during the last 17 years, a total of 873,576 irregular migrants have been apprehended, 241,454 of whom were apprehended in the past 5 years. These data confirm that Turkey carries out an efficient fight against irregular migration.

Due to its location, Turkey is a neighbour of both the countries undergoing radical changes and the European Union Member States. Increased cooperation and burden sharing is an important requirement in the field of the fight against irregular migration to which countries cannot find a solution with their individual efforts as acknowledged by all. Here, what is important is in particular the Schengen area countries' showing their will to protect their borders with Turkey that carries out accession negotiations with the EU, instead of protecting their own borders only.

Turkey's current capacity for hosting irregular migrants is 2,176 persons. In addition to this, the construction is underway for 6 reception centres and 1 removal centre. Turkey also takes important steps in order to strengthen its physical infrastructure in the field of fight against irregular migration. In addition to these centres, a new removal centre for 400 people is constructed in Aydın. Furthermore, the removal centre with a capacity for

400 people in Tatvan, Bitlis is nearly completed and the construction of the centres with a capacity for 400 people in Van and 656 people in Edirne has been completed.

Removal procedures and the minimum living standards in removal centres, monitoring of these centres, human resources and financial resources, health care, psycho-social and legal services, and physical conditions to be provided to irregular migrants are regulated in detail in the Draft Law on Foreigners and International Protection and it is expected that significant progress will be achieved in this field when this draft Law is enacted in the near future.

The most recent problem that Turkey encounters in terms of migration is the status of Syrians who received temporary protection within the framework of international law. Turkey admits each Syrian who has left their country regardless of their religion, sect and ethnic status by implementing an open-door policy. Furthermore, the Sub-Committee for Examining the Problems of Refugees, Asylum Seekers and Illegal Immigrants in Turkey established under the responsibility of the TGNA Committee on Human Rights Inquiry has carried out two investigations and published a report with regard to the Syrians who were provided with temporary protection in Hatay.

By 11 December 2012, the number of the hosted Syrians reached 147,000. Over 1.2 billion TL was spent, including food and accommodation expenses of the Syrians, and this amount is increasing day by day. The fulfilment of this international obligation should not just be expected from Turkey and the international community should support Syrian citizens and Turkey in the struggle against the problem in question.

Turkey takes important steps in order to combat human trafficking effectively and efficiently in accordance with international human rights standards. Although the legal dimension of human trafficking is already regulated in the Turkish Penal Code, there exists no legal regulation with regard to the prevention of all forms of human trafficking and the protection measures for the victims. Thus, a transparent and participatory work in which the international and national actors are included is carried out for the preparation of the draft Law on the Fight against Human Trafficking and Protection of Victims under the coordination of the Ministry of Interior. With the draft, it is aimed to prevent human trafficking and provide support to the victims of human trafficking within the framework of the standards provided for by international law.

With the enactment of the draft Law on Foreigners and International Protection and the draft Law on the Fight against Human Trafficking and Protection of Victims, the issues stated in the recent rulings of the European Court of Human Rights regarding Turkey in the field of migration and asylum will be regulated.

Turkey also attributes importance to conclude readmission agreements with source countries in order to prevent irregular migration. Readmission agreements have been

signed with Syria, Kyrgyzstan, Romania, the Ukraine, Pakistan, Yemen, Nigeria, Russia, Greece, Bosnia and Herzegovina and Moldova so far.

The negotiations with Serbia, Montenegro and Belarus have been completed.

**With regard to visa policy**, the only country which is required to have a Schengen visa among all of the EU candidate countries is Turkey. Turkey reiterates its request for visa exemption for Turkish citizens to EU officials on all platforms.

In the direction of the objective to initiate the process which will result in visa liberalization for Turkish citizens, the negotiations of the Readmission Agreement which restarted in March 2010 were completed in January 2011 with a consensus on a “balanced and applicable” text and as the Council of the EU gave the European Commission the mandate to begin visa liberalization negotiations, the Readmission Agreement was initialled on 21 June 2012.

In addition, it has been clearly laid down that Turkey’s position on the Readmission Agreement is,

- To sign the Readmission Agreement in case Turkey accepts the road map that the Commission will submit with regard to visa liberalization,
- That both Schengen visa liberalization for Turkish citizens and the Readmission Agreement enter into force at the same time.

That the Council of the EU has taken the decision to begin the process of visa liberalization for all Turkish citizens and given the European Commission the mandate to carry out this process is an important step. Turkey’s signing of the Readmission Agreement is linked to the EU’s submission of an applicable road map.

Turkey’s objective is visa liberalization which will ensure the visa-free entry and exit of all Turkish citizens to the Schengen area states. Best effort is made in cooperation with the relevant institutions and every segment of society and in accordance with national interests in order to solve this important problem of Turkish citizens.

**With regard to Integrated Border Management**, the work is underway on the Draft Law on the Establishment of the Border Protection Agency which will form the basis of the arrangements for the restructuring of border management.

The work on the establishment of the integrated border management system to be set up in line with the EU *acquis* are currently underway, observing certain basic principles such as transparency, accountability and efficiency. Furthermore, in-house, inter-institutional and international cooperation and coordination and the existence of a professional organisation specialized in this field are the other principles to be observed while addressing this matter.

The work on the Integrated Border Management Road Map is underway within the framework of the opinions of the European Commission and under the coordination of the Ministry of Interior.

The Integrated Border Management Coordination Board and the Integrated Border Management Task Force continued to hold regular meetings with the representatives of the relevant institutions during 2012.

Within the Police Academy, Faculty of Security Sciences, the Department of Border Security was established in 2008 and the first students of this Department graduated on 20 June 2012.

Furthermore, the projects “Integrated Border Management Phase I”, “Integrated Border Management Phase II” and “Training of Border Police”, carried out within the framework of the Instrument for Pre-Accession Assistance (IPA) and under the coordination of the Ministry of Interior, were completed in 2012. Within the scope of the Twinning component of the Integrated Border Management Project Phase II, the proposals were prepared for the establishment of a risk management model specially prepared for the border management of Turkey and the risk management capacities of Turkish National Police and the Ministry of Health were increased. The work for strengthening cooperation and exchange of information between the institutions already engaged in border management are underway.

More comprehensive investment should be made, especially in the land borders, taking into account that Turkey, which will constitute the external borders of the EU in the future, will need more resources in the field of border management. Within this scope, the Ministry of Interior Border Management Bureau has prepared a feasibility report which provides for ensuring the security of all land borders with technological means and this report has been submitted to the Ministry of Development for inclusion in the investment scheme.

The work is on-going with regard to de-mining are critical in terms of Turkey’s fulfilling its obligations within the scope of Ottawa Convention ratified in 2003.

De-mining activities are on-going at the Syrian border. In parallel with the de-mining, the work is also underway on the establishment of Border Physical Security System along Syrian border.

The works are underway on the draft Law for the Establishment of National Mine Action Authority and the Mine Action Centre.

The technical work on the de-mining of mine fields is rapidly on-going and the project “Socioeconomic Development through Demining and Increasing the Border Surveillance Capacity at the Eastern Borders of Turkey Phase II” was prepared within the scope of the IPA 2012 programming. The objective of the project in question is the

de-mining of the eastern borders of Turkey and increasing the border security of the area cleared, by using modern technological equipment in order to contribute to the prevention of irregular migration and all kinds of cross-border crimes in accordance with the integrated border management policies and strategies of the EU.

On 28 May 2012, the Memorandum of Understanding for cooperation was signed between the Ministry of Foreign Affairs and the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex). The cooperation will involve risk analysis in the field of border management, training and research and the exchange of best practices. It is planned to carry out cooperation through the contact points to be determined in the units authorised in each of the above stated areas.

**With regard to the judicial cooperation in criminal and civil matters**, in terms of the protection of children, the Council of Europe Convention on Contact concerning Children of 2003 entered into force in 2012.

The ratification process has been initiated for the Council of Europe Convention on Cybercrime, Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism and Additional Protocol to the Convention on the Transfer of Sentenced Persons.

Bilateral agreements have been signed with Brazil, Spain, Kosovo, Belarus, United Arab Emirates, Jordan, Kyrgyzstan, and Turkmenistan since 2011 in order to form a basis for international cooperation for legal assistance. Furthermore, the use of video conferencing system has started among these parties. The work aiming for the conduct of all legal assistance activities electronically in order to increase their speed and efficiency has started.

The project on “Enhancing the Effectiveness of the Criminal Justice System”, carried out with the support of the EU and the Council of Europe and which aims to carry out an assessment in order to prepare the Law on Legal Assistance and establish the national liaison prosecutor/judge system and to become a party to the Second Additional Protocol to the Council of Europe Convention on Mutual Assistance in Criminal Matters and the Additional Protocol to the Convention on Extradition, has been started.

The work for signing of an association agreement in order to strengthen the cooperation between Turkey and Eurojust are on-going. Turkey actively participates in the cooperation meetings held regularly by Eurojust and the European Judicial Network (EJN). The preparations for the Law on the Protection of Personal Data are about to be completed.



The work has been started regarding the administrative and legal structure for the establishment of the “Asset Recovery Office” in order to facilitate the follow-up and detection of the proceeds of crime and the international fight against cross-border crimes.

The work for increasing the international legal initiatives with regard to the fight against cross-border organised crime and terrorism, have been started.

**With regard to police cooperation and fight against organised crime,** the Council of Europe Convention on Cybercrime<sup>41</sup> which was signed by Turkey on 10 November 2010, was sent to the TGNA for ratification on 3 September 2012.

The by-law on seconding the personnel of Turkish National Police abroad or in international organisations entered into force on 7 January 2012.

On 2 July 2012, the International Association of Police Academies (INTERPA) was established under the leadership of the Police Academy. Turkey acts as the president of this Association, which is for a term of two years.

A Road Map was prepared in order to strengthen the cooperation between the Republic of Turkey and Europol for the purpose of putting into force the Operational Cooperation Agreement with Europol.

Turkey has signed comprehensive bilateral security cooperation agreements with France, Serbia, Mauritania, Turkmenistan, Libya, Tunisia, Italy, Georgia and Congo since 2011.

It is aimed to develop the cooperation with the Balkan countries within the scope of the Joint Declaration signed in September 2012 with Bosnia and Herzegovina, Croatia, Montenegro, Macedonia, and Serbia.

After the Department of Combating Cybercrimes was established in 2011 within Turkish National Police, affiliated units at the provincial level have been set up.

Witness Protection Units in 73 provinces were established in order to ensure the integration of the Witness Protection System across the country.

The cooperation agreement which will ensure our direct connection to the Secure Information Exchange Network Application (SIENA) for the purposes of speeding up and facilitating the information exchange was signed between Turkey and Europol on 4 April 2012.

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<sup>41</sup>The “Project on Capacity-Building against Cybercrime in the Balkan Countries and Turkey” is being carried out effectively as a preparation for the implementation process of the Convention on Cybercrime.

The National Strategy Document on the Fight against Organised Crime (2010-2015) and the Action Plan to Fight Organised Crime (2010-2012) continue to be implemented successfully. Furthermore, the work on the second Action Plan to Fight Organised Crime (2013-2015) is underway with the participation of all relevant stakeholders. Within this framework, particular attention will be paid to the preventive measures in the fight against organised crime, effective investigation capacity, detection of criminal organisations, risk analysis, inter-institutional coordination, international operational cooperation and the fight against the financial dimension of the crime.

**With regard to the fight against terrorism**, efforts are underway to rigorously observe and protect democracy and the rule of law. While human rights are also observed with care in the fight against terrorism, the support of the EU is also expected regarding this matter.

To increase the effectiveness of the international cooperation required to prevent terrorism, important draft Laws are under discussion in the TGNA.

The draft Law on the Ratification of Accession to the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime and on the Financing of Terrorism is currently on the agenda of the TGNA.

The Law on the Ratification of Accession to the International Convention for the Suppression of Acts of Nuclear Terrorism entered into force on 2 April 2012.

The Council of Europe Convention on the Prevention of Terrorism which, was ratified on 23 February 2011, entered into force on 13 January 2012.

Our determined efforts for the prevention of the propaganda activities, and in particular, the broadcasting activities that terrorist organisations carry out under different names, especially in the European countries, are currently underway.

Turkey effectively carries out its dialogue with the EU for the fight against terrorism.

Turkey is the co-president of the Global Counter-terrorism Forum (GCTF) with the USA. At the same time, Turkey and the EU have assumed the co-presidency of the Horn of Africa Working Group established within the GCTF.

Furthermore, with regard to the fight against the financing of terrorism, the draft Law on the Prevention of the Financing of Terrorism prepared for the purpose of remedying the shortcomings in Turkey's legislation is under discussion at the TGNA Committee on Justice.

The Financial Crimes Investigation Board has signed a memorandum of understanding with Australia and Finland for the exchange of intelligence regarding the fight against money-laundering and the financing of terrorism. Within the scope of the fight against

money-laundering, an Action Plan has been prepared under the coordination of the Board and with the contributions of the Ministry of Customs and Trade. The Ministry of Customs and Trade is currently taking the necessary measures for the prevention of money-laundering and the financing of terrorism.

That the PKK is on the list of the EU terrorist organisations list since 2002 is very important in terms of our cooperation in the fight against terrorism. Furthermore, the placement of organisations cooperating with the PKK on the same list is necessary to continue our cooperation in the forthcoming period and to effectively fight against terrorism. The PKK continues to finance its terrorist activities with the proceeds of drug-trafficking and human trafficking and thus, the PKK terrorism is not only a problem for Turkey but also for the international community.

**With regard to the cooperation in the area of drugs**, the international agreement between the EU and Turkey, regarding the participation of the Republic of Turkey in the work of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) was signed by the parties on 30 October 2007 and the law for ratification entered into force on 12 July 2012. Turkey gained the opportunity to fully participate in the work of the EMCDDA with the ratification of this agreement by the TGNA.

Furthermore, the “National Drug Report of Turkey 2012”, which was prepared with the 2011 data, under the coordination of Turkish Monitoring Centre for Drugs and Drug Addiction (TUBİM) acting as the Turkish National Focal Point for the EMCDDA, was published on 24 December 2012.<sup>42</sup>

The mid-term evaluation of the second National Action Plan (2010-2012) for the implementation of the National Policy and Strategy Document on the Fight against Addictive Substances and Addiction (2006-2012) was carried out in February 2012.

**In the field of customs cooperation**, the Cooperation Protocol on the Fight against Smuggling was signed between the Ministry of Customs and Trade and the Ministry of Interior on 8 March 2011, in order to define the general principles of the cooperation in the field of the fight against smuggling and to determine the obligations of the parties within this framework, as well as the measures to be taken and the work to be carried out in order to develop cooperation with regard to the prevention and monitoring of and research on the smuggling.

The Ministry of Customs and Trade was established with the Decree Law No. 640, which entered into force on 8 June 2011. The customs and customs enforcement units in the provinces have been brought together under this framework of the new structure. The number of anti-smuggling and intelligence units of the Ministry was increased to 29 from 18.

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<sup>42</sup>TUBİM has been drawing up a “Turkey Drug Report” each year since 2006 in parallel with the EU Member States.

A risk analysis unit which ensures the coordination and cooperation for the risk analysis and profiling among the local customs units was established in each regional directorate.

For the measures against the **counterfeiting of the Euro**, (*See, Chapter 32 – Financial Control*)

In conclusion, whereas the EU has not taken any steps for opening Chapter 24 to negotiations since 2006, Turkey has realised important reforms in extensive areas, such as migration and border management, visa policy, police cooperation and the fight against organised crime for a period of more than six years, with the active cooperation of all public institutions.

## **Chapter 25: Science and Research**

Science and Research chapter is the only provisionally closed chapter. There is no "hard *acquis*" in this chapter but candidate countries are expected to develop their integration capacity with the European Research Area and capacity of participation to the EU Programmes carried out in the area of research and technological innovation.

### **European Research Area**

As regards the European Research Area, Turkey has taken some important measures, in order to further strengthen its national research and innovation capacity and it has also updated its relevant national strategies.

The Supreme Council for Science and Technology (SCST) held its meeting on 7 August 2012 within the scope of the role of education and human resources in achieving the 2023 targets and introduced 8 new actions intended for this objective to its National Science, Technology and Innovation Strategy.

### **Policy of Research and Innovation**

Turkey continued to strengthen its research and innovation capacity in 2012 and completed the establishment of the Ministry of Science, Industry and Technology and the changes on the Scientific and Technological Research Council of Turkey (TÜBİTAK) and the Turkish Academy of Sciences (TÜBA) by 2012.

### **Framework Programmes**

The level of participation to the EU's Seventh Framework Programme (FP7) has increased in terms of the projects that were submitted and that were accepted by the Commission. Turkey is particularly successful in the thematic areas such as Information and Communication Technologies, Knowledge-based Bio-Economy (food, agriculture and biotechnology field), Transportation and Safety. Regarding the level of participation of the SME's to FP7 and participation to Marie Curie Actions, overall success of Turkey is considerably high. Furthermore, Turkey has a developed

administrative capacity with the Network of National Contact Points which has an effective communication network.

The project “Technical Assistance for Strengthening FP7 Project Development Capacity of Turkish Research Area” numbered TR080217, which is financed under the Instrument for Pre-Accession Assistance (IPA) Component It has continued to be implemented. Within the framework of the project which kicked off on 24 May 2011, the following were completed by the end of 2012:

- 63 researchers were supported,
- 5 networking activities were carried out,
- Preparations made for 10 web-based training modules and a communication strategy was formed,
- 50 information multipliers were trained,
- 2 refresher training programs were carried out,
- 420 people were trained,
- 11 projects on intellectual property rights were provided with consultation services,
- 2 international brokerage events were held.

With the amendment of 4 July 2012 made to the “Decree-Law No. 635 on Organisation and Duties of the Ministry of Science, Industry and Technology”, the legal grounds of designating Science Counsellors to foreign countries, in particular to the countries which are developed in terms of science and technology, was established.

Turkey participates in some Joint Programming Initiatives within the framework of the “Innovation Union”. Turkey participates, as an associated country, in the “Strategic Energy Technology Plan” and attends actively in the European Innovation Partnership in the areas of active and healthy aging, water and sustainable agriculture.

The active cooperation with the Joint Research Centre (JRC) has continued with the participation of the Turkish researchers to the workshops and the high level meetings of the JRC, JRC projects and networks and their employment in the JRC institutions. Since the signature of Memorandum of Understanding on Cooperation between Turkey and the JRC on 5 July 2007, TÜBİTAK supported 30 Turkish researchers in total to work in the JRC institutions. This Memorandum of Understanding on Cooperation was renewed on 23 October 2012 for a period of five years being effective from the 1<sup>st</sup> of November 2012.

According to Turkstat’s research on R&D activities in 2011, the overall R&D share in the GDP went up to 0.86% from the level of 0.84% in 2010; and the rate of R&D expenditure of the private sector within these expenditures went up to 43.2%.

In 2011, the number of full-time equivalent researchers increased by 12.5% and reached 72,000 from 64,000 of 2010.

TÜBİTAK also initialized new support programs including the International Mobility Programme for Experienced Researchers which provides support by the financing of the research, technological development and innovation projects carried out by the private sector, the financing of the technological entrepreneurship and co-financing. A new scholarship programme which is partially supported under FP7 aims to increase the mobility of all experienced researchers, either foreigners or domestic nationals.

An initiative was taken to enable TÜBİTAK to provide the risk capital funds. This novelty is an important step for supporting the start-up companies which have difficulty in finding financial support although they have innovative ideas.

EUREKA, with 42 members, is one of the largest R&D support mechanisms. In 2012, Turkey took over the presidency of EUREKA network as a result of the increase in the implementation capacity in the fields of science and research. TÜBİTAK is the secretariat of the presidency.

The Congress for Turkish Scientists Living Abroad was held on 12-13 July 2012, as the first activity for the organization of the Turkish scientists who live abroad. Nearly 200 people from Turkey and abroad attended the conference held in Istanbul. In parallel to this, TÜBİTAK published the catalogue of “Turkish Researchers Living Abroad” in December 2012.

## **Chapter 26: Education and Culture**

### **Education**

With a dynamic young population, Turkey continues to take important steps for developing its infrastructure and capacity in the area of education.

Although there is no “hard *acquis*” in this chapter, Turkey takes important steps for achieving the objectives towards the Europe 2020 Strategy and the “Education & Training 2020” work programme and actively participates in the works carried out at the EU level.

In order to increase the quality of its education system, Turkey increased the duration of compulsory education from 8 years to 12 years with the “Law No. 6287 Amending the Law on Primary Education and Training Law and Along with Some Other Laws”, which was published in the Official Gazette No. 28261 of 11 April 2012. This period comprises a gradual structure based on 4 years of primary school, 4 years of secondary school and 4 years of high school.

After the expansion of pre-school education to 71 out of 81 provinces to promote it administratively in the 2011-2012 school year, the enrolment rate of students at the ages



of 4-5 in pre-school education in 2011-2012 increased from 43.1% to 44%. The number of students in pre-school education increased by 5.6%, while the number of teachers increased by 15.6%.

In this respect, the Ministry of National Education continues its work on the project titled “TR080106- Strengthening Pre-School Education”, with a budget of 16.8 million Euros, which aims to increase the capacity of public institutions and organizations, municipalities and civil society organisations and to establish effective child day-care and pre-school education services for disadvantaged children and their families.

The enrolment rate in primary education reached 99%. In secondary education, this rate increased to 67.4% and the gender gap was reduced by 2.5%. While the enrolment rate of girls in primary education was 98.22% in 2010-2011, this rate rose to 98.56% in 2011-2012.

Similarly, the enrolment rate of girls in secondary education was 63.86% in 2010-2011 while this rate rose to 66.14% in 2011-2012.

The transported education which aims at primary school students to improve their access to educational opportunities also began for secondary education, in particular to ensure that girls could attend secondary education.

Special care is taken so that textbooks and educational materials do not contain any elements of gender discrimination, and gender equality is one of the sensitive issues in the education programmes.

With the e-school and e-registration system, necessary strategies are defined for the enrolment of children who are not enrolled in school or do not attend school although they are at the age for compulsory education.

Within this framework, the children who are not enrolled in school are determined through the address-based population registration system, and the efforts to enrol children in school are maintained through the persuasion of the families by the commissions set up within the schools. Furthermore, it is planned to take measures such as mobile schools, social support centres and tent schools in order to ensure the access to education for children, who cannot attend pre-school and primary education due to agricultural labour on a seasonal or other temporary basis.

In 2011-2012 academic years, the Ministry introduced the Progressive Non-Attendance Management System (PNAM), with the Ministerial Circular No. 2011/47 in order to functionally define the absence in primary schools and to develop preventive actions suitable for the absence type of the student. Within this framework, the training given to the administrators and teachers in primary schools was completed in March 2012.

The pilot implementation work on the “Warning Model” which includes the screening of the adverse conditions that lead to the occurrence of the risks in children’s lives and the effective assessment of the screening results is on-going in Bursa. Meanwhile, the work on disseminating the pilot implementation across the country continues as well.

The preparations still continue regarding the Project called Increasing Primary School Attendance Rate of Children which will be implemented in 12 provinces, for which 3.2 million Euros was provided in the framework of the IPA on reducing the dropout rates and preventing the absence in primary education.

The Standards for Primary Education Institutions (SPEI) which was introduced across the country in April 2011 aims to set up an internal control mechanism in the education process. This system enables the collection of all relevant data for each school in districts and provincial centres, and is evaluated through e-school software. The Ministry has been carrying out analysis and assessment on this data.

With the “Life Skills Programme”, the Ministry of National Education aims to strengthen the skills of children and young people between the ages of 10-19 on communication, self-expression, reconciliation, stress management, awareness of their own rights and ability to plan their future.

Within the scope of the programme based on peer to peer education, the Ministry of National Education has so far trained 230 peer trainers and 115 supervisors of peer trainer. Within this framework, nearly 9449 children and adolescents have been provided training.

Within the scope of the Law No. 6287 Amending the Law on Primary Education and Training Law and Along With Some Other Laws, the weekly course schedule was changed by taking into account the conversion of elementary education institutions to primary schools and secondary schools. Accordingly, the course of game and physical activities was introduced in primary schools for the first time. Weekly course hours in secondary schools were increased and made equivalent to the developed countries. Furthermore, the education system has become more flexible by giving students the opportunity to choose courses in accordance with their interests and skills by means of increasing the elective course hours and their range.

With the By-law on Dress for School Students Affiliated to the Ministry of National Education, which was published in the Official Gazette No. 28480 of 27 November 2012, the Ministry of National Education restructured the procedures and principles regarding the dress of the students attending public and private pre-schools, primary schools and secondary schools affiliated to the Ministry. The freedom of dress which will come into effect as of the 2013-2014 academic years is expected to bring children more confidence.

With the Ministry of National Education's By-law on Parent-Teacher Association, which was published in the Official Gazette No. 28199 of 9 February 2012, the Ministry made a number of changes on the procedures and principles regarding the establishment and operation of parent-teacher associations in schools and education institutions including the schools in educational campuses, affiliated to the Ministry of National Education, the setting up of the bodies of the association, their election method; the financial contributions obtained from social and cultural activities and courses, acceptance, expenditure and supervision of donations and the distribution places, rates, expenditure and supervision of the income obtained by means of operating or hiring for operation of the places like school canteens. The new regulation aims to involve the families in the decisions taken about the schools and to prevent extra payments made by the families who send their children to school, which poses a problem in terms of their financial situation.

For the purpose of increasing the access of individuals with special learning needs to education, the students who attend public and private schools/institutions are transported to schools and institutions without any fees, these students are given free lunch, course books and some of the auxiliary tools are provided free of charge. The work on defining the education materials and setting the standards used in special education was finalized. The Ministry of National Education made available the Turkish Sign Language Dictionary prepared through the visual support, for users both in print and in the internet environment.

The 2001 Programme for "Increasing School Enrolment Rates Especially for Girls" reference number TR08H2.01, within the scope of the Instrument for Pre-Accession Assistance Component 4 aims to increase enrolment rates of girls in primary and secondary education, to decrease the drop-out rates, to develop the vocational skills and competences of girls and to raise awareness of the families. Within the scope of the project, grant scheme activity amounting to 10 million Euros in total was implemented where 89 out of 700 projects were granted. Within this framework, approximately 10,000 people, including families, teachers and social parties were trained, in-person interviews were made with 7000 families within the scope of the persuasion activities and the re-registration of 8,800 girls was ensured. Three public spots were created in order to raise public awareness within the scope of the project and these films have been broadcasted on national channels since early 2012.

With the "Strengthening Special Education Project" reference number TR0801.05, which is supported within the scope of the Instrument for Pre-Accession Assistance (IPA) Component 1, it is aimed to improve the access of disadvantaged students and the active participation of families to the education process. The project aims to prepare the "Guide on Special Education and Integration in Pre-School Education" in order to guide special education teachers. The work on developing the barrier-free school model with this project is still maintained.

The Ministry of National Education has been maintaining its activities on the “Operation on Promoting Lifelong Learning in Turkey” reference number TR07H2.01, with a budget of 15 million Euros. With its implementation, it is aimed to develop policies in the perspective of lifelong learning, prepare the draft bill on Lifelong Learning Coordination, create the national web-portal which includes the Lifelong Guidance System which will facilitate the access to learning opportunities and to increase the access to learning opportunities and the employability of the individuals by the Lifelong Learning Coordination Centres to be established.

### **Vocational Training**

“Improving the Quality of Vocational Education and Training in Turkey, Grant Scheme I” reference number TR07H2.02, which is supported within the scope of the Instrument for Pre-Accession Assistance, was implemented in May 2012. It is aimed to develop the content and improve the quality of vocational and technical education, and the preparations for the Quality Strategy Document in vocational and technical training have started.

In vocational and technical training, 7644 learning materials (modules) were prepared in 62 vocational areas and 226 branches, and the legislation efforts for the modules to become the basis for nationally recognized certificates continue.

336 modular certificate programmes have been prepared since 15 July 2011. The Certificate Programmes began to be implemented in 979 Public Education Centres across the country.

The Ministry of National Education have been carrying out works within the scope of developing pre-service teaching qualifications of the candidate teachers and in the framework of the understanding of lifelong learning during the service. In this respect, training programs for teacher education through open learning and distance education have been carried out with the cooperation of the Council of Higher Education (CoHE).

The Ministry of National Education created the web-based performance management system with the secondary education project which was completed in April. The National Career Information System (NCIS) was established for guidance and 42,300 teachers and administrators were given in-service training.

On 25 January 2012, the cooperation protocol of the Cooperation on Entrepreneurship Development Project was signed between the Ministry of National Education and Science, the Ministry of Industry and Technology and TÜBİTAK. The protocol aims to raise individuals with a culture of entrepreneurship by integrating this concept into the system of education. Furthermore, the Protocol on Cooperation in Education was signed on 14 March 2012. With this protocol, it is aimed to improve the quality of education by

carrying out various activities for the purpose of instilling the love of reading in the children and conducting R&D studies in the fields such as science and mathematics.

### **Qualifications, Quality Assurance and Accreditation**

The National Qualifications Framework (NQF) Preparatory Commission whose works are coordinated by the Vocational Qualifications Authority (VQA) was expanded with the participation of two senior members from the relevant general directorates of the Ministry of National Education and the CoHE. A new approach was introduced to prepare the National Qualifications Framework (NQF), which is the national qualification framework of Turkey. A new working group consisting of national and international experts was set up in order to prepare the pre-study to be revised and developed by the Commission.

The certification institutions authorized by the Vocational Qualifications Authority have been carrying out measurement, assessment and certification activities based on the national qualifications in 53 vocational areas. The Vocational Qualification Certificate which is approved by 5116 Vocational Qualifications Authorities was created for ten professional areas. 253 qualifications were prepared and 153 national qualifications, 103 of which in 2012, entered into force upon the approval by the VQA Board of Directors.

Activities still continue regarding the “Strengthening Vocational Qualifications Authority and National Qualifications System in Turkey Project” (UYEP) reference number TR0702.13, which is financed with the IPA support. In this context, significant progress has been made in terms of the preparation works for Turkish National Qualifications Framework (Turkish NQF). The consultation phases of the NQF draft consultation document are about to be finalized and the final NQF document will be submitted to the approval at the beginning of 2013, and its referencing works will be completed with the European Qualifications Network.

VQA held information days and seminars and participated in education and employment fairs within the scope of the activities of raising awareness on Europass.

### **Higher Education**

In the area of higher education, the total number of universities in Turkey reached 168 with the establishment of 6 new universities in 2012. Turkey is at an advanced stage in implementing the Bologna process recommendations. The CoHE has approved the implementation of undergraduate and graduate programs via distance education.

The major part of the works concerning National Qualifications Framework for Higher Education, which is in compliance with the European Qualifications Framework was finalised, the draft regulation defining the roles of all actors for the implementation of the Framework was prepared and it reached the approval stage. In November 2012, the

Draft Bill for the restructuring of the CoHE was prepared and it was brought to the public opinion.

### **Union Programmes**

Active participation in the Union Programmes (Lifelong Learning, Youth in Action Programme and the Culture Programme) in the area of education and culture is regarded as an important indicator of harmonization with the EU in this chapter.

Turkey continued to carry out the Lifelong Learning and Youth in Action Programmes, which are the European Union programmes in the area of education and youth, in an active and successful manner during 2012. As a result of the negotiations carried out with the European Commission, the budget of the National Agency (Presidency of the Centre for EU Education and Youth Programmes), which carries out these programmes in our country and is the associated entity of the Ministry for EU Affairs, was increased by 40% and now ranks at the third place among 33 European countries in terms of the size of the budget. As a result of this increase, the number of beneficiaries within the framework of sub-programmes named Erasmus, Leonardo da Vinci, Comenius, Grundtvig and sub-actions of the Youth Programme has exceeded the targets of the relevant year. Within this framework, a much higher number of beneficiaries than the number which was 43,000 the previous year participated in these programmes; and in this respect, grants were allocated in 2012 to ensure that 61,000 citizens from all ages realize mobility in the European countries which are members of these programmes, for periods ranging from one week to one year, in order to carry out education, training and youth activities. In this context, nearly 3500 projects were provided with grants of 107 million Euros. The great interest of the education and youth sector towards the programmes has continued and over 15,000 grant applications were received. For the purposes of promoting the programmes across our country and extending the beneficiary group as much as possible, the National Agency held information meetings in 81 provinces and all of the communication tools, in particular the website and social media, were used effectively. During this process, an effective synergy was achieved owing to the efforts of the Ministry for EU Affairs, and several promotion, information and dissemination activities were carried out under the auspices and with the participation of the Minister for EU Affairs and Chief Negotiator Egemen Bağış.

Turkey continues to participate in the Culture Programme (2007-2013) which is one of the Union programmes in the area of culture. The Cultural Contact Point which is affiliated to the Ministry of Culture maintains its work on promoting and disseminating this programme. Within this framework, a promoting campaign which is worth nearly 1 million TL was held in Istanbul by utilizing the national opportunities.



## **Youth**

The Ministry of Youth and Sports maintains its efforts for establishing supportive measures and mechanisms in the area of youth, and developing the national youth policy. 17 youth workshops, two of which were outside Turkey (Kyrenia and Cologne), were held with the participation of 8,000 young people, and the II. Youth Council was held on 14-18 May 2012, with the participation of 15,000 young participants. The National Youth and Sports Policy Paper was drawn up through a democratic and participatory method by taking the opinions and suggestions of the academics, representatives of political parties, civil society organisations, youth-related public entities, universities, and especially young people, along with the decisions taken in 17 youth workshops and II. Youth Council. The National Youth and Sports Policy Paper was communicated to the Prime Ministry to be submitted for the approval of the Council of Ministers of 15 November 2012.

In 2012, Youth Projects Support Programme was established in order to support the youth projects prepared by the civil society organisations which operate in the area of youth, youth groups, public institutions and organizations, local administrations, high schools and universities. During the first call period of the Youth Projects Support Programme financed by the general budget, 120 projects were provided with 10,500,000 TL whereas during the second call period of the programme, the projects of 16 universities located in the provinces within the scope of the South-eastern Anatolia Project (GAP) and Eastern Anatolia Project (DAP), aiming at social harmonization by means of sports were provided with 7,500,000 TL.

Approximately 100,000 young people participated in the Traveller, Youth Train and Leader Youth Camps which are the most comprehensive projects that the Ministry of Youth and Sports carried out in 2012.

## **Culture**

A Cooperation Protocol was signed with the Ministry of Family and Social Policies and the Ministry of Culture and Tourism on 26 March 2012. This Protocol aims to strengthen the social support services on the participation of the disabled, war veterans and relatives of martyrs in the social and cultural life. Furthermore, the artists who are outside the labour and social security due to old age and health problems will be able to benefit from social aids and services.

On 1 June 2012, Turkey was awarded with 2 projects (Miletos Ilyas Bey Complex and the Alliano Initiative) within the scope of the European Union Prize for Cultural Heritage given jointly by the European Commission and Europa Nostra.

UNESCO World Heritage Committee included Neolithic Site of Çatalhöyük in the World Cultural Heritage List in 2012.

The legal procedure for the adoption of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions by Turkey has been initiated. The convention is among the topical issues to be dealt by the Parliament.

## **Chapter 27: Environment**

### **Alignment with the EU Acquis**

The works within the scope of the Environment Chapter opened for negotiations continue with a view to meeting the benchmark for closing.

With regard to the **horizontal legislation**, the works on the transposition of the Environmental Liability and INSPIRE Directives continue within the scope of the project “Capacity Building in Horizontal Sector” under IPA 2011 programming. The Ministry of Environment and Urbanization has opened the draft by-law, prepared within the scope of the revision of the By-law on Environmental Impact Assessment (EIA), to the suggestions and contributions of the public institutions and organizations, aimed at adapting the process of Environmental Impact Assessment to current developments and carrying out the EIA process in electronic environment,

For the Akkuyu nuclear power plant, the relevant company has applied to the Ministry of Environment and Urbanization for the process of Environmental Impact Assessment (EIA). The process of drawing up the EIA report continues in this context. The Ministry of Foreign Affairs is assessing the draft bilateral agreement on EIA for trans-boundary cooperation in the Environment Chapter Negotiation Position Paper. Furthermore, the works on the transposition of the Strategic Environmental Assessment Directive into national law are continuing.

The works with regard to **air quality** are continuing within the scope of the projects supported by the EU funds. Within the framework of the “Project on Institution Building on Air Quality in the Marmara Region” reference number TR0702.07, under 2007 Turkey- EU Financial Cooperation Programme; Marmara Clean Air Centre was established in Istanbul and the establishment of 39 air quality measurement stations in 11 provinces in the Marmara Region has been completed. Furthermore, the works on establishing the regional laboratory (calibration and analytics) in Marmara Clean Air Centre have been completed. The calibration of the stations connected to the measurement network, heavy metal analyses and other air quality analyses will be carried out in these laboratories. On the other hand, the preparation works on the draft By-Law for the harmonisation of the Directive 2008/50/EC on Cleaner Air for Europe and Ambient Air quality are continuing.

By means of the “Improving Emissions Control Project” reference number TR0802.03, under 2008 Turkey- EU Financial Cooperation Programme, the works for the transposition and implementation of the National Emission Ceilings Directive are continuing. The Circular of the Coordination Board for Air Emissions No. 2012/22

which is prepared within the framework of the views of the public institutions and organizations with regard to setting up the National Coordination Board for Air Emissions and the working groups, was published in the Official Gazette No.28498 of 15 December 2012.

Within the scope of the “Project on Control of Industrial Volatile Organic Compound Emissions” reference number TR2009/0327.01, under 2009 Turkey- EU Financial Cooperation Programme, the works on the harmonisation and implementation of the relevant three Directives are continuing.

The directives in question are:

- Directive 94/63/EC on the Control of Volatile Organic Compound (VOC) Emissions Resulting from the Storage of Petrol and its Distribution from Terminals to Service Stations;
- Directive 2004/42/EC on the Limitation of Emissions of Volatile Organic Compounds due to the Use of Organic Solvents in Certain Paints and Varnishes and Vehicle Refinishing Products, and;
- Directive 99/13/EC on the Limitation of Emissions of Volatile Organic Compounds due to the Use of Organic Solvents in Certain Activities and Installations.

**Waste Management** is one of those environment subsections with a high level of alignment with the legislation.

The By-law on “Control of Waste Electrical and Electronic Equipment” was published in the Official Gazette No.28300 of 22 May 2012 in order to ensure the harmonisation of the Directive 2002/96/EC on waste electrical and electronic equipment. With this by-law, it is aimed to limit the use of certain hazardous substances in electrical and electronic goods, take the import of electrical and electronic goods under control, establish a system for the separate collection of waste electrical and electronic equipment and set up an authorization system for their processing, provide the re-use and processing information for all new electrical and electronic goods placed on the market and establish an effective control and surveillance system. The collection and recycling targets are estimated to be achieved by 2018. Furthermore, the Regulatory Impact Analysis with regard to the directive in question was prepared in 2012.

Within the scope of the “Project on Mining Waste Management” reference number TR0802.05 which started to be implemented in November 2010, the works are continuing on the transposition of the Directive 2006/21/EC, strengthening the administrative capacity and laying down a methodology for the preparation of the inventory of closed, active and abandoned mine sites and preparation of the inventory.

In the By-law on Control of Packaging Waste, the recycling targets are given in detail on yearly basis until 2020. The Ministry of Environment and Urbanization approves the Packaging Waste Management Plans which are prepared by the municipalities and in which when and how the packaging waste will be collected are indicated. The number of municipalities which possess approved Packaging Waste Management Plans by 2012 is 260. The principles and procedures of authorization, certification and plan preparation within the scope of the by-law, was published by the Ministry of Environment and Urbanization. The electronic software programme regarding the packaging waste has been brought into use of the municipalities. In addition to this, the Ministry of Science, Industry and Technology is continuing the coordination works on the National Recycling Strategy and Action Plan (2013-2016) and opened the draft text in question to the suggestions and contributions of the public institutions and organizations for the second time.

A significant progress was achieved in terms of **water quality** in 2012. The Ministry of Forestry and Water Affairs has prepared the Draft Law on Water as an important progress towards preparation of the Framework Law on Water which is one of the benchmarks for closing of the Environment Chapter and completed the consultation process with broad participation.

Significant works have been finalized within the scope of the alignment with the Water Framework Directive 2000/60/EC. The “By-law on Protection of Water Basins and Preparation of Management Plans” which aims to protect surface and groundwater resources with an integrated approach not only chemically but also in terms of physical and ecological quality as well as quantity and which aims to prepare management plans for the water basins, was published in the Official Gazette No.28444 of 17 October 2012.

Furthermore, the “By-law on Management of Surface Water Quality” which aims to determine and classify the biological, chemical, physico-chemical and hydromorphological quality of the surface waters, coastal and transitional waters, to monitor the water quality and quantity, to lay down the utilisation purposes for these waters in line with sustainable development objectives taking into account conservation-utilisation balance and to achieve good water status, entered into force upon its publication in the Official Gazette No.28483 of 30 November 2012 .

With the entry into force of the above stated two by-laws, the management of the water resources at the basin scale, based not on administrative boundaries but on the natural cycle of water will be ensured. In addition, with the River Basin Management Plans which will be prepared with a participatory approach, the chemical, ecological and quantitative quality of the basin waters will be monitored systematically and the “programme of measures” which will be prepared in order to achieve the “good water status” will start to be implemented.

For the purposes of maintaining the good status of the groundwater resources preventing the pollution and deterioration of groundwater bodies and improving the status of groundwater resources, the “By-law on Protection of Ground waters against Pollution and Deterioration” prepared for alignment with the Groundwater Directive 2006/118/EC, was published in the Official Gazette No.28257 of 7 April 2012.

The “Draft By-law on Quality of Fresh Waters Needing Protection or Improvement in order to Support Fish Life” was prepared within the scope of the alignment with the Directive 2006/44/EC on the quality of fresh waters needing protection or improvement in order to support fish life.

The technical works on the revision of the “By-law on Protection of Waters against Pollution Caused by Nitrates from Agricultural Sources” which was prepared for alignment with the Nitrate Directive 91/676/EEC and entered into force on 18 February 2004 are continuing.

The Technical Assistance Component of the EU-funded “Project on Implementation of the Nitrates Directive” (reference number TR0702.06), which was initialized in 2010, was completed on 17 December 2012. Within the scope of the project, activities regarding the effective monitoring of nitrate pollution by establishing monitoring network systems in order to reduce the pollution caused by nitrates from agricultural sources in the surface and groundwater and soil, determining the areas that may be subject to pollution, strengthening the institutional and technical capacity of the Ministry of Food, Agriculture and Livestock and raising the awareness of the farmers on the issue, were carried out. Transfer of acquired knowledge to other related Ministries was ensured.

The EU-funded project of “Capacity Building on Water Quality Monitoring” (reference number TR2009/0327.02) began to be implemented on 8 September 2011. Within the scope of the project, legal and institutional gap analysis with regard to the implementation of the provisions of the Water Framework Directive on water quality monitoring was made and activities for strengthening the technical capacity of the relevant institutions on identification of water bodies, identification of monitoring and analysis stations, on monitoring methods and on monitoring of ecological, chemical and physical parameters in pilot basins, are continuing. Along with this project, the necessary investment required for the establishment of a national monitoring network in 25 basins and for carrying out the monitoring in line with the Water Framework Directive provisions in Turkey has been approved within our national budget. The activities to be undertaken initially in 5 pilot basins will then be implemented in all 25 basins.

The EU-funded project of “Capacity Building within the scope of the Flood Directive” (reference number TR2010.0327.05) under the IPA 2010 Programming based on the EU

Flood Directive 2007/60/EC, has started and the activities are being implemented with a participatory approach.

With the increase of the investments within the scope of Urban Waste Water Treatment Directive, waste water treatment capacity across Turkey has increased significantly. Furthermore, determination of sensitive areas in 25 basins, have been initialized being financed by the national resources,.

The Project on Alignment in Bathing Water Monitoring, financed under the IPA 2010 Programming (TR2010/0327.01), which aims for transposition of the new Bathing Water Directive (2006/7/EC) into national legislation and strengthening bathing water monitoring system applied by the Ministry of Health was initialized in December 2012.

The Twinning Light Project under the title “Emergency Management and Risk Analysis in Drinking Water for the Protection of Public Health” is financed by the EU funds (SEI-2009). The aim of the project is to strengthen the institutional capacity of the Ministry of Health in order to ensure that the risk assessment regarding drinking water and the early warning and emergency management methods are carried out in accordance with the EU drinking water legislation.

The “By-law on Quality of the Surface Water from which Drinking Water is Obtained or Planned to be Obtained”, published in 2005, was revised in order to eliminate the deficiencies in implementation and published in the Official Gazette No.28338 of 29 June 2012.

The Draft By-law that amends the By-law on Water Intended for Human Consumption, prepared in line with the EU legislation No. 98/83/EC and published in 2005, was prepared.

In Ergene, Küçük Menderes, Gediz and Bakırçay rivers where the industrial pollution is high, activities in the scope of seasonal monitoring programme have been initiated which meet the requirements of the Water Framework Directive and our national legislation.

The Ministry of Forestry and Water Affairs approved the National Biological Diversity Strategy and Action Plan in the field of **nature conservation** on 29 July 2008. It serves as a guide for the implementation of the Convention on Biological Diversity in compliance with other obligations and in solving the problems caused by the loss of biological diversity. Technical working committees have been established in order to create the implementation mechanism of the Strategy and Action Plan. In 2012, the Ministry prepared Regulatory Impact Analyses regarding the Directive 79/409/EEC on the Conservation of Wild Birds and the Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Fauna and Flora.



Furthermore, the “By-law on Identification, Registration and Approval of the Protected Areas” was published in the Official Gazette No.28358 of 19 July 2012. The Environment Commission of Grand National Assembly adopted the “Draft Law on Conservation of Nature and Biodiversity” in June 2012. The Draft Law is expected to be enacted in 2013. With the enactment of the said Draft Law in line with the EU *acquis*, an important progress will be achieved in terms of meeting the fourth technical closing benchmark of the Environment Chapter. In addition, the works with regard to the secondary legislation which is to be implemented after the enactment of the Law have been initiated and a comprehensive analysis of the protected areas was carried out with the Geographic Information System-based inventory works. Criteria with regard to the determination of the protected areas were developed and the biological diversity inventory works at national scale were initialized.

In addition, the project on “Strengthening the National Nature Protection System for the Implementation of Natura 2000 Requirements” reference number TR 2011/0627.01 under IPA 2011 Programming, will significantly contribute to the determination of Natura 2000 areas.

Within the scope of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the project under the title “Strengthening of Institutional Capacity on CITES Implementations in Turkey” reference number TR2009/0327.05, prepared by the Ministry of Forestry and Water Affairs, has been initialized. With the project, the institutional and technical capacity will be increased in the field of CITES Implementations.

A work has been initiated for the determination of Bird Mobility in Turkey. With this work, digital maps of the bird migration routes will be obtained and the risk areas will be determined.

With regard to the **Control of Industrial Pollution and Risk Management**, within the scope of the “Project on Integrated Pollution Prevention and Control” reference number TR0802.04, included in the 2008 Turkey-EU Financial Cooperation Programme, the Draft By-law on Integrated Environmental Permit was prepared and opened to the suggestions and contributions of the public institutions and organizations in order to prevent or, in cases where it is impossible to prevent, to reduce the emissions from industry towards air, water and soil pollution for the protection of the environment as a whole and to establish the integrated pollution prevention and control system to minimise waste generation.

On the other hand, the “Law Ratifying Our Accession to the Decision on the Changes in Compensation Limits of 1992 Protocol Amending the International Convention No. 6346 of 1971 on the Establishment of an International Fund for the Compensation of Oil Pollution Losses” on the improvement of the oil pollution, was published in the Official Gazette No.28351 of 12 July 2012.

Furthermore, the Regulatory Impact Assessments prepared for the Directive 96/82/EC on the Control of Major-Accident Hazards Involving Dangerous Substances (Seveso II) and the Directive 2000/76/EC on the Incineration of Waste, were completed in 2012. The works on the establishment of the integrated permit system are underway. In addition, a web-based permitting system was created for the industries.

With regard to **chemicals**, the “By-law amending the Biocidal Products By-law” was published in the Official Gazette No.28149 of 21 December. Within the framework of the project on the implementation of the REACH Regulation and strengthening the management capacity of the chemicals, under the IPA 2008 Programming, the works for the transposition of the REACH and CLP Regulations are continuing. Within the scope of the alignment with the Directive 2010/63/EC on the Protection of Animals used for Scientific Purposes Amending the Directive 86/609/EEC, the “By-law on the Well-being and Protection of Animals used for Experimental and Other Scientific Purposes” was published in the Official Gazette No.28141 of 13 December 2011.

The level of alignment with legislation in terms of **noise** is high. With the “Project on the Implementation Capacity of Environmental Noise Directive” reference number TR2009/0327.03, under the EU-Turkey Financial Cooperation Programme of 2009, it is intended to prepare noise maps and increase the capacity in terms of action plans.

Turkey continues to participate in the international negotiations on **climate change** within the framework of the principle “common but differentiated responsibilities” and in accordance with its own special circumstances and capabilities. At the 17th Conference of the Parties (**COP17**) to the United Nations Framework Convention on Climate Change (UNFCCC) held on 28 November-11 December 2011 in Durban and then at the 18th Conference of the Parties held on 26 November-7 December 2012 in Doha, it was once more confirmed that Turkey has special conditions when compared to other ANNEX-1 Countries. In addition, the road map on the identification of the modalities of the support to be provided to Turkey in the fields of emission reduction, adaptation to climate change, technology development and transfer, capacity-building and financing was adopted in Doha.

The National Climate Change Action Plan which covers the years 2011-2013 entered into force in July 2011. Within the scope of the National Climate Change Action Plan, targets and objectives were identified in the following sectors to mitigate the effects of climate change: energy, buildings, industry, transport, waste, agriculture, land use and forestry.

The “By-law on Monitoring Greenhouse Gas Emissions” was published in the Official Gazette No.28274 of 25 April 2012. With the by-law, the principles and procedures were laid down for the installation based monitoring, verification and reporting of the greenhouse gas emissions resulting from carbon dioxide intensive industries such as

electricity and steam generation, cement, iron and steel, ceramics, lime, paper and glass production which have a major share in greenhouse gas emissions

Furthermore, the draft “Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions” and the draft “Communiqué on Verification of Greenhouse Gas Emissions and Authorization of Verifier Organisations” prepared for the implementation of the By-law have been opened to the suggestions and contributions of the relevant institutions.

Within the framework of the adaptation to climate change, the first National Climate Change Adaptation Strategy and Action Plan of Turkey in which the subjects of water resources management, agriculture and food security, ecosystem services, biodiversity and forestry, natural disaster risk management and human health are addressed entered into force upon its official publication in March 2012.

Awareness raising activities on the effects of climate change and adaptation to climate change are continuing. Within this framework, the Project entitled “Raising Awareness on the Effects of Climate Change and Adaptation to Climate Changes” was initiated in September 2012 for the purpose of raising awareness on the effects of climate change and adaptation to climate change by means of national and regional capacity-building and training activities for the management of climate change risks in the urban, rural and coastal areas of Turkey. .

Furthermore, a successful conference on Turkey-EU Cooperation in the field of climate change was held on 13 April 2012 with a high level participation, within the scope of the Regional Environmental Network for Accession (RENA).

Turkey has made IPA applications for 39 infrastructure projects with a total investment value of 940 million Euros so far within the framework of **IPA III-Environmental Operational Programme (EOP)**. The European Commission has taken Financing Decision for 22 projects with a budget of nearly 556 million Euros among the applications received. Within this framework, the technical implementation stage of 13 projects has started. During this time, the EOP was extended to cover 2012 and 2013 and its budget reached 803 million Euros. Within the scope of the EOP, the investment package preparations of the projects to be financed during the upcoming new IPA period have been accelerated and the preparation works for 37 environment infrastructure projects in total have been initiated.

### **Administrative Capacity Building**

It is important that the Water Management Coordination Board is established by gathering the senior representatives of the ministries involved in the water management,

which will enable the integrated and cooperative management of the water resources in Turkey.

Following the institutional restructuring process which started in 2011, the name of the Water Quality Management Coordination Board was changed as “Water Management Coordination Board” with the circular published in the Official Gazette No.28239 of 20 March 2012. The Board is responsible for determining the necessary measures for the protection of water resources within the framework of integrated basin management concept, ensuring the inter-sectoral coordination, cooperation and the acceleration of water investments for an effective water management, developing strategies, plans and policies for the achievement of the targets in national and international documents, assessing the implementation of the elements in basin plans which must be carried out by public institutions and organizations and ensuring a high level of coordination and cooperation.

Furthermore, the preparations are underway regarding the communiqué on the establishment of basin councils for the purpose of drawing up basin management plans in the basins with a participatory approach. Thus, with a council in which the partners of the basin are represented, the participation and decision making process will be carried out more effectively.

Another important development in terms of water management is the establishment of the “Turkish Water Institute” affiliated to the Ministry of Forestry and Water Affairs, responsible for the management of future works on water and carrying out scientific research in order to develop sustainable water policies, with the Decree published in the Official Gazette No.28103 of 2 November 2011.

The annual meeting of the International Network of Basin Organisations (Europe-INBO), hosted by Turkey, was held on 17-19 October 2012 in Istanbul under the title of the Implementation of the Water Framework Directive. The presidency of the Europe-INBO for 2012-2013 was given to the Turkish Water Institute.

Furthermore, within the scope of the works on strengthening the institutional capacity in the field of nature conservation, 4 new departments were established in the Central organisation of the Ministry of Forestry and Water Affairs and the provincial organisation was restructured. Within this framework, 15 Regional Directorates, 81 Provincial Directorates, 105 Branch Offices and 10 National Park Directorates were established.

## Chapter 28: Consumer and Health Protection

The level of alignment with *the acquis* in the field of consumer and health protection is advanced.

The chapter is one of the chapters addressed in the framework of “Positive Agenda”. Working Group on the Consumer and Health Protection Chapter set up within this framework held its first meeting on 4 October 2012 in Brussels. During the result-oriented meeting in question, 5 technical closing benchmarks were evaluated. In the meeting, it was noted that the closing benchmark regarding tobacco control was met thanks to Turkey’s resolute approach and policies in the fight against tobacco.

This chapter includes policies on the protection of the safety and economic interests of the consumers and public health.

### Consumer Protection

#### Alignment with the EU Acquis

With regard to **product safety**, the work is on-going to amend and update the Framework Law No. 4703 on Preparation and Implementation of Technical Legislation on Products by taking into account the revisions the EU is making to the General Product Safety legislation as well.

The “Communiqué on Determination of Safety Risks of Consumer Products” prepared by the Ministry of Customs and Trade was published in the Official Gazette No. 282270 of 20 April 2012. The Communiqué which will enter into force in January 2013 will focus on the inspection of risky consumer products in the non-harmonised area in the forthcoming period.

In addition, “By-law on Market Surveillance of the Ministry of Customs and Trade” was published in the Official Gazette No. 28358 of 19 July 2012.

“By-law on Market Surveillance of the Ministry of Science, Industry and Technology” was published in the Official Gazette No. 28429 of 2 October 2012. The Ministry published at the beginning of 2012 the “Market Surveillance Implementation Guide” which comprises procedures and principles of market surveillance, action plans and the priorities of the Ministry. With this guide, it is aimed to standardise the practices of the inspectors and carry out the inspections with the same principles.

With regard to **protecting the economic interests of the consumers**, the relevant stakeholders have been asked for their opinions about the “Draft Law on Protection of Consumers” prepared also by paying regard to alignment with the EU *acquis* within the scope of the work on updating the consumer legislation. By amending the law and the secondary legislation, it is aimed to take an important step in terms of meeting another closing benchmark for this chapter.

Furthermore, “By-law on Rights of Air Passengers” in which the rights of the passengers travelling by air and the situations that these rights apply are regulated, entered into force as of 1 January 2012 upon its publication in the Official Gazette No. 28131 of 3 December 2011.

### **Administrative Capacity Building**

The Ministry of Science, Industry and Technology prepared at the beginning of 2012 the “Market Surveillance Implementation Guide” which comprises procedures and principles of market surveillance, action plans and the priorities of the Ministry. With this guide, it is aimed to standardise the practices of the inspectors and carry out the inspections with the same principles.

In the field of product safety, “Turkey’s National Market Surveillance Programme for the Year 2012” comprising the sectoral market surveillance programmes of the market surveillance authorities in Turkey, was prepared and forwarded to the European Commission in February 2012.

The “2011 Market Surveillance Report” was published in July 2012 by the Ministry of Economy. The report in question shows that the efficiency of the market surveillance activities keeps on improving.

The “National Market Surveillance Strategy Document” was updated for the years 2012-2014 and adopted in the first meeting of the Market Surveillance and Product Safety Assessment Board, which was held on 4 July 2012. The new document which was also forwarded to the European Commission aims for revision and improvement of the legal framework, strengthening the administrative and technical infrastructure, strengthening the implementation, promotion of the international cooperation and improvement of the communication with the stakeholders.

Turkish market surveillance authorities have continued to participate in certain projects coordinated by the Product Safety Enforcement Forum of Europe (PROSAFE) as observers, in order to share the practices and experience of the EU Member States in this field.

The technical work on the “National Market Surveillance Database” carried out by the Ministry of Economy and the “National Accident-Injury Database” carried out by the Ministry of Health, has been completed. These databases are currently at the pilot stage.

56 personnel who work at the emergency departments of the hospitals were given training by Turkish Public Health Institute in June 2012 in order for the National Accident-Injury Database to become operational in 15 hospitals across the country. Furthermore, Turkish Public Health Institute has continued to participate in the



meetings of Joint Action on Monitoring Injuries in Europe Project (JAMIE Project) as an observer.

In 2012, the Ministry of Science, Industry and Technology has given technical and legal training to 329 inspector candidates to enable them to carry out the market surveillance activities effectively.

The “Guideline for Safety Evaluation of Cosmetic Products” intended for the manufacturers of cosmetic products and the personnel who are responsible for the inspection, was prepared by the Turkish Medical Devices and Pharmaceuticals Agency in 2012.

250 inspector positions were created in July for the market surveillance activities carried out by the Turkish Medical Devices and Pharmaceuticals Agency. “The draft By-law on Appointment, Training, Duty and Working Procedures and Principles of Product Inspectors” has been prepared by the Ministry of Health and the work in this regard is in progress.

In the field of consumer protection, a project titled “Further Alignment in Consumer Protection” was prepared within the scope of the ESEI programme under 2012 IPA Component I. The project aims to increase the level of alignment with the EU legislation and develop the administrative capacity of the enforcement bodies including Arbitration Committees and Consumer Courts. Moreover, the project provides for activities to be carried out towards the non-governmental organisations.

## **Public Health**

The level of alignment with *the acquis* in the area of public health is high. The advanced level of work carried out for alignment with *the acquis*, also leads to development of the administrative capacity.

### **Alignment with the EU Acquis**

The Ministry of Health attained a more efficient structure upon publication of the “Decree-Law on Organisation and Duties of the Ministry of Health and its Affiliated Organisations” in the Official Gazette No. 28103 (bis) of 2 November 2011.

With the Decree-Law in question, Turkish Public Health Institute, Turkish Medical Devices and Pharmaceuticals Agency, the Public Hospitals Agency of Turkey and the Directorate General of Health for Border and Coastal Areas were established and the structure and tasks of the central units were reorganised.

The establishment of Turkish Public Health Institute (THSK) has been an important step within the scope of the Health Transformation Programme. Besides, the National

Cancer Institute was established under THSK. Thus, the administrative capacity obligations in the National Programme regarding the establishment of both THSK and the National Cancer Institute were fulfilled.

The work carried out with regard to tobacco control constitutes a concrete example of the progress in the consumer and health protection chapter. The European Commission has confirmed that the relevant closing benchmark has been met as a result of the successful work carried out by Turkey in this field.

The amendment to the “By-law on the Procedures and Principles regarding Sale and Presentation of Tobacco Products and Alcoholic Beverages” (Official Gazette No. 28100 of 30 October 2011) made it necessary to position the tobacco products in such a way that they cannot be seen from outside the workplace. The “Action Plan on Combatting Tobacco and Tobacco Products Smuggling (2011-2013)” was published as Prime Ministerial Circular No. 2011/18 in the Official Gazette No. 28097 of 27 October 2011. The Action Plan is prepared in order to fight against the tobacco and tobacco products that are brought illicitly into the country in illegal ways and which threaten the public health.

Turkey continued to take steps beyond those of the European Union legislation in 2012 in terms of protection from the hazards of the tobacco products.

The amendments to the “Law No. 4207 on Prevention and Control of the Hazards of Tobacco Products”<sup>43</sup> prohibit the sale of products such as narghile that do not contain tobacco, to children under the age of 18, the use of brands of tobacco products in other products, the use of brands and signs of other products in tobacco products and the provision of incomplete and misleading information on the tobacco packages.

For the implementation of the amendment to the Law in question, an amendment was made in November 2012<sup>44</sup> and the Decision No. 7055 of the Tobacco and Alcohol Market Regulatory Authority was published in the Official Gazette No. 28473 of 20 November 2012.

“By-law on Organ and Tissue Transplantation Services” was published in the Official Gazette No. 28191 of 1 February 2012.

Within the framework of the obligation to strengthen the legislative alignment and administrative capacity in the field of tissue and cells which is included in the closing benchmarks of the chapter, the project titled “Alignment in Human Tissues and Cells” reference number TR2009/0328.02 was undertaken within the scope of 2009 IPA Component I. The project in question will provide a significant contribution to reaching

<sup>43</sup> Law No. 6354 Amending the Decree-Law on the Organisation and Duties of the Ministry of Health and its Affiliated Organisations and Certain Laws and Decree-Laws published in the Official Gazette No. 28351 of 12 July 2012.

<sup>44</sup> By-law Amending the By-law on the Procedures and Principles concerning the Production Method, Labelling and Inspection for the Prevention and Control of Hazards of Tobacco Products, published in the Official Gazette No. 28475 of 22 November 2012.

the EU standards in terms of donation, procurement, labelling, recording, monitoring, testing and processing of human tissue and cells to be used in humans and of the products derived from them and through all the stages of packaging, preservation, storage and distribution of the products that are derived.

Besides, the project titled “Alignment in Organ Donation” reference number TR2009/0328.01 which is included within the scope of 2009 IPA Component I, aims to contribute to the alignment with and implementation of the EU *acquis* in the field of public health by focusing in particular on increasing the cadaveric organ donation in Turkey. Thus, the quality and safety standards for the organ donation and transplantation in medical treatments will be met.

“The Ordinance on Tissue Typing Laboratories” which was revised in accordance with the EU standards in the field of tissues, cells and organs, entered into force on 31 December 2011. In addition, “The Indication List for Composite Tissue Transplantation and the Donor Inclusion and Donor Exclusion List for Composite Tissues Transplantation” were published on 18 November 2011.

### **Administrative Capacity Building**

The World Health Organisation ranks Turkey third in Europe and sixth in the world in terms of *tobacco* legislation. The Ministry of Health has been providing free consultancy services on quitting smoking since 2011.

The efforts of the Tobacco and Alcohol Market Regulatory Authority to create an institutional database regarding the tobacco products have continued as well.

As for communicable diseases, upon publication of the “Decree-Law on Organisation and Duties of the Ministry of Health and its Affiliated Organisations”, a Vice Presidency responsible for the communicable diseases was created under Turkish Public Health Institute and all units in this field were organised under a single structure. Besides, the Department of Early Warning Response and Field Epidemiology was established and the administrative capacity in this field was enhanced.

The work carried out in the field of early warning and response system is at a high level. All of the stakeholders involved in the subject were informed with symposiums and meetings. The Ministry of Health has initiated “event-based surveillance activities” as of June 2012. The Ministry has completed the advanced level Field Epidemiology Training which was carried out with the aim of increasing the qualifications of the trained personnel. It has prepared the Inter-sectoral Cooperation Protocols.

The working meetings with the relevant institutions/organizations in the field of early warning and response system have continued to be held once a month. 24/7 call service has been launched, event-based surveillance has been initiated and the personnel

training continued for the EWRS within the scope of the project titled “Strengthening of the Epidemiological Surveillance and Control of Communicable Diseases System in Turkey” which aims to establish an Early Warning and Response System (EWRS) in order to detect, report and respond to public health risks and health events in line with the International Health Regulations (IHR 2005) and the EU *acquis* on communicable diseases.

Intra-sector capacity assessment work to increase the HIV/AIDS notifications has started.

The IPA Project titled “Strengthening the Blood Supply System” (TR0802.15) in the field of blood and blood components started to be implemented. The project is currently being carried out successfully.

Furthermore, with the project titled “Recruitment of Future Blood Donors” (TR2010/0328.01) which is financed under 2010 IPA Component I, it is aimed to supply the safest blood from voluntary and non-remunerated donors regularly, thus preventing the problems which occur in supplying the safest blood and contributing to the improvement of community health.

The second version of National Health Data Dictionary was published in March 2012. With this new version, the integration of the family medicine information system and electronic health information systems used by the secondary and tertiary health care institutions was ensured.

As regards mental health, an important step was taken by publication of the National Mental Health Action Plan (2011-2023) in August 2011.

The Action Plan includes actions on reorganisation of mental health services. The Ministry of Health has continued to provide community-based mental health services.

Within this framework, the Ministry of Health has established 55 Community-Based Mental Health Centres in 48 provinces. Mobile teams have visited 4023 patients and registered 4675 patients by June 2012. The work has also been initiated to open psychiatry services in general hospitals.

With regard to nutrition and obesity, the Ministry of Health has organised comprehensive activities within the framework of the World Health Organisation’s “Move for Health” day. The Ministry distributes pedometers via family physicians with the aim of combatting obesity and encouraging the physical activity.

Furthermore, the salt rate in bread was reduced in cooperation with the Ministry of Food, Agriculture and Livestock and the Ministry of Health.

**Chapter 29: Customs Union**

Customs Union Chapter is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

**Alignment with the EU Acquis**

Significant progress can be reported on the customs legislation for which the level of alignment with the EU is high. The Council of Ministers approved Turkey's participation in the Convention on a Common Transit Procedure and Convention Concerning the Simplification of Formalities in Trade in Goods by means of making a declaration on 10 September 2012 and official statements of participation for the said conventions were deposited to the General Secretariat of the Council of the EU on 25 October 2012.

Moreover, Turkey aligned its legislation on pre-arrival and pre-departure declarations with the EU and started to implement it as of 1 January 2012. The new regulation aims to facilitate legitimate trade in compliance with the EU legislation, prevent illegal trade, accelerate the operations and increase effectiveness, protect the health and security of public, environment and plants as well as fight against terrorism and financing of terrorism. It is aimed that the risk analysis will be conducted more effectively following the introduction of the summary declaration for entry which is given prior to the arrival of a vehicle to the customs zone.

Legislative work was completed for the "single window" system with regard to the transition to a paperless customs environment.

The "By-law Amending the Customs By-law" published in the Official Gazette No.28156 of 28 December 2011 reduced the number of documents annexed to the customs declarations. With this amendment, the legislation was revised in order to eliminate the factors increasing costs and leading to loss of time in foreign trade operations.

**Administrative Capacity Building**

Significant progress has been made in the area of administrative capacity. Within the scope of this chapter, 4 projects amounting to more than 10 million Euros in total were successfully carried out in 2012 within the framework of the Turkey-EU financial cooperation program. The EU considers the projects carried out in the field of Customs as good practices in each period.

Within this scope, the Customs Administration established local risk analysis units under Regional Directorates in order to improve the capacity of local risk analysis and

feedback collection on 21 February 2012. Within the scope of the “TR 09 IB FI 03 Modernization of the Turkish Customs Administration VI (Risk Management)” project , Report on Gap and Needs Analysis of the Risk Management System of the Turkish Customs Administration and Action Plan were prepared. Furthermore, training programs were initiated on risk analysis for the staff of the Risk Analysis Unit of the Turkish Customs Administration and the operational staff.

Work is on-going on for the implementation of risk analysis with the support of Twinning Project activities since pre-arrival and pre-departure declarations were lodged electronically as of 1 January 2012.

With the aim of conducting risk analyses more effectively, Entry Summary Declarations are introduced; therefore the infrastructure for risk analysis on summary declarations prior to the arrival of the goods was effectually established.

Following the completion of the Risk Management Project, the Turkish Customs Administration aims to improve the capacity of risk analysis and reduce the physical control rate by 15% as a result of the extended simplified procedures. Compared to 2011, a decrease of 20% was recorded in physical inspections for import operations and a decrease of 25% was recorded for export operations.

A modern personnel policy was adopted for increasing the quality of public services, effective management of human resources, selection and placement system and performance and career stages management.

Important steps were taken for the execution of customs operations of local customs administrations by expert personnel. The Turkish Customs Administration continues its work to meet the increasing workload and increase its qualitative and quantitative capacity. 12 Assistant EU Experts and 46 Assistant Customs and Trade Experts were recruited in January 2012. In addition to 2015 personnel appointed in the previous year, it is planned that 1500 more personnel will be recruited.

A two day-long training programme was organised in the Ministry for EU Affairs for 60 Customs Enforcement Officers of the Ministry of Customs and Trade. The training included the subjects which directly concern enforcement officers in addition to basic EU subjects.

As of 2 January 2012, NTCS was put into implementation in all customs offices for transit operations. The Common Communication Network (CCN)/Common System Interface (CSI) connection was established so as to conduct the compliance tests regarding the effective use of the practice at the EU level. Moreover, the Ministry of Customs and Trade approved the IT Strategy developed by the Turkish Customs Administration.



**Chapter 30: External Relations**

External relations is one of those chapters suspended as a result of Turkey not having fully implemented the Additional Protocol to the Association Agreement. Accordingly, the EU Council Decision of 11 December 2006 stipulated that negotiations will not be opened on eight relevant chapters and no chapter will be provisionally closed until Turkey has fulfilled its commitment.

Turkey's level of alignment with the common trade policy of the EU is advanced.

Within the framework of the compliance with the Common Trade Policy, Turkey ensures coordination with the EU and carries out parallel policies with the EU within the scope of the World Trade Organisation (WTO) and G-20 meetings. Furthermore, Turkey ensures coordination with the Union at an adequate level before the Organisation for Economic Co-operation and Development (OECD).

So far, Free Trade Agreements (FTAs) have been concluded with 19 countries, except for 10 Central and Eastern European countries, whose FTAs were repealed due to their accession to the EU.

Turkey recently completed the FTA negotiations with South Korea and signed the agreement on 1 August 2012. With the FTA in question, the internal ratification process of Lebanon and Mauritius Agreements by the parties is underway.

FTA negotiations with 14 countries/group of countries are underway and the initiative for starting the FTA negotiations with 12 countries/group of countries was launched.<sup>45</sup>

The amendments to origin protocols of the free trade agreements with Bosnia-Herzegovina and Croatia to enable cumulation with the EU for the goods covered by Customs Union, entered into force on 14 December 2011 and 1 May 2012, respectively.

The Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin was signed on 4 November 2011 and sent to the Prime Ministry on 23 November 2012 for approval.

The EU's Generalized System of Preferences (GSP), enabling autonomous preference for less developed and developing countries and which aims to promote their exports by importing goods from these countries with lower duties is adopted in terms of its results.

<sup>45</sup> Ukraine, Colombia, Ecuador, Malaysia, Kosovo, Moldova, the Democratic Republic of Congo, Ghana, Cameroon, Seychelles, Gulf Cooperation Council, Libya, MERCOSUR and the Faroe Islands and; Canada, Japan, India, Indonesia, Vietnam, the other ASEAN countries, Peru, Central America Community, the other African Caribbean Pacific Countries, Algeria, Mexico and the Republic of South Africa with which the initiative for starting the FTA negotiations was launched.

Turkey made significant progress in the fields of development policy and humanitarian aid.

The total amount of official development aid granted by Turkey increased significantly in 2011 and it reached 1,273 billion dollars with an increase of 31.6% compared to 2010.

In parallel with this, the number of countries receiving aid has been more than 100. The amount of the aids granted to the least developed countries is 279,8 million dollars and 46.6% of the official development aid was granted to South and Central Asia, 23.87% to the Middle East and 22% to the African countries.

In 2011, the countries that benefited most from the Turkey's official development aid were Pakistan, Syria, Afghanistan and Somalia in descending order.

Turkey carries out its official development aid via the Turkish International Cooperation and Development Agency (TİKA). The number of TİKA Programme and Coordination Offices has recently increased to 28 in 25 countries.

On the other hand, the humanitarian aids for the disasters in Turkey and around the world have continued.

In 2011 and 2012, the Disaster & Emergency Management Presidency (AFAD) sent 23,000 tons of food, medicine and humanitarian aid supplies for combat against the hunger in Somali. The total amount of humanitarian aid supplied to the region, excluding the treatment and accommodation expenses used for the injured and their attendants, has reached 94,5 million TL.

In coordination with the Prime Ministry, AFAD and the Presidency of Religious Affairs, 93,6 million TL was collected and sent to the Arakan as humanitarian aid supplies to provide the necessary support for the people who suffer from hunger, thirst and housing problem due to the internal conflict in Myanmar located in the Southeast Asia. .

After the earthquake in Van, 3,673 billion TL humanitarian aid, including the emergency assistance allowance, was sent to the region. When the costs of the additional houses that will be completed and the projects and investments to be carried out are calculated, the total amount of aid is expected to reach 5,5 billion TL.

The European Union has donated 10 million TL to the Turkish Red Crescent (Kızılay) to be used for the construction of the temporary housing units which will provide shelter to those who lost their houses in the earthquake in Van.

For Syrian citizens who come from Syria to Turkey, 13 tent cities in total have been established, 5 of them being in Hatay, 2 in Şanlıurfa, 3 in Gaziantep and 1 in

Kahramanmaraş, Osmaniye and Adıyaman; also 1 container city with 12,000 people capacity and 1 Temporary Admission Centre have been established in Kilis.

### **Chapter 31: Foreign, Security and Defence Policy**

Turkish foreign policy aims to create an atmosphere based on peace and welfare, stability and cooperation both in Turkey and in the world, which will ensure human development in a region experiencing significant changes in today's world order.

Along with many opportunities it creates, globalization brings about traditional security issues and problems such as terrorism, the proliferation of weapons of mass destruction, the activities of cross-border criminal networks and irregular migration. The Afro-Eurasian region, of which Turkey is the centre in many aspects, is an area which possesses the intense interaction of the opportunities and risks.

Turkish foreign policy's objective is traditionally to ensure the security of the country within the framework of good relationship and cooperation with all countries and in particular with its neighbours, protect the interests of the country, use the external sources for development and welfare, provide the external connections necessary for Turkey's becoming a contemporary and modern country.

The fundamental basis of Turkey's active and dynamic attitude in the international arena is the principled and visionary character of Turkish foreign policy. Within this framework, Turkish foreign policy is realistic and systematic, which can integrate its interests and values, develop integrative and preventive approaches for the issues and which regards international cooperation and effective multilateralism as the primary target.

The horizons of the Turkish foreign policy which have continuously expanded during the past decade makes it necessary for Turkey to monitor all developments at the global scale and contribute to these developments within the scope of its increasing opportunities. In 2012, Turkey's foreign policy agenda involved a wide range of issues which included the adverse effects of the global economic crisis in a wide region and in the European countries in particular, the historical transformation occurring in North Africa and the Middle East, its opportunities and uncertainties, and the EU accession process. Within this framework, Turkey has developed its relations in a wide region from Africa to the Asia-Pacific region, from Latin America to Oceania, and been increasingly active in all regional and international multilateral platforms and has simultaneously led the global initiatives in a number of issues.

**The regular political dialogue between the EU and Turkey** covered international issues of common interest, including developments in North Africa, the Middle East and the Gulf, the Middle East Peace Process, the Western Balkans,

Afghanistan/Pakistan, Russia and the Southern Caucasus as well as counter-terrorism and non-proliferation issues. Turkey has also participated in eight operations and missions the EU has carried out in the context of the contribution to the international security along with the negotiations regularly held with regard to regional and global issues in question. Turkey continues to contribute to two missions in Bosnia-Herzegovina and Kosovo.

Turkey and the European Union share the same objectives and values in the area of foreign policy. Turkey can contribute to the creation, implementation, credibility and effectiveness of EU's foreign policy. On 23 March and 7 June 2012, the EU-Turkey Political Dialogue Meetings at Ministerial Level were held in order to develop the political and strategic cooperation with the EU.

The screening meetings of Chapter 31 were completed on 6 October 2006 and since then; the screening report has still not been approved and submitted to us by the Council of the EU.

Mutual visits were made in 2012 in bilateral and regional issues between **Turkey and the United States of America**. Opinions and views were exchanged on many issues including Iraq, the solution of the Arab-Israeli conflict, the reconstruction of Afghanistan, stability in the South Caucasus, fight against terrorism and energy security.

On the other hand, the works are continued also for rising the economic, trade and investment aspects regarding the relations of the two countries to a level proportional to the political, military and security relations. Thus, the 2<sup>nd</sup> Ministerial Meeting of the Framework for Strategic Economic and Commercial Cooperation (FSECC) was held in Turkey on 26 June 2012.

Within the framework of the mutual high level visits between **Turkey and Russia**, both the political dialogue was developed and the relations of the two countries were addressed comprehensively. In this context, bilateral relations and the regional and international issues in the agenda were addressed in the Joint Strategic Planning Group meeting held in Moscow on 25 January 2012, in the study visit that the Prime Minister made on 18 July 2012 and in High Level Cooperation Council meeting which was held in Istanbul and chaired by the Prime Minister and the President of Russian Federation.

Despite many positive developments ensured in terms of stability in **the Balkans**, the vulnerable structure in the region remains. The stability of the Balkans is among Turkey's priorities due to its location as the gateway to Western markets as well as the historical and cultural bonds.

Thus, Turkey has made constructive contributions for the necessary reforms for solving the political crisis since May 2012 in Bosnia and Herzegovina and the integration of the

country with the Euro-Atlantic institutions. Turkey has also contributed to ensuring the local elections held on 7 October 2012 in Bosnia and Herzegovina to be made within an atmosphere of peace, and in compliance with the international norms.

On the other hand, Turkey welcomes the increase in the number of countries to 94 that recognizes Kosovo which declared its independence in 2008. Accordingly, Turkey supported the EU facilitated Belgrade-Pristina Dialogue Process between Serbia and Kosovo.

Furthermore, Turkey strongly supports the perspective of the integration of the countries in the region with the Euro-Atlantic institutions which is an important incentive in terms of maintaining the reforms in the region. In this context, the progress that the countries in the region have achieved in terms of their relations with the EU was appreciated.

Turkey, maintaining the priority of the regional cooperation in the Balkans, has led the initialization of a discussion regarding the future of South-East European Countries (SEEC) among the Member States in order to strengthen the South-East European Cooperation Process (SEECP), which in accordance with today's conditions, has particular importance as being the sole Balkan cooperation forum that represents the common will and unique voice of the region. Furthermore, contributions to the activities of the Regional Cooperation Council, which is the operational branch of the SEEC, were maintained.

An intense effort was made during the year in order to strengthen the bilateral relations with all Balkan countries. Last year has witnessed a proliferation of bilateral and multilateral visits. During the period in question, many mutual visits have been made with the Balkan countries at the Presidential, Prime Ministerial and Ministerial levels.

Turkey-Afghanistan-Pakistan Trilateral Summit which was initialized in order to strengthen the regional cooperation of **Turkey with Afghanistan and Pakistan** and to increase the trust and common working environment was held in Ankara on 11-22 December 2012.

Turkey supports the efforts for the establishment of permanent peace and stability in Afghanistan with which it has deep-rooted political, economic and cultural bonds and contributes to the efforts to help Afghanistan reach a level in which it can protect its independence, sovereignty, territorial integrity and national unity on its own.

In order to ensure security and stability in Afghanistan, Turkey, along with its contributions to NATO International Security Assistance Force (ISAF), attributes great importance to the reconstruction, socio-economic development and the expansion of educational services in particular for the girls and health services of the country. Within this framework, in the NATO Summit held in Chicago on 20-21 May 2012, it was

declared that 60 million USD of aid would be provided in the years 2015-2017 for the maintenance of the Afghan National Security Forces during the following three years as of 2014.

Furthermore, in Tokyo Conference on Afghanistan held on 8 July 2012 where the international community promised to provide aid for the development of Afghanistan at an amount more than 16 billion USD in total, Turkey undertook to provide 150 million USD during the period of 2015-2017 on a project-basis.

Turkey attributes importance to the consolidation of democracy in Pakistan, and Pakistan's maintaining its fight against terrorism and extremist movements and development efforts within the scope of protecting peace and stability in the region.

Within this framework, the 2<sup>nd</sup> Meeting of Pakistan-Turkey High Level Cooperation Council was held on 20-22 May 2012. During the meeting, trade, economic and political level between the two countries and the targets for achieving a level that represents the current potential of the relations were addressed.

Turkey continues to play an effective role for the consolidation of democracy and the establishment of stability, welfare and security in **Central Asia**, with which it shares a common history, language and cultural values. Within this framework, Turkey develops its relations with the countries in the region via association agreements and through the High Level Strategic Cooperation Council mechanism.

Turkey continues to work in order to help ensuring democracy, stability, economic self-sufficiency and full integration with the international system of the countries of the region and Kirghizstan in particular. The presidency of Turkey of the Conference on Interaction and Confidence Building Measures in Asia will continue until June 2014 with the decision of the member states.

The talks between Turkey and the EU on Central Asia continued during 2012. The activities that the EU carries out in Central Asia are regarded as complementary to the general strategy regarding the region.

The development of the relations with the countries and organisations in the **East Asia and Pacific** region which has become an important centre in the international arena in terms of economic and political issues is among the priorities of Turkish foreign policy.

Turkey actively contributes to the political, security, economic and cultural cooperation initiatives in the region and attributes importance to the establishment of institutional dialogue mechanisms with the regional cooperation organisations, in accordance with the increasing value of Asia.

In 2012, the relations with the **People's Republic of China, Indonesia and South Korea** were further deepened within the framework of the United Nations and G-20.



Turkey is also the Development Partner of the Pacific Islands Forum (PAF) which is another important organisation in the region. Turkey participated in the latest PAF Dialogue Partners Meeting held in Suva, Fiji in July 2012 and official talks were held with the representatives of the Pacific countries.

Furthermore, in June 2012, Turkey became the Dialogue Partner of Shanghai Cooperation Organisation which is an important regional organisation. The status in question will ensure the strengthening of Turkey's multi-dimensional foreign policy, monitoring of the developments in the organisation and Turkey's sharing its opinions and views with the member states in matters of regional cooperation concern.

Recently, developments took place with regard to the relations with Myanmar which has a population of 55 million people and rich natural resources and which has adopted the policy of opening up to the outside world through accelerating its process of democratization since 2010. In this context, Naypidav Embassy of Turkey became operational in March 2012.

On the other hand, the incidents which took place in June 2012 in the Arakan region of Myanmar and repeated in October and which significantly affected the Rohingya Muslims were monitored closely by Turkey. Within this framework, a visit including the Arakan region was made to Myanmar on 8-10 August 2012.

Turkey monitors the adverse conditions of the Rohingya Muslims, both at the bilateral level and in various international platforms such as the UN and the Organisation of Islamic Cooperation and provides humanitarian aid.

Turkey continues to play a constructive and important role in the **Middle East**. Turkey's historical, social and cultural bonds with the Middle East are regarded as having a positive effect on the common foreign and security policy of the EU. Turkey contributes as much as it can for the establishment of permanent peace and stability in the region.

Within this framework, it is assessed that the gaining success of the historical transformation process which started in North Africa and the Middle East in 2011, internationally named as "Arab Spring/Arab Awakening" in accordance with the objectives of the Arab civil movements, is important not only for the region and the countries in the region, but also for the global peace and security.

Turkey extensively maintains its talks with various leaders and opinion leaders from different groups in Lebanon in order to prevent the possible adverse effects of the developments in Syria to **Lebanon** and the attempts aimed at this country's internal stability.

On the other hand, Turkey's military contribution to the UN Interim Force in Lebanon (UNIFIL) consolidated by the UN Security Council resolution 1701, and the contributions to support the reconstruction of Lebanon continued during 2012 as well. Within this framework, schools and health centres are being constructed in various regions of Lebanon and the total amount of the aids provided to Lebanon by Turkey has reached 55 million USD with the emergency aid activities and aid undertaken in international conferences.

The incidents in **Syria** which have led to the death of many people since March 2011 have re-determined the bilateral relations between Turkey and Syria and the agenda of the Middle Eastern region. Turkey supports the peaceful conclusion of the democratic reform and transformation process for the protection of the territorial integrity and unity of Syria and meeting the legitimate demands of the Syrians.

On the other hand, the number of the Syrians who have been provided temporary protection by Turkey within the framework of international law due to the incidents in Syria has reached 147,000 by 11 December 2012. Turkey has spent over 1.2 billion TL including the food and accommodation expenses of the Syrians, and this amount is increasing day by day.

On 22 June 2012, the Syrian Armed Forces shot down an RF-4 Turkish military aircraft in the Eastern Mediterranean international airspace, 13 miles off the coast of Latakia and two Turkish pilots were killed. Furthermore, the territory of Turkey was hit by artillery shells/mortar shells during the military operations of the Assad regime against the opposition groups in the areas close to our borders and on 3 October 2012, an artillery shell fell into the Akcakale district centre, killing five citizens including women and children.

As a result of these actions which constitute a clear violation of the international law and of Turkey's land border and national security, the Parliament authorized the Government to send the Turkish Armed Forces to foreign countries for a period of one year.

Moreover, against the threats and risks that the crisis in Syria constitutes for Turkey, as a response to the official demand made on 21 November 2012, it was agreed at the level of NATO Foreign Affairs Ministers on 4 December 2012 to reinforce Turkey's national air defences in order to defend Turkish citizens and territory and contribute to the settlement of the crisis at the border.

Furthermore, upon the detection of military equipment being transported to Syria with civilian aircraft in violation of the international law, Turkish airspace was closed to Syrian civilian aircraft as of 14 October 2012, in order to prevent the crisis in Syria from escalating to a greater conflict which can affect the whole region.

Within the scope of the **Middle East Peace Process**, Turkey supports all efforts for the solution to the Israeli-Palestinian conflict on the basis of two-state vision which ensures the survival of an independent and viable Palestinian State with the capital city of East Jerusalem, next to Israel in peace and security in accordance with the UN Resolutions.

In addition, Turkey has concerns regarding the fact that the Middle East Peace Process is hindered by uncompromising policies that are contrary to international law, of Israel which maintains its illegal settlement activities ignoring the international community's reactions. Thus, Turkey will continue to oppose to the establishment of new settlements by Israel on the occupied Palestinian territories by regarding them as actions that jeopardize the two-state vision of solution.

In the voting taken during the United Nations General Assembly held on 29 November 2012, Palestine gained the status of “non-member observer state” in the UN. Based on the fact that the negotiations can yield beneficial results only when the two parties are at equal level, Turkey supports Palestine’s attempt to provide full international recognition by the UN as in the process of its membership to UNESCO.

Turkey also carries out various projects in the matters such as water, education, technical support and the conservation of cultural heritage via Turkish International Cooperation and Development Agency (TİKA) and Turkish Red Crescent so as to support the bilateral aid programme and the international efforts to improve the economic and humanitarian condition in Palestine.

Establishing security and stability in **Iraq** and the protection of its territorial integrity, ensuring the internal peace and Iraq’s becoming a state that creates security and welfare for the region by integrating with its neighbours and international community are especially vital in the light of the historical transformation and reform processes that the Middle East is still experiencing. Within this framework, Iraq’s achieving a stable structure is among the priority objectives of Turkish foreign policy.

The bilateral relations since the 1930s when Iraq gained its independence, continued to develop in 2012 including the Iraqi Kurdish Regional Government.

Turkey takes important diplomatic steps for consolidating peace and ensuring stability in the **South Caucasus** with which it has historical, cultural and humanitarian bonds.

Regional cooperation and development projects such as “Baku-Tbilisi-Ceyhan (BTC) Oil Pipeline”, “Baku-Tbilisi-Erzurum (BTE) Natural Gas Pipeline” and “Trans-Anatolian Natural Gas Pipeline (TANAP)” are developed alongside the bilateral cooperation projects within the framework of establishing a common area of welfare for the benefit of the people of the region.

In this context, the works for completing and starting the operations as soon as possible of the “Baku-Tbilisi-Kars (BTK) Railway” also named as “Iron Silk Road”, are maintained in cooperation with Azerbaijan and Georgia.

The process of normalization of relations with Armenia is also assessed by Turkey in the perspective that it will increase the cooperation atmosphere in the South Caucasus and contribute to the stability of the region. Turkey regards the protocols signed in Zurich on 10 October 2009 as the result of the mutual efforts and political determination of both parties.

At this stage, Turkey retains its political will for pushing the normalization process forward. However, this process will become permanent and sustainable in case concrete steps are taken for the comprehensive peace in the Caucasus.

Thus, the normalization of the relations between Turkey and Armenia is not sufficient for the establishment of a permanent atmosphere of peace and stability in the region and in parallel with these efforts, concrete steps must be taken for the solution of the Nagorno-Karabakh issue as well.

Turkey works on creative ideas for accelerating the negotiations for the Nagorno-Karabakh issue; it maintains initiatives by the relevant parties, in particular the Organisation for Security and Cooperation in Europe (OSCE) Minsk Group and the co-chair countries in order to change the unsustainable status quo in the direction of peace and stability.

The relations between **Turkey and Georgia** have been developing on the basis of friendship and cooperation within the framework of the support and aids provided to Georgia since it has gained its independence.

As a sign of the neighbouring relations, the citizens of the two countries benefit from the mutual visa exemption in their touristic travels up to 90 days, the Batumi Airport is shared by Turkey and Georgia and works are carried out in order to operate the customs gates together in the “single-window” concept and starting the operations of new border gates.

The talks and visits between the two countries have continued extensively at all levels during the year. The first Turkey-Azerbaijan-Georgia Foreign Ministers' Tripartite Meeting was held on 8 June 2012 in Trabzon.

The policy on the protection of the territorial integrity of Georgia and finding solutions for the conflicts in Abkhazia and South Ossetia within the internationally recognised borders of Georgia is maintained with determination.

The return of Meskhetian Turks to the ancestral lands in Georgia is also discussed during bilateral talks. Following the determination of the exact number of Meskhetian

Turks who will return, efforts are shown for the development of comprehensive projects that both Meskhetian Turks to return to Georgia and the people who already live in the region can benefit from.

Turkey carries out activities for mutual assistance and for the protection of the common interests with **Azerbaijan** with which it has deep-rooted humanitarian, cultural and historical bonds.

Within this scope, the first meeting of the High-Level Strategic Cooperation Council between Turkey and Azerbaijan (HLSCC) was held on 25 October 2011 in Izmir and the second meeting of the HLSCC was held on 11 September 2012 with the participation of several Ministers from both countries in Gabala. Within this framework, an important political dialogue mechanism was established which addresses the cooperation between the two countries with all its aspects.

The main objectives of the economic relations with Azerbaijan includes increasing the bilateral trade volume, increasing the investments in Azerbaijan so as to contribute to the economy of Azerbaijan, the completion of the Baku-Tbilisi-Kars Railway Project as the way it is planned, the transition to “quota-free transport” from the transit document application in road transport between the two countries and the opening of land borders to common use.

Turkey regards the conflicts in the South Caucasus as the major obstacle to peace and stability in the region. After the incidents that broke out in August 2008, Turkey endeavours for the realization of the **Caucasus Stability and Cooperation Platform** initiative so that the problems in the region can be addressed correctly. Within this framework, economic relations, trade, energy, transport and communication will also be addressed as well as the political issues.

Turkey is also in close coordination and cooperation with international organisations such as the UN, Council of Europe and the OSCE and regional organisations such as Black Sea Economic Cooperation (BSEC).

It is aimed that the “High-Level Strategic Council” which was established between Turkey and **Ukraine** in 2011 would act as the main guiding mechanism in the realization of the projects which would concretize the strategic partnership relationship. The second meeting of the Council in question was held on 12-14 September 2012 in Ukraine. Within the framework of the meeting, various documents which serve for the development of the relations in the area of transportation and entrepreneurship were signed.

Turkey, aims to contribute to the growth and development of the continent of **Africa**, with which the historical and cultural bonds which date back centuries, in the areas such as health, education and agriculture as well as the improvement of the political and

economic relations. In 2012, the relations were deepened through several mutual high level visits.

With regard to the developments in North Africa, Turkey supported the change of regime in Egypt and the demands of people in Tunisia.

Turkey supported the NATO-led operations on Libya. However, it does not act in accordance with the EU sanctions on Libya and provides humanitarian aid.

Turkey has been participating in the African Union as an observer since 2005. Furthermore, the African Union acknowledged Turkey as the strategic partner of Africa in 2008 and demonstrated the will of improving its relations with Turkey. Within this framework, the areas of intergovernmental cooperation, trade and investment, agriculture, trade of agricultural products, rural development, water resources management, small and medium-sized enterprises, health, peace and security, infrastructure, energy, transport and telecommunications, culture, tourism and education, media, information and communication technology, and the environment were determined as the priority areas of cooperation.

In addition, the works on the establishment of Turkish Embassies in Africa are continuing with determination. While there were 12 Turkish Embassies in total -7 of which were in the South of the Sahara- in the continent by May 2009, the number of the Embassies increased to 27 by the end of 2011, and in 2012, this number increased to 31 with the establishment of the Embassies in Niamey (Niger), Windhoek (Namibia), Ugudugu (Burkina Faso) and Libreville (Gabon). Furthermore, Ambassadors were nominated to Encemime (Chad), Conakry (Guinea) and Djibouti and consent was asked of the respective governments.

Turkey's efforts on the contribution to the solution of the problems of the continent continued to increase during 2012. The Second Istanbul Conference on Somalia was held on 31 May-1 June 2012 in Istanbul in cooperation with the UN.

Within this framework, Turkey maintained its active and leading role regarding Somalia and began to implement various projects on the security sector, reconstruction and development in addition to the humanitarian aid activities.

On the other hand, on 9-10 May 2012 the "Turkey-Africa Media Forum" was held in Ankara and on 30 May- 2 June 2012, the African Civil Aviation Conference was organised in Izmir with the participation of the Ministers of Transportation of the African countries and the civil aviation officials.

Within the framework of Turkey's opening policy towards Africa, in 2012, political talks on Africa were held with the EU and the United States, Spain, the United Kingdom, Sweden, Norway and Italy.



Turkey regards the proliferation of **weapons of mass destruction** and their delivery systems as a growing threat.

Turkey does not provide any support and aid to the non-state actors who attempt to develop, supply, manufacture, possess, transfer or use the weapons of mass destruction and their delivery systems, and it supports all international efforts for the non-proliferation of weapons of mass destruction.

Turkey participates in the works of the Group established within the UN in accordance with the UN Security Council Resolution No. 1540 on the non-proliferation of nuclear, chemical and biological weapons and their delivery systems. Furthermore, Turkey successfully implements the UN sanctions on Iran within the framework of the joint efforts with the UN Sanctions Committee.

The negotiation process between **Iran** and P5+1 resumed, upon Turkey's facilitating initiatives, with a meeting held in Istanbul on 14 April 2012 after an interval of about one and a half years. Within this framework, meetings were held in Baghdad on 23-24 May 2012 and Moscow on 18-19 June 2012. The parties subsequently met in Istanbul again at different levels in July and September.

On the other hand, Turkey hosted the workshop under the title "The Role of Nuclear Tests on Ensuring Global and Regional Security" held in Istanbul within the scope of the second preparatory conference of the Global Forum on the Prevention of Terrorism held in April 2011 in Istanbul and the "Comprehensive Nuclear Test Ban Treaty".

Turkey supports the objectives of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Turkey became a member of the Nuclear Non-proliferation and Disarmament Initiative (NDPI) established following the 2010 Treaty on the Non-Proliferation of Nuclear Weapons Review Conference on 28 May 2010, and it actively contributes to the activities of the group. The fourth Ministerial Meeting of the NPDI was held on 15-16 June 2012 in Istanbul.

**Within the scope of the common foreign and security policy (CFSP)**, Turkey, as a European ally which contributed to the protection of peace and stability in Europe during the Cold War, supports the development of the European Security and Defence Policy (ESDP) and the EU Common Security and Defence Policy (CSDP) which was created with the approval of the Treaty of Lisbon in 2009 and believes that it would strengthen its European Security and Defence Identity (ESDI) within the Union.

Turkey contributes to the CSDP not only as a candidate country, but also within the framework of its overall approach for supporting any initiative which contributes to the regional and international peace and stability and as a result of its multilateral foreign policy. Turkey provides this support by contributing to the activities, mission and operations of the EU on defence and security issues beyond verbal statements.

Within this framework, Turkey participates in the operation “Althea” in Bosnia and Herzegovina on the basis of Berlin plus arrangements of the EU and the EULEX mission in Kosovo.

On the other hand, Turkey also supports the strategic cooperation between NATO and the EU. Turkey believes that the establishment of a strategic partnership between the two organisations on the security and defence of Europe would ensure the joint struggle to be more effective against current risks and threats.

Turkey’s contributions are carried out on the basis of the Nice Implementation Document under the title “Involvement of non-EU European Allies in the ESDP activities” which regulates the inclusion of non-EU European allies to the ESDP and the NATO-EU Joint Declaration of 16 December 2002 with NATO Resolution of 13 December 2002 which establishes the framework of the cooperation between the two organisations.

Turkey believes that the EU has some responsibilities in terms of the fulfilment of the provisions of the Nice Implementation Document which regulates the inclusion of non-EU European allies to the CSDP and the inclusion of these allies more actively in the decision making processes of the EU mission and operations which they contribute to.

However, certain provisions in the Nice Implementation Document have not been fully implemented yet. As a result of the attitudes of certain EU Member States, Turkey’s efforts on being more involved in CSDP such as by signing an agreement with the European Defence Agency on cooperation and on information security with the EU, are hindered. Turkey frequently communicates its expectations in this regard both to its allies and the EU Member States at all levels.

Despite all these difficulties, Turkey has been contributing to the CSDP, EU operations and missions with its personnel, military equipment and facilities since 2003. Turkey’s contributions are an important sign of its support and commitment to the CSDP and the EU-NATO cooperation.

## **Chapter 32: Financial Control**

### **Alignment with the EU *Acquis***

Preparations in this chapter are advanced. In 2012, Turkey made significant progress in the area of Financial Control, in particular as concerns the protection of the Euro against counterfeiting. The chapter is addressed within the scope of the Positive Agenda; detailed work were carried out for indicating the alignment of the Turkish Penal Code with the EU’s Financial Interests (PIF) Convention and its Protocols with the participation of the Ministry for EU Affairs, Prime Ministry Inspection Board (PMIB), Ministry of Justice and Ministry of Finance. With regard to the Public Internal Financial Control (PIFC) system, the PIFC Policy Paper was updated and a technically new draft

PIFC Policy Paper was drawn up. On the other hand, work was carried for amending the Law No. 5018 on Public Financial Management and Control.

Furthermore, in the field of protection the Euro against counterfeiting, Article 102 was added to the “Law No. 6352 on Amendments to Certain Laws to Promote Judiciary Services and Postponement of Proceedings and Sentences in Relation to Crimes Committed Through the Press” published in the Official Gazette of 5 July 2012 and Article 43/B was added to the Law No. 5326 on Misdemeanours that introduces the notification obligation to legal persons who do not withdraw counterfeits from circulation.

As a result of these developments, the first working group meeting was held in Brussels on 20 June 2012 and concrete outputs were obtained., Commission, in the official letter communicated to the Ministry for EU Affairs, stated that Turkey met the “closing benchmark regarding alignment of Turkish Penal Code with the EU’s Financial Interests (PIF) Convention and its Protocols” and the “closing benchmark regarding the legislative and administrative alignment with the Council Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the Euro against counterfeiting” under the financial control chapter.

As regards the **Public Internal Financial Control (PIFC)**, the Decision of the Ministry of Finance Internal Audit Coordination Board regarding the Principles and Procedures for Grading of Public Internal Auditor Certificates was prepared and published in the Official Gazette No. 28207 of February 17 2012. Within the scope of the “Project on Strengthening the Public Financial Management and Control System in Turkey” with reference number TR0702.09, the Draft “Public Internal Control Guide” was prepared and published in the website and announced with the public. The draft guide was examined and opinions and suggestions were compiled in the meetings organised with stakeholders. On the other hand, drafting work for the Central Harmonization Unit Handbook is on-going. In the field of **external audit**, following the Law No. 6085 on the Court of Accounts which entered into force in 2010, secondary regulations, aiming to strengthen the audit capacity of the Court of Accounts, are almost completed. Drawing up the Performance Audit Guide, the Court of Accounts approved the “Regularity Audit Manual” and prepared manuals on the “Performance Audit and Audit Performance of Indicators”. Furthermore, the Court of Accounts established the Audit Development and Training Centre. The Institution prepared first audit reports within the scope of “Regularity Audit Manual” and planned to initiate the performance audit by the end of 2012.

### **Administrative Capacity Building**

The “Conference on Cooperation between Internal and External Audit in Public Sector” was organised jointly by the Ministry for EU Affairs and OECD-SIGMA with the contributions of the Presidency of the Court of Accounts, Ministry of Finance and Directorate of Internal Audit Coordination Board and hosted by the Ministry for EU

Affairs on 13-14 December 2011. In the conference, cooperation and coordination between internal and external audit were addressed in line with the examples from the practices of different member states.

In the field of Public Internal Financial Control, 99 internal auditor candidates, who completed the three-month training program organised by the Internal Audit Coordination Board, were given their certificates in May 2012. 665 internal auditors received training on “Internal Audit Quality Assurance and Improvement Program” and “Establishing Effective Communication” between 24 March and 8 April 2012. Moreover, the “External Reviewer Training Program” was organised for internal auditor candidates in June 2012. In order to strengthen the administrative capacity, 800 Financial Services Experts and Assistant Experts were recruited as a result of the examinations administered by the Ministry of Finance, their trainings were completed and they were placed in the vacancies of public administrations.

Training is on-going in the field of financial management and control for the managers and civil servants. Three meetings were held in April 2012 with the participation of 202 managers from Strategy Development Units and Financial Services Departments of metropolitan municipalities and metropolitan sub-provincial municipalities whose population is above 50,000. In May 2012, two meetings were held with the participation of 256 people for the Strategy Development Units’ managers of public administrations and universities. Public Internal Control Standards were published in December 2007 and public administrations were asked to prepare Action Plans regarding the alignment with these standards. Currently, 2675 administrations including local administrations have prepared their action plans for the alignment with internal control standards and submitted to the Ministry of Finance.

The project on “Strengthening the Public Financial Management and Control System in Turkey” with reference number TR0702.09 was completed in order to implement the financial management and control system for improving good practices regarding internal control in Turkey and to improve administrative capacity of the Financial Management and Control Centre Harmonization Unit and Strategy Development Units. Within the scope of the project, a gap analysis report was prepared by evaluating the existing financial management and internal control system within the context of EU expectations and international practices and an action plan was prepared based on this report and published on the website. On the other hand, the project on the “Decision Making and Performance Management in Public Finance” with reference number TR0802.06 which supports the creation of the administrative capacity required in the field of financial decision making and performance management of public entities is on-going successfully.

In the field of internal audit, an international agreement on the “Strengthening Internal Audit Function in Public Sector Project” was signed with the World Bank and this agreement was published in the Official Gazette No. 28359 of 20 July 2012.

As regards external audit, the World Bank and the EU projects and activities for developing audit capacity towards implementing international standards on reporting are on-going.

In the field of **protection of the EU's financial interests**, the Anti-Fraud Coordination Service (AFCOS) continues its works in coordination with the European Anti-Fraud Office (OLAF) effectively. A workshop was held with 175 participants in Ankara on 29-30 May 2012 within the scope of TAIEX (Technical Assistance and Information Exchange Program) financed by the EU in order to improve the administrative capacity of AFCOS and inform the institutions included in the AFCOS Network on the protection of EU's financial interests.

In the field of **protection of the Euro against counterfeiting**, Interpol, Europol, Sirene Department of the General Directorate of Security of the Ministry of Interior, which was assigned as the National Central Office (NCO), continues its works in coordination with Europol. NCO prepared a Road Map in order to strengthen the cooperation between Turkey and Europol and resolve the problems that may arise regarding the functioning of the agreement signed between the NCO and Europol.

Furthermore, Turkey was also invited and participated to the operational meeting which was held on investigation of producing and disseminating of two Euro coins in Europol premises on 6 June 2012 at the request of the Dutch Police.

### **Chapter 33: Financial and Budgetary Provisions**

This chapter covers the rules concerning financial resources (own resources) required for the funds to be provided to the EU budget, correct calculation, collection, payment and audit of contributions regarding own resources and establishment of administrative capacity required for reporting to the EU for the purpose of alignment with the rules on own resources. The *acquis* in this area is to be directly implemented upon membership.

France blocked the chapter on the European Council meeting of 26 June 2007 on the grounds that this chapter was directly linked to membership.

Preparations on Financial and Budgetary Provisions are at an early stage and basic principles and institutions in policy areas such as agriculture, customs, taxation, statistics and financial control linked to the application of this system are already in place. In the area of traditional own resources, Turkey's customs legislation largely complies with the *acquis*. It is possible to ensure alignment with the *acquis* after necessary arrangements are made rapidly upon the clarification of the date of membership.

#### **4. Work under Financial Cooperation**

Financial cooperation is another dimension of Turkey-EU relations. It is a continuous area that moves on under certain rules without being affected by the course of the negotiation process or political blockages.

The Ministry for EU Affairs makes its best efforts to fulfil its responsibilities as Turkey's National IPA Coordinator (NIPAC) in cooperation with all stakeholders. The Ministry has continued its efforts during the reporting period for the most effective use of funds under Instrument for Pre-Accession (IPA) in our country. In this context, 2012 National Programme Part 1-A Financing Agreement was published in the Official Gazette on 19 December 2012.

A nine-member delegation from the Budget Committee of the European Parliament, which regularly inspects the use of financial assistance in candidate and potential candidate countries, visited the Ministry for EU Affairs on 3 May 2012. The Committee indicated that they observed good and effective implementation concerning the EU funds, and also there was a high absorption capacity in Turkey.

The Ministry for EU Affairs carried out a work to prepare a book for public in order to present the most effective 100 projects (about € 900 million) implemented in the 2002-2008. The book which has been completed in December 2012 was made available as a credible reference source which can be utilised by public institutions, professional organisations and non-governmental organisations.

On the other hand, a separate work has been carried out to present the projects on “women’s rights” in order to underline the special attention devoted to “women’s rights” under Turkey-EU financial cooperation and submitted to the Parliamentary Committee on Equal Opportunities for Women and Men.

The reporting period points that the activities particularly under IPA III have increased notably following the initiation of concrete investment projects in sectoral policy areas under the framework of financial cooperation. Thus, the implementation of high cost major projects was started, namely the Köseköy-Gebze section of Ankara-Istanbul High-Speed Train Line with a budget of € 153 million in November 2011, the Rehabilitation and Signalization of Irmak-Karabük-Zonguldak Railway Line with a budget of € 227 million in January 2012, and Diyarbakır Wastewater Treatment Plant having a budget of € 67 million.

Furthermore, the following projects were completed in 2012:

- Human Rights Training For Military Judges and Prosecutors,
- Extending the Pilot FADN Project and Ensuring Sustainability,
- Dissemination of Model Prison Practices and Promotion of the Prison Reform in Turkey,
- Strengthening the Public Financial Management and Control System in Turkey,



- Strengthening the Investigation Capacity of Turkish National Police and Gendarmerie Against Organised Crime,
- Encouraging Formal Employment,
- Improving Chemical and Ionising Radiation Metrology in Turkey,
- Technical Assistance and Data Collection for Strengthening the Statistical Capacity of the MARA,
- Preparation for Implementation of Environmental and Rural Measures under IPARD,
- Development of Institutional Capacity of Dissemination/Consulting Services for IPARD,
- Gender Equality in Working Life,
- Improving Occupational Safety and Health at Workplaces in Turkey,
- Strengthening the Statistical Capacity of the Ministry of National Education,
- Strengthening the Statistical Capacity of the Ministry of Labour and Social Security,
- Development of Regional Laboratories of Occupational Health Safety Centre (İSGÜM),
- Introduction of Quality Management in the Revenue Administration,
- Improving Data Quality in Public Accounts,
- Training of Border Police,
- Strengthening Civil Society Development for Effective Participation,
- Turkey and EU Civil Society Dialogue II Project.

The implementation of the following projects started in 2012:

- Civic Training for Mehmetçik,
- Integrated Border Management Action Plan,
- Towards an effective and professional Justice Academy,
- Improved Efficiency of Turkish Criminal Justice System,
- Improved Maritime Education & Training in Turkey,
- Capacity Building to implement the Flood Directive,
- Strengthening the Blood Supply System,
- Strengthening Forensic Capacity of Turkey,
- Control of Ship-Sourced Emissions in Turkey,
- Weight and Dimension Controls of Commercial Vehicles,
- Consolidating Ethics in the Public Sector,
- Improvement of Civilian Oversight in Turkey - Phase II,
- Modernisation of Turkish Customs Administration – Phase IV,
- Strengthening Civil Society Development and Civil Society-Public Sector Cooperation in Turkey,
- EU-Turkish Chambers Forum – II (ETCF-II).

***Current Situation for 2010-2011-2012 Programming Process***

Under the financial cooperation with the EU, the programming was completed for a total of € 856 million in 2012, and work has been started for programming € 903 million for 2013.

The 2010 programming work were finished in 2011 for the First Component of Instrument for Pre-Accession Assistance (IPA- I) “Transition Assistance and Institution Building”. The Financing Agreement for the first part of the 2010 National Programme entered into force on 29 December 2010, for the second part on 19 September 2011, the third and last part on 5 September 2011. The 2010 National Programme comprises of 33 projects with a budget of € 346 million (of which € 128 million is national contribution).

The 2011 programming process started in the third quarter of 2010. The Programme consists of two parts: the First Package that includes projects which were launched in 2010 but postponed to 2011 due to minor changes, and the Second Package which consists of new projects. The Financing Agreement for the first part consisting of 9 projects with a total budget of € 129 million entered into force on 26 December 2011. While preparations regarding the first part were underway, a call for proposal was launched for the second part to invite project proposals.

The Ministry for EU Affairs continued the project development activities regarding the second part of 2011 by various working group meetings during 2011 and during the first half of 2012 with active participation of potential beneficiaries. IPA-I 2011 National Programme Part 2 Financing Agreement which includes 17 projects with a total budget of € 234 million entered into force on 25 December 2012 following its publication in the Official Gazette.

In parallel with the 2010 and 2011 programming years that are mentioned above, 2012 programming process started in June 2010. As a result of intensive consultations and comprehensive assessments carrying out with the European Commission, 14 projects were identified including the “Energy Sector Programme” which was approved for inclusion in the 2012 programming and to be executed under joint management procedures and principles with the World Bank. IPA-I 2012 National Programme Part 1-A Financing Agreement which includes 13 projects with a total budget of € 359 million entered into force on 19 December 2012 following its publication in the Official Gazette.

Similarly, Addendum No.2 to the IPA-I 2009 National Programme Financing Agreement about the extension of the contracting deadlines of 13 projects which a cost of € 279 million was signed on 23 October 2012 and it will enter into force in the first quarter of 2013.

On the other hand, the Financing Agreements modifying the Financing Agreements concerning the Multi-Annual Operational Programmes under IPA-III (Regional Development) were revised in order to extend their implementations 2 years more and

include the allocations for 2012-2013. Accordingly, the Agreements modifying the Financing Agreements concerning Multi-Annual Operational Programmes of “Environment”, “Regional Competitiveness” and “Transport” (2007-2013) were signed on 30 November 2012.

The aforementioned agreements for which acts of ratification are underway and envisaged to enter into force by the end of 2012, € 289 million additional fund will be earmarked to “improved delivery of drinking water and waste water services”, “improved integrated solid waste management” and “technical assistance” priorities under the Environment Operational Programme. Under the Regional Competitiveness Operational Programme, € 180 million additional fund will be allocated to the “improvement of business environment”, “strengthening of enterprise capacity and foster entrepreneurship” and “technical assistance” priorities. Moreover, € 253 million will be allocated to “improvement of railway infrastructure”, “improvement of maritime infrastructure” and “technical assistance” priorities under the Transport Operational Programme.

In 2011, under IPA-IV (Human Resources Development), the Agreement modifying the Financing Agreement concerning the Multi-Annual “Human Resources Development” Operational Programme for 2007-2011 entered into force on 23 December 2011. This agreement was revised in 2012 in order to extend its implementation 2 years more and include 2012-2013 allocations. To this end, the Agreement Modifying the Financing Agreement concerning the Multi-Annual “Human Resources Development” Operational Programme for 2007-2013 was signed on 3 December 2012. Under the framework of this Agreement which is expected to enter into force by the end of 2012, € 83 and 91 million will be earmarked for 2012 and 2013 respectively.

The Multi-Annual Financing Agreement which lays down the principles for the use of Instrument for Pre-Accession Assistance (IPA) Component V also known as IPARD assistance (Instrument for Pre-accession for Rural Development) allocated to Turkey by the European Union for 2007-2010 entered into force on 24 November 2011. The Agreement amending the mentioned Agreement to include the allocation for 2011 was published in the Official Gazette on 19 December 2012 following the approval by the Council of Ministers. Thus, the fund amounted to € 172 million will be available for our country within the allocation of 2011.

### **Adoption of Sector Approach in IPA-I Programming**

The second half of 2011 and 2012 was a period of transition by giving up the conventional project approach and passing to a sector approach. During this period, the Ministry for EU Affairs as the National IPA Coordinator maintained its leading role with close cooperation with all financial cooperation actors and beneficiary institutions.

In line with this new strategic sector approach, the Ministry for EU Affairs ensured that Sectoral Alignment Strategies were prepared through working group meetings in the

second half of 2011 with the participation of all stakeholders for various sectors included in the 2011-2013 Multi-Annual Indicative Planning Document in order to identify the priorities and project areas where the resources should be devoted in 2012, 2013 and subsequent programming years under IPA-I.

Furthermore, the Ministry worked with the relevant entities to prepare the Sector Identification Fiches instead of the project fiches in the context of 2013 programming year activities in accordance with the sector approach. Since 2013 is regarded as a transitional and preparatory year for the second period of IPA covering 2014-2020, the use of sector fiches was implemented only in the following four sectors:

1. Judiciary and fundamental rights
2. Migration management and borders
3. Energy
4. Agriculture and rural development

The Sector Identification Fiches which are, in a sense, a continuation of Sectoral Alignment Strategies, identify the areas for which projects may be designed. The Sector Identification Fiches also allow the creation of instruments that will allow performance assessment of the respective sector.

Upon the introduction of the sector approach in 2012, “Sectoral Monitoring Sub-Committees” were established in accordance with the priority sectors included in the Multi-Annual Indicative Planning Document prepared for the 2011-2013 period. Under this new understanding, the relationship between the financial cooperation and negotiation process is monitored and associated carefully in a holistic approach. Sectoral Monitoring Sub-Committees met in May and November 2012 considering the contribution to chapters of the projects financed under the respective sector.

### **Second Period of the Instrument for Pre-Accession Assistance (IPA II) (2014-2020)**

The preparations for the second period of IPA covering 2014-2020 continued intensively in 2011 and 2012.

Turkey contributed to this process by submitting a number of concrete proposals in the light of experience derived in years by entities that participated in the Decentralised Implementation System – DIS. The European Commission made public the IPA II draft regulation in December 2011. The mentioned draft was rigorously examined by the Ministry for EU Affairs and a broad-based consultative process was launched with the financial cooperation actors.

In this process, both broad-based meetings for information exchange and high level meetings for formulating the national position were organised. At the end of the consultative process, a report including our proposals for the second period was submitted to the European Commission in August 2012. This report included both concrete results relating to the basic principles of IPA and certain problems confronted

in the implementation since 2007. The European Commission indicated that for the upcoming period, it would take into account the opinion and proposals of Turkey as the largest beneficiary of financial assistance. The discussion on the draft regulation is underway, and it is expected that certain points of importance will be laid down in the IPA Implementing Regulation.

## **ACCREDITATION**

### **IPA I – Transition Assistance and Institution Building**

Throughout 2012, significant progress was achieved in complying with the criteria laid down by national or EU audit authorities. In this context, human resources for the Ministry for EU Affairs were augmented to strengthen its institutional capacity. The Financial Cooperation Directorate responsible for the secretariat services for the National IPA Coordinator was enhanced by new staff on the basis of workload analysis.

As a result, the capacity and quality of monitoring and evaluation were increased. In order to ensure more effective implementation of monitoring and evaluation activities, the Ministry for EU Affairs initiated a rigorous study to analyze the monitoring system through working groups involving the representatives of the Central Finance and Contracts Unit, Delegation of the EU to Turkey and other Programme Authorities. The IPA Monitoring Committee approved the recommendations presented as a result of the monitoring mapping study.

In accordance with the duties and responsibilities assigned to our Ministry within the framework of the Decentralized Implementation System, the monitoring task of 143 projects under the following sub-sectors which are being implemented within the scope of the Transition Assistance and Institution Building Component (IPA I) was performed by the experts of our Ministry through on-the-spot checks, participation and through reporting in the monitoring committee meetings:

- Judiciary and Fundamental Rights (32 projects),
- Home affairs/Crime, Integrated Border Management/Migration and Customs (17 projects),
- Public Administration Reform (13 projects),
- Civil Society and Cultural Heritage (14 projects),
- Private Sector Development (13 projects),
- Environment and Climate Change (22 projects),
- Transport (7 projects),
- Energy (3 projects),
- Social Development (13 projects),
- Agriculture and Rural Development (9 projects).

The Ministry implemented a more functional monitoring framework which comprehensively scrutinizes the achievement of the project level goals and that is able to identify the potential problems timely by scoring the projects that are under implementation with the realization of the “*Result Oriented Monitoring – ROM*” project as of 2011. Within the scope of the new monitoring approach, 79 projects under Component I have been subject to result oriented monitoring in cycles, and the reports were shared with relevant institutions and organizations including the beneficiaries. The Ministry, with this project contributed to building of capacity in order to ensure that funds are monitored at international standards while monitoring the existing projects.

The Ministry set up an independent unit for project evaluation function to effectively enhance its capacity in this field and ensured the continuity of evaluation activities. The mentioned unit carries out the evaluation projects initiated by the European Commission and the Ministry while regularly communicating to the European Commission the progress in accordance with the recommendations as outputs of the evaluation projects previously completed.

The European Commission notes in its assessments the increase in general quality of the reports by the Ministry such as the Annual Implementation Report and Sectoral Implementation Report.

In parallel with its increased capacity, the Ministry organized training programs on financial cooperation for other ministries and entities such as regional development agencies upon request, and provided up-to-date training to about 200 officials on financial cooperation and Project Cycle Management. The Ministry has initiated the drafting of Terms of Reference that is in line with the Ministry’s Training Strategy, for the development of an institutional financial cooperation training program including the Project Cycle Management for the benefit of all public institutions that are also potential beneficiaries of EU funds.

### **Cross-border Cooperation (IPA II)**

The Ministry for EU Affairs was accredited in January 2011 by the National Authorising Officer (NAO) following the takeover of National Authority powers. After the negotiations with the European Commission the conferral of management process was finalized by completing all findings regarding accreditation.

The vision of the Ministry for EU Affairs, as the National Authority for the second period covering 2014-2020 was identified as continuing the existing activities under Cross-border Cooperation Programmes as well as exploring new areas of cooperation with the European Commission.

The total budget is € 32 million for Bulgaria-Turkey IPA Cross-border Cooperation Programme for 2007-2013, € 27 million of which is the EU funding, and € 4.8 million is co-financing from both countries.



The Bulgarian Ministry of Regional Development and Public Work, as the Programme's Managing Authority, signed contracts amounted to € 9 million with beneficiaries for 47 projects which are implemented under the first call for proposals of the Programme. Eight of such contracts are on-going as of December 2012. Contracts will have been signed by 31 December 2012 for some of the projects selected through the second call for proposals on 8 September 2011.

In addition to its tasks defined as the Programme's Managing Authority, the Ministry is responsible for the functioning of the Antenna Office Joint Technical Secretariat Office in Edirne and dedication of this Office in certain acts and actions.

The Ministry for EU Affairs:

- Gave training on 7-8 September 2011 and 1 December 2011 on rules for the eligibility of the expenditures to First Level Controllers who had been selected, assigned and are in charge of verifying the accuracy of expenditures made by the project beneficiaries under the Programme. Also participated on 20-21 March 2012, along with the controllers, in the First Level Controller training organised by the INTERACT which operates within the framework of European Regional Cooperation and provides services to the EU programmes.
- Was represented on 5 October 2011 in the opening ceremony of the project titled "*Creating of Conditions of Relaxation, Sports, Tourism in Edirne and Elhovo*" and being implemented under the first call for proposals of the Bulgaria-Turkey IPA Cross-border Cooperation Programme.
- Organised the Information Day on 11 October 2011 and the Partnership Forum under the second call for proposals of the Bulgaria-Turkey IPA Cross-border Cooperation Programme on 13 October 2011. Thereby the potential beneficiaries were informed about the Programme.
- Provided the project implementation training for the first call for proposals of the Bulgaria-Turkey IPA Cross-border Cooperation Programme and project preparation training for the second call for proposals on 21-22 December 2011. Thereby, various solutions were developed to various problems of the beneficiaries, and potential beneficiaries were informed about submitting better project proposals having higher likelihood of acceptance. Project site visits were organised on 29-30 March 2012 to check the expenditures of the projects under the Programme, thereby work of the First Level Controllers who verify the expenditures were supervised.
- Following the second call for proposals on 8 September 2011, participated in the assessment phase of the project proposals during January-June. Training was provided on 4-9 April 2012 to independent assessors selected and designated by our Ministry.

- Following the completion of the administrative and technical assessment of the projects, “*Bulgaria-Turkey IPA Cross-border Cooperation Programme Joint Monitoring Committee Meeting*” held at Kırklareli on 13 July 2012, and selected the projects which would be contracted.
- Carried out pre-contracting site visits in Edirne, Kırklareli, Bourgas, Yambol and Haskovo and budget negotiations for the projects accepted by the Joint Monitoring Committee submitted under the second call for proposals.

In addition:

- Exchanged ideas, information and experience on Cross-border Cooperation Programmes with a delegation consisting of representatives of *Cross-border Cooperation Unit of the Serbian European Integration Office* on 4 September 2012.
- 21 September European Cooperation Day was celebrated in Edirne. Within the context of celebrations many activities were realised, awards were presented to winners in the photography contest among beneficiaries, and the inauguration of the photograph exhibition covering all contesting photos were held at the Kapıkule Customs Gate.
- Made the final monitoring visits on 9-17 October 2012 for the projects under the first call for proposals, and examined whether expired projects were executed according to Programme rules, whether the activities were carried out as indicated in the application package and informed the beneficiaries on findings.
- Participated in the meeting of the Governorship of Edirne on 22 November 2012, the EU Harmonisation Consultation and Steering Committee, provided information on Bulgaria-Turkey IPA Cross-border Cooperation Programme, and contributed to raising awareness in the region on this issue.

The Ministry for EU Affairs, as the National Authority, continued to implement and monitor projects under ENPI Black Sea Basin Cross-border Cooperation.

The total budget for 2007-2013 for ENPI Black Sea Basin Cross-border Cooperation Programme is amounted to € 38 million, € 28 million of which comes from ENPI funds, and € 7 million comes from IPA funds. Furthermore, the beneficiary countries provide co-financing amounted to € 3 million. The programme has held so far two calls for proposals, and the first call for proposals selected 19 projects, 9 of which have Turkish partners. The second call for proposals was announced on 30 January 2011, projects were selected but contracts have not yet been signed.

The Ministry, as the National Authority, participated in May and June 2012 in the meetings of ENPI Black Sea Basin Cross-border Cooperation Programme Joint Monitoring Committee held in Bucharest.

The Ministry for EU Affairs participated in the training on project management and risk analysis in IPA Cross-border Cooperation Programmes on 29-30 May 2012 in line with its obligation to improve the administrative capacity of the National Authority.

The Ministry for EU Affairs as the National Authority organised in 2012 monitoring visits to the following projects under the first call for proposals of the ENPI Black Sea Basin Cross-border Cooperation Programme:

- 28-29 December 2011, Istanbul, “Industrial Symbiosis Network for Environment Projection and Sustainable Development in the Black Sea Basin”,
- 21-22 February 2012, Trabzon, “Black Sea Tradenet”,
- 29-30 March 2012, Istanbul, “Joint Master Degree Study Programme on the Management of Renewable Energy Sources”,
- 14-15 June 2012, Edirne, “Black Sea Cultural Animation Programme: Pilot Model for Mobilizing the Common Cultural Characteristics for Creative Destination Management in the Black Sea Basin”,
- 5-6 September 2012, Trabzon, “Strengthening the Regional Capacity to Support the Sustainable Management of the Black Sea Fisheries”,
- 10-11 October 2012, Istanbul, “Black Sea Earthquake Safety Net(work)”,
- 26-27 November 2012, Istanbul, “From the Aegean to the Black Sea-Medieval Ports in the Maritime Routes of the East”.

Our Ministry also managed the expenditures including the purchase of goods and services, and fees for controllers and assessors because this task belongs to the National Authority.

### **Regional Development and Human Resource Development (IPA-III and IV)**

Activities were intensified particularly in 2011 for the accreditation of the procurement and contracts units within the Ministry of Transport, Maritime Affairs and Communications, the Ministry of Environment and Urbanisation, the Ministry of Science, Industry and Technology and the Ministry of Labour and Social Security. Our Ministry together with NAO provided political and technical support to such entities during their accreditation process. The first conferral of management decision was

taken on 20 January 2011 for the procurement unit within the Ministry of Environment and Urbanisation.

Following the accreditation of the Ministry of Environment and Urbanisation, the conferral of management decisions entered into force for the procurement units of the Ministry of Labour and Social Security on 31 January 2012, the Ministry of Science, Industry and Technology on 15 February 2012 and the Ministry of Transport, Maritime Affairs and Communications, on 12 November 2012.

Thereby, the mentioned units started to carry out the procurement and contracting functions under the Human Resources Development, Regional Competitiveness and Transport Operational Programmes.

Regarding the Environment and Transport Operational Programmes, substantial amount of decommitment risks were avoided through intensive efforts of all parties including the National IPA Coordinator, the National Authorising Officer, other DIS actors and the Operating Structures to secure the additional advance payments.

### **Rural Development (IPA-V)**

By the decision of 29 August 2011 of the European Commission, the management powers have been conferred upon the Agricultural and Rural Development Support Institute's (ARDSI) central organization and 17 provincial coordination units, Managing Authority, National Authorising Officer Support Office and Audit Authority on 101 – Meat Producing Agricultural Holdings, 103 – Processing and Marketing Meat and Meat Products, and 302 – Developing Local Products and Microenterprises of the Programme.

Subsequently, by the decision of 2 March 2012 of the European Commission, management powers have been conferred on ARDSI Erzurum, Ordu and Van Provincial Coordination Units for the same measures. Thereby, the conferral of management process was completed for the first phase of the Programme, and the implementation phase commenced. On the other hand, while the implementation was on-going, it was decided that each measure of the first phase (101, 103 and 302) would be implemented in all provinces under the first phase to increase the number of applications. In this context, it was necessary to obtain additional conferral of management decision for 9 provinces among 20 provinces, and the relevant Commission Decision was published on 17 October 2012. The said decision of the Commission made it possible to announce a call for all of the three measures in the provinces covered.

The 7<sup>th</sup>. IPARD Conferral of Audit Mission was held on 12-23 November 2012 for the inspection of 9 provincial coordination units sampled for the second phase by the European Commission. Five of the PCUs were found qualified for the conferral of management decision by the Commission. The remaining 17 PCUs are yet to be

audited. In addition to the mentioned work, the package includes obtaining the conferral of management decision for 22 PCUs for this first phase measures as well as the accreditation of the Technical Assistance Measure.

The National Authorising Officer completed national accreditation and submitted the letter of request for conferral of management on 28 September 2012 to the Commission. Currently, the relevant units of the Commission are conducting the on-spot checks, and when completed, the Commission may take a decision on conferral of management. The National Authorising Officer, along with the ARDSI and the Managing Authority held contacts with the Commission to ensure that the process for second phase conferral of management should not be prolonged and the verification checks be urgently completed by the Commission, and an action plan was devised for 2013.

Under the Rural Development Component, 8 individual calls have been made so far. The applications under the 8<sup>th</sup> call for proposal are to be collected between 17 December 2012 and 15 January 2013.

The total amount of support amounted to € 86 million for 269 projects excluding those terminated out of 298 contracts signed under the first 6 call for proposal; € 64.5 million of this total came from the EU and € 21.5 million from Turkey.

## 5. Projects Carried Out by the Ministry for EU Affairs

As a requirement of the mission it has undertaken in a negotiation process that would be finalized with the full-membership of Turkey to the European Union, the Ministry for EU Affairs prepares and implements projects in various fields and themes, in which all segments of the society are included.

In addition to the funds provided from the EU, the resources from the national budget are also effectively put to use in the financing of these projects and the finance facilities that can be provided from other donor resources are utilized as well.

In this context, the Ministry has developed and is still continuing to develop many projects to the benefit of the following bodies:

- **Local authorities** concerning “carrying strictly into effect and follow-up of the legal and administrative reforms realized during the ongoing negotiation process; providing better understanding and perception of our EU membership process by the public; providing the efficient use of the EU financial resources by public institutions, non-governmental organizations, private institutions and persons”,
- **Non-governmental organizations** concerning “increasing the efficiency of the cooperation between the public and civil society, developing the dialogue between the EU and Turkey, explaining the EU to wider audiences in Turkey and providing a more efficient presentation of Turkey in Europe”,
- **Public institutions** concerning “meeting the short term technical support requirements regarding the obligation of alignment with the *acquis* and its implementation”,
- **Academicians and university students, public institutions’ representatives and private sector workers** concerning “contributing to the training of skilled and informed personnel required in the area of the EU *acquis*”.

### PROJECTS

Developing the cooperation and dialogue between Turkey and EU citizens through civil society is of a nature that complements the negotiations. In this context, support to the civil society, which has been carried out by the Ministry for EU Affairs since 2005 under different names, have gained momentum with the “**Promotion of the Civil Society Dialogue between the EU and Turkey Project**” which has started to be implemented in 2008. The project aims to provide a better understanding of Turkey in the EU and the EU in Turkey, to provide information sharing, experience sharing between the EU and Turkish civil society and to strengthen the relations.



In the first part of the project, carried out in various phases until 2012, the Ministry for European Union Affairs has provided a total grant of 19,5 million euros for projects implemented by **municipalities, universities, professional organizations and youth initiatives**, which play an important role in representing the civil society.

In the context of this first phase, the non-governmental organizations (NGOs) in Turkey have established partnerships with a total of 153 civil society agencies from 21 different countries which are EU members or candidate countries to the EU. The projects carried out in many different areas, ranging from the environment to food security and from education to industry, have reached a total of more than 2 million people in Turkey and in the EU.

### **Civil Society Dialogue between the EU and Turkey II**

The continuation of this initiative accelerating the civil society dialogue between the EU and Turkey has been brought about by the “Civil Society Dialogue between the EU and Turkey II Project” which was implemented between 2010-2012. In the framework of the project, consisting of three components which are *“Agriculture and Fisheries”*, *“Culture and Arts”* and *“Micro Grant”*, a grant of nearly 5.3 million euros has been provided to the civil society.

The purpose of the *“Culture and Arts”* component of the scheme is to establish cooperation between the European Union and candidate countries in the field of culture, to support the partnerships established between NGOs carrying out activities in this field and to develop sustainable cooperation and environment of dialogue.

In accordance with these objectives, financial support amounting to a total of 2.3 million euros has been provided for the projects which were developed by NGOs and completed as of October 2012.

On the other hand, the component of *“Agriculture and Fisheries”* aims to increase information on EU policies and practices and to strengthen the dialogue and strengthen sharing of experiences between Member States and Turkey, through NGOs carrying out activities in the fields of agriculture, food safety, veterinary medicine, phytosanitary and fisheries.

A total of 2.8 million euros grant has been provided under this component. As for the other component, the Agriculture and Fisheries projects have also been successfully completed at the end of October 2012.

By means of various activities that have been realized, such as study visits, expositions, seminars and stage performances, around 850 thousand people have been reached in EU Member States and Turkey as of the end of 2012.

Due to the projects implemented in the scope of the scheme only within this year, 174 NGOs carrying out activities in EU Member States and Turkey have established 95 partnerships.

Within the framework of the scheme, in addition to the larger thematic projects, the projects of local NGOs with small budgets have also been supported with the component of “Micro Grants”. Financing amounting to 280 thousand euros has been provided to 56 local NGOs involved in the dialogue process. According to the results of the evaluations completed in 2012, NGOs have reached more than two thousand persons through the activities they have organized in the context of this component.

With the aim of communicating the results obtained in the context of Civil Society Dialogue II to larger audiences, the Ministry for EU Affairs held an exhibition named “Dialogue with Photos” regarding civil society projects and activities in Ankara Esenboğa and Istanbul Atatürk Airports, as well as in Berlaymont, the headquarters of the European Commission in Brussels, during the first half of 2012, with extensive media coverage.

Through the exhibition, the success and impact of the dialogue has been shared with around 3.5 million people in Turkey and abroad.

### **Civil Society Dialogue between the EU and Turkey III**

The third phase of the Civil Society Dialogue project is ongoing in the fields of “*Political Criteria*” and “*Media*”, which are significant matters for Turkey in the context of the political reforms.

The preparatory work of the project has been completed as of December 2012. The grant scheme, planned to be announced at the beginning of 2013, will provide a total financing of 9.3 million euros to at least 100 civil society dialogue projects in these fields.

6 million euros of this financial support will be used in the area of the Political Criteria, 3 million euros in the area of the Media, and 300 thousand euros for the projects of local NGOs concerning the Micro Grant component.

In the final quarter of 2012, the Ministry for EU Affairs completed the preparations for communication activities and info days which will be organised so that this grant scheme providing major support to NGOs can be effectively announced throughout Turkey.

With the grant concerning the “Political Criteria”, support will have been provided so that Turkey’s legislation and implementation in the areas of human rights, anti-

discrimination, democracy and the rule of law, with respect to the political criteria, will be closer to the EU and international levels.

Media, which is the most effective instrument for creating and shaping public opinion, also plays an important role for raising public awareness regarding the EU. With the “Media” component, which has been developed with a view to this, the institutions in the media sector would significantly increase their professional knowledge on the EU and would develop a lasting dialogue with the media institutions in the EU Member States.

#### **Civil Society Dialogue between the EU and Turkey IV**

The Civil Society Dialogue IV project, the final draft of which has been transmitted to the Commission, has also continued to be developed in 2012 and some of the preliminary work has been completed.

The aims envisaged during the design of the projects, are the implementation of the civil society dialogue projects in the chapters (energy, environment, agriculture and fisheries, etc.), the implementation of progress achieved in these chapters with the contribution of the civil society and the development of strong relations and cooperation between the civil societies of Turkey and the EU. The project foresees the provision of a grant of nearly 11 million euros to the “*EU Acquis*” topics, as well as the projects under the component of “*Micro Grant*”.

### **STRENGTHENING THE INSTITUTIONAL CAPACITY OF LOCAL AUTHORITIES IN THE EU ACCESSION PROCESS**

#### **“Improving the Effectiveness of Governorships in the EU Accession Process Project”**

With the aim of putting fully into effect the legal and administrative reforms realised in the course of negotiations, providing a better understanding of our EU accession process by the public and rendering the Governorships more effective in the use of EU financial resources, the Ministry for European Union Affairs has implemented the “**Improving the Effectiveness of Governorships in the EU Accession Process Project**” in 2010.

As of December 2012, the project has been implemented for a period of three years.

As a result of the agreement reached with the **Ministry of Interior**, the project started on **26 January 2010** and provided for important progress in institutional building at the local level. The work aimed at developing and strengthening the project continued in 2012 as well.

In the project, a deputy governor has been determined in each province as the **“Provincial Permanent EU Contact Point”**, and in addition, the **“Advisory and Steering Committees for the European Union Harmonization” (EU ASCs)** comprised of public and civil society representatives have been established under the coordination of the Permanent Contact Point.

District governors , relevant provincial directors, the secretary general of the special provincial administration, the secretary general or deputy secretary general of the metropolitan municipality, deputy mayors from other provincial municipalities, vice-chancellors of universities, representatives of trade, industry and agriculture chambers, as well as one representative from each active NGO of the province, participate in committee which convenes once every three months. The number of EU ASC meetings held in 81 provinces has exceeded 630 as of December 2012. Minister for European Union Affairs and Chief Negotiator Egemen Bağış has participated in 11 of these meetings while the Deputy Minister for EU Affairs has participated in 4 of these and the relevant Deputy Undersecretary of the Ministry for EU Affairs has participated in 38 of them.

Another unit established since the beginning of the project is **“EU Units of Governorship”**. Until December 2012, within the framework of the training and briefings organised by the EU Units of Governorship, tens of thousands of people have received basic and accurate information regarding EU related topics, more than four thousand projects have been supported at the local level, and in addition, the 9<sup>th</sup> of May Europe Day has been celebrated in our provinces.

As a result of all these works, a tripartite structure for EU related matters, comprised of the Provincial Permanent EU Contact Point, the EU ASC and the EU Units of Governorship has started to operate in the provinces. The Ministry has continued to develop this institutional structure in 2012 with financial support and contributions in kind.

With the successful achievement of the objectives of the project by the 25 provinces that are financially supported, the Ministry has completed the first phase of the **“Provinces Preparing for the EU Programme”** which is a grant scheme designed in 2011.

Upon the success of this programme, to which a total of 1.250.000 TL has been allocated from the budget of the Ministry for European Union Affairs , the second phase of the programme has started to be implemented without delay with a view to achieving these objectives in other provinces as well.

Within the framework of the **“Provinces Preparing for the European Union Programme –II”** announced at the beginning of 2012, the budget amounting to one million TL allocated from the budget of the Ministry for European Union Affairs has been used under two components.

In the context of the component titled **“Support for EU Activities”**, at the end of the evaluation of the applications made in the first quarter of 2012, the projects of 13 provinces have been entitled to receive support. The implementation of the projects started in May 2012.

On the other hand, in the context of the component titled **“Support for Regional Projects”** aimed at accelerating regional cooperation as well as thematic EU studies; regional projects have been developed in a total of 26 provinces, led by seven coordinating provinces, on food safety, consumer rights, environment, cultural heritage, public-civil society cooperation, strengthening of local authorities, Life Long Learning and Youth Programmes.

The regional projects have started to be gradually implemented as of December 2012 in accordance with the budget and the human resource potential in the provinces.

#### **“Building the Capacity for EU Affairs in the Governorship Project”**

The “Building the Capacity for EU Affairs in the Governorships Project” financed by the SEI financial resources is composed of an Instrument for Pre-accession Assistance amounting to 1.950.000 Euros.

In the context of the preparatory works of the project, a consultation meeting has been held on the 20 June, 2012, in which the deputy governors who are Provincial Permanent EU Contact Points and the representatives of the EU units of the 20 pilot provinces involved in the project have participated.

The project, the implementation process of which has started in **December 2012** after the completion of preparations in the autumn months of 2012, aims to increase the technical and administrative capacity of a institutional structure for EU related matters at the local level and to provide that governorships become leader institutions in provinces in the EU accession process.

The Training Needs Analysis, EU expertise training programme, project preparation trainings, the training for trainers programme, capacity raising activities in the field of EU policies, the Brussels study visit and the town twinning programme are among the basic activities of the project which will last two years.

#### **“Municipalities Preparing for the EU” Project**

An important part of the EU *acquis* is under the competence of municipalities. Therefore, the fact that municipalities have enough information and capacity on issues related to the EU affairs is important for the correct implementation of the *acquis*.

In this framework, at the beginning of 2011, the Ministry for European Union Affairs has developed the “Municipalities Preparing for the EU Project” with the Union of Turkish Municipalities. The project also continued in 2012 with various activities and new partnerships.

In March 2012, the conference titled “Beylikdüzü on the EU Path” has been organized with the hosting of the Beylikdüzü Municipality and the booklet entitled “Supports provided under the European Union Financial Assurances” has been published.

Also during the same period, the Beyoğlu Municipality made a contact meeting under the subject of Lifelong Learning Programmes.

The project continues to increase the capacity of municipalities on issues related to the EU affairs through activities such as contact meetings, conferences and study visits concerning the EU acquis and financial assurances.

### **“Ankara Preparing for the EU” Project**

With the purpose of increasing the awareness on the EU process and strengthening the local dimension of the process concerning the alignment with the EU acquis, the Ministry for European Affairs has developed different projects for Istanbul and Ankara in the year 2012 as well by considering their cultural, socio-economic and demographic importance, since they are considered to be locomotive provinces in this process.

The “Ankara Preparing for the EU” project, which is the first one of the two related projects, has taken effect with a protocol signed on **27 March 2012** between the Ministry for European Union Affairs, the Ankara Governorship and the Ankara Metropolitan Municipality.

Within the scope of the activities realized in the year 2012, four different trainings intended to Union Programmes have been organized with the participation of more than 500 representatives from local authorities, NGOs and the private sector.

Furthermore, the project exhibition made in Ankara on the 9<sup>th</sup> of May, 2012 contributed to increase the awareness on EU grants.

The other project activities, the preparatory works of which have been completed in the year 2012, will continue during the upcoming period with seminars, project exhibitions and project competition related to the EU acquis chapters.

### **“Istanbul preparing for the EU” Project**

With the aim of increasing the awareness on issues related to the EU affairs in the province of Istanbul and providing that local authorities play an active role in the EU accession process, the “Istanbul Preparing for EU” project has started to be implemented with a protocol signed on **26 April 2012** between the Ministry for



European Union Affairs, the Istanbul Governorship, the Istanbul Metropolitan Municipality and the Union of Turkish Municipalities.

Up to the present, in addition to awareness raising and capacity building activities realized, within the scope of the project, one expert/assistant expert responsible for each district has been tasked by the Ministry with the purpose of giving support to the conduct of EU related Works in the 39 districts of Istanbul. Furthermore, the “**Town Twinning Programme Call for Proposal**” through which the Istanbul districts will develop common projects with EU local authorities and establish lasting partnerships regarding the local implementations of the EU acquis has been announced on the 7<sup>th</sup> of November, 2012. The programme introductory meeting has been realized on the 22<sup>nd</sup> of November 2012. As a result of the call for proposal, a twinning will be made between the local authorities to be selected from EU countries and the pilot districts selected from Istanbul and the conduct of common works will be provided.

The “European Union Process and Project Preparation Trainings”, the “Local Authorities in the European Union Process Symposium”, the project competition and project exhibitions are taking place among the activities which have been prepared in the year 2012 and will be realized in the upcoming period within the scope of the project.

#### **“Special Provincial Administrations Preparing for the EU” Project**

Another work carried out for local authorities within the context of the harmonization with the EU is the “Special Provincial Administrations Preparing for the EU” project which is carried out in cooperation with the Ministry for European Union Affairs, the Ministry of Interior and the Union of Provincial Services.

The project has taken effect with a protocol signed on **28 November 2011** with the aim of increasing the awareness of Special Provincial Administrations and the EU units of governorships on issues related to the EU affairs, in cooperation with each other.

Within the year 2012 when the project has started to be actually implemented, a total of 120 personnel from special provincial administrations and governorships have been given project preparation trainings with regard to the EU financial assistances provided to Turkey; the delegation composed of the council and members of the Union of Provincial Services has visited the EU institutions during two different study visits organized in Brussels.

Furthermore, the project partners have completed a publication where information concerning the local authorities in EU countries takes place, by making use of a book prepared by the Council of European Municipalities and Regions entitled “Local and Regional Government in Europe, Structures and Competences”.

With the implementation of the project, the awareness of special provincial administrations concerning EU matters entering into their scope of activity increases, their administrative capacity strengthens and the foundations of common projects to be realized by the Union of Provincial Services with their counterpart institutions in EU member countries are being settled down.

Thus, the special provincial administrations which have an important place in the public structuring and the Union of Provincial Services which is their representative at the national level are being involved more effectively in our EU membership process.

#### **“Local Implementation of EU Acquis” Project**

The preliminary studies of the investment project which is supported by the United Nations Development Program and is planned to be carried out with the cooperation of the Ministry of Interior, Director General of Local Administrations, the Union of Turkish Municipalities and the Union of Provincial Services of Turkey with a budget of 1.200.000 TL were completed **in the year 2012**.

The project aims to make a study on the status quo concerning chapters which have a scope of application at the local level and determine the authorities and responsibilities of actors active at the central and local levels as well as to develop a methodology through field works to be conducted in pilot provinces and districts which would strengthen the implementation capacity at the local level.

#### **“Learning the EU Negotiation Chapters: Judiciary and Fundamental Rights” Project**

The project, which is carried out with the cooperation of the Ministry for European Union Affairs, the Ministry of Justice and the Union of Turkish Bar Associations with the aim of increasing the awareness of lawyers on the Judiciary and Fundamental Rights Chapter, has been entitled to be supported by the Ankara Embassy of the United Kingdom in the year 2012.

Right after the start of the project’s application calendar in **September 2012**, the project’s website entered into service. The first training seminar in the framework of the project has been realized **in November 2012** in Konya, with the participation of 71 lawyers registered to the Konya Bar. The preparatory works concerning the handbook which is included in project activities, where detailed information concerning the Judiciary and Fundamental Rights Chapter take place, have been completed.

The project is important in the sense that lawyers, who are the defense authority, have been included for the first time in the works concerning the Judiciary and Fundamental Rights Chapter. The trainings have the objective to transfer information to approximately 350 lawyers in Turkey as a whole on the European Union law as well as on the developments realized in jurisdiction in the scope of the EU reform process.

## **“INCREASING THE AWARENESS OF PROVINCIAL HEADS OF PRESS AND PUBLIC RELATIONS RESPONSIBLES IN PROVINCIAL TRADE CHAMBERS ON EU SUBJECTS” PROJECT**

The MATRA fund project entitled “Increasing the Awareness of Provincial Heads of Press and Public Relations Responsibles in Provincial Trade Chambers” has been realized. In the scope of the project, 119 participants have attended trainings on the European Union and media-communication topics. Furthermore, 24 participants have taken part in the study visit realized to the European Institute of Public Administration and several institutions and organizations situated in Barcelona. The related project has been an important activity in the sense of carrying the works realized and the reforms made in the European Union accession process at the local level as well as to advertise them in a correct and full manner.

## **FELLOWSHIP PROGRAMMES CARRIED OUT UNDER THE COORDINATIONSHIP OF THE MINISTRY FOR EUROPEAN UNION AFFAIRS**

### **Jean Monnet Fellowship Programme**

The Jean Monnet Fellowship Programme is one of the most long-running projects of Turkey. Within the scope of Turkey’s objective to become a full member to the EU, the project has been carried out for more than twenty years with the aim of increasing the number of personnel specialized in the EU domain and building the necessary administrative capacity for the effective implementation of the acquis.

The Jean Monnet Fellowship Programme, which gives the opportunity to participate in graduate studies or research programmes in universities or other research institutions equivalent to universities on topics related to the EU acquis, also constitutes an indispensable part of the civil society dialogue between Turkey and the EU.

Within the framework of the Jean Monnet Fellowship Programme, which is of capital importance especially in building the administrative capacity of public institutions during the EU accession process, public institutions are being given a contingent of 60% for each academic year, while this ratio is 30% for universities and 10% for the private sector.

From the beginning of the fellowship programme until the end of the year 2012, around 1400 fellows, from public workers to university students and academic/administrative personnel, have caught the opportunity to receive training on issues related to the EU affairs in EU member countries.

As a result of the efforts made with the aim of advertising more efficiently the fellowship programme throughout Turkey, an increase of 55% has been realized in fellowship applications for **the academic year 2011-2012**. 100 fellows who have been entitled to receive a bursary have returned to Turkey after successfully completing their

trainings in 10 different EU member countries, 56 different educational establishments and on 14 different chapters.

Extensive and diversified advertisement activities have been realized for the **academic year 2012-2013** as well, with the aim of increasing the applications to the Jean Monnet Fellowship Programme and the quality of applications.

Within this context, 1500 potential fellows have been reached through the organization of 17 contact meetings in 13 provinces (Adana, Ankara, Bolu, Edirne, Elazığ, Eskişehir, Erzurum, Gaziantep, İzmir, İstanbul, Konya, Malatya, Samsun).

The Ministry has organized another contact meeting in Ankara with the participation of civil servants who are working in the departments of education and personnel of public institutions. On the other hand, a separate contact meeting has been organized in Istanbul for the private sector and NGOs.

As a result of these activities, an increase of 10% has been realized in the applications made for the academic year 2012-2013 compared with the previous year.

For the first time in the history of the Jean Monnet Fellowship Programme, the total of the 60% quota of public institutions has been used and 60 out of 100 fellows entitled to receive a fellow have been public workers. As of September 2012, 100 fellows have started their education in 10 different EU member countries, 40 different educational institutions and on 27 different acquis chapters.

Another significant development of this academic year is the increase in the number of fellows who have been entitled to receive a fellowship from provinces other than Ankara and Istanbul (Adana, Çankırı, İzmir, Kocaeli, Mardin, Şanlıurfa).

As a result of the other works conducted in the year 2012, the number of persons who will receive a fellowship for the **academic year 2013-2014** has been increased to 130.

The Ministry has carried out work for the announcement of the programme throughout Turkey. 26 info days have been organized in 11 different provinces (Ankara, Bursa, Çanakkale, Denizli, Eskişehir, Isparta, İstanbul, İzmir, Kocaeli, Mersin, Şanlıurfa) and 24 institutions/organizations/universities.

When the statistics of the Jean Monnet Fellowship Programme are examined, it is observed that the fellows are well balanced in regarding gender distribution. Respectively 63%, 56%, 61%, 51% and 51% of fellows have been women in the academic years 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013. The Jean Monnet Fellowship Programme has continued to be the most distinguished fellowship programme of our country in the year 2012 as well in the sense of the **increased number of fellows** and the **increase in the interest shown by the public sector to the fellowship every passing year**.

## COLLEGE OF EUROPE MASTER SCHOLARSHIP PROGRAMME

The “College of Europe Master Scholarship Programme” carried out under the coordination of the Ministry for European Union Affairs, has been launched for the first time in the academic year 2010-2011 with the initiatives of the Minister for European Affairs and Chief Negotiator Egemen Bağış. The programme aims to train skilled EU experts and the Turkish Eurocrates of the future who are needed in the public sector as well as in the private sector during the EU membership process of Turkey. Thanks to the supports of the private sector representatives and non-governmental organizations, 14 scholarships have been provided for the academic year 2010-2011 within the framework of the programme while this number is 17 for the academic year 2011-2012 and 22 for the academic year 2012-2013.

The students who are given a scholarship in the context of the programme are entitled to study in one of the one-year graduate programmes at the College of Europe (Brugge or Natolin campuses). An increase in the numbers of scholarships and applications under the programme is targeted for the upcoming period. For the purpose of increasing the number of applications, potential fellows have been reached in the year 2012 by organizing contact meetings in a total of 17 universities in Istanbul, Izmir and Ankara.

## 6. Activities Realized in the Context of the European Union Communication Strategy (EUCS)

Turkey’s European Union (EU) accession process is not only a technical process but it also requires the support of the public opinion at the highest level since it includes political, social and cultural fields as well.

Therefore, the Ministry for European Union Affairs has started to implement **Turkey’s European Union Communication Strategy (EUCS)** as of January 2010 in order to explain Turkey to the EU and the EU to Turkey.

The EUCS is functioning reciprocally: the “**Communication Strategy towards the EU (CSEU)**” addressing the European public opinion, especially the countries where the support given to the membership of Turkey is at the lowest level and the “**Communication Strategy towards Turkey (CSTR)**” which has the objective to boost the enthusiasm related to the accession process in the domestic public opinion and provide the participation of all the groups of the society. In this framework, the basic objective is to explain the European Union and the negotiation process to Turkish citizens and to explain Turkey’s characteristics and messages to the EU member states accurately and inform the both parties reciprocally.

In the framework of the related communication strategies, a number of verbal and written communication activities, information and visibility studies addressing the Turkish and European Union public opinions have been carried out with the aim of preventing incomplete and incorrect information and increasing the dialogue by

eliminating prejudices. Within this context, a number of activities have been realized and/or supported by the Ministry for EU Affairs during the period October 2011-December 2012, ranging from festivals to competitions and meetings to conferences. These activities have been communicated to different fractions of the society through different channels such as the website of the Ministry and EUCS, press releases, opinion papers and interviews.

### **Some Studies Realized in the Framework of EUCS during the Reporting Period**

**Setting and Updating Database:** Regular and continuous information flow regarding the EU process and the activities carried out by the Ministry for EU Affairs has been provided to the public of Turkey and the EU by means of the **database** prepared by the Ministry for EU Affairs. The translations of opinion papers and interviews taking place in the Turkish and EU media have been communicated.

The database of our Ministry which is composed of the members of the Turkish and European Parliament, Turkish tourism, culture and trade counsellors, governorships, Permanent EU Contact Points, members of the EUCS Advisory and Steering Committee, the NGOs in Turkey and Europe which create a multiplier effect, Development Agencies, academic environments, EU Information and Documentation Centres, the scholars of the College of Europe and Jean Monnet, the representatives of the private sector, the EU communication volunteers, foreign press members residing in Turkey, local/regional and national press members, the embassies of the EU member states in Turkey is being regularly updated.

In this context, the columnists from the European Union countries, the local press members working in Brussels, France and Germany, Turkish press counsellors in the EU countries, the executive editors of newspapers and TVs, agencies located in Turkey and the lists of press agents of the European Commission members have been added to the database.

**Information Activities Devoted to Domestic and Foreign Public Opinions:** The information requests of universities, the public, NGOs, think-tanks have been met and some information, communication network and spokesman support has been provided for the activities that they have organized. Furthermore, briefings have been made to **41 domestic and foreign delegations** visiting Turkey and the Ministry for EU Affairs in the following topics: “Turkey-EU Relations”, “Turkey’s EU Negotiation Process” and the “EU Communication Strategy”.

**Publication Works:** The leaflet entitled “Turkey to Europe’s Future” has been prepared and distributed in Turkish, English, German, French, Danish, Spanish, Italian and Hungarian. The preparations of the Latvian issue are still in progress. Different audiences have been reached by widely distributing the “Turkey to Europe’s Future” leaflets in the domestic and external flights of Turkish Airlines and AnadoluJet.

On the other hand, booklets such as “EU’s Influence on our Daily Lives in 100 Topics”, “Turkey, A Member of the EU” as well as the booklet prepared in cooperation with the



European Union Delegation to Turkey entitled “EU-Turkey Working Together for Women” have also been extensively distributed throughout Turkey.

A total of 12 guidelines have been prepared to be distributed to the local press members at information seminars in the scope of the “Turkish Local Media on the EU Path II” project. These guidelines consist of the titles “The Ministry for European Union Affairs”, “EU at a Glance”, “Turkey-EU Relations”, “Political Reforms-I”, “Political Reforms-II”, “The European Union and the Media”, “Turkey-EU Accession Negotiations”, “Negotiation Chapters in the Accession Process”, “Turkey-EU Financial Cooperation”, “EU Programmes”, “Basic EU Terms” and “Accessing the European Union”.

**Op-eds and Interviews:** The Minister for European Affairs and Chief Negotiator Egemen Bağış has written opinion papers and columns for foreign newspapers such as The Guardian, Europolitics and Der Standard within the context of EUCS concerning Turkey’s acquisitions during the accession process and the recent developments in the EU. Such opinion papers of the Minister have also been published on the EU observer which is an internet newspaper and on Magazine which is a German magazine. Approximately **26 opinion papers** have been published in the national and foreign media with the contributions of the Ministry. Besides, Egemen Bağış had interviews with important newspapers and magazines such as Espansione, Der Standard, Kurier and Chicago Tribune.

**Activities Realized in the Framework of the 9 May Europe Day:** Visibility works are being realized in the context of Turkish and EU special days under the EUCS. Among them, the most comprehensive one consists of the activities realized in the framework of the 9 May Europe Day. The 9 May Europe Day has been celebrated in Ankara as a big festival with broad public participation since 2010. In 2012, it was realized on the 9<sup>th</sup> of May in cooperation with the Ankara Metropolitan Municipality and the EU Delegation to Turkey.

A total of 133 stands have been set up for this festival where the embassies of the EU countries, Turkish governorships, NGOs, EU funded projects, private sector representatives and various public institutions and organizations as well as the public have participated to the event at high level. The Embassies of EU countries such as Italy, Portugal, Belgium, Luxemburg, the Kingdom of the Netherlands, the United Kingdom, France, Romania, Hungary, Greece, Ireland, Austria, Germany, the Czech Republic, Slovakia, Denmark, Sweden, Finland, Estonia, Lithuania, Bulgaria and Croatia as well as the EU Information Network and the EU Delegation to Turkey have participated to 9 May Europe Day festival. Some environmental activities as well as arts studio activities addressing children have also taken place in the festival where more than three thousand visitors have been reached. The festival which has started in the early hours of the morning has ended up with concerts and an outstanding water show.

Thanks to the collaborations made with GSM operators and open air advertisement companies, the messages of 9 May Europe Day have been shared with the public opinion. In the framework of the festival, the streets of Ankara have been decorated with Turkish and EU flags and the logos of the Ministry for EU Affairs. On the other hand, the interior of the Youth Park has been decorated with slogans explaining the EU reforms realized in Turkey as well as the benefits of Turkey's membership to the EU. In addition to the National Lottery tickets having 9 May Europe Day theme, awareness has been raised on the negotiation process and the Europe Day by explaining the EU reforms to the Turkish public opinion through electronic billboards placed in the airports, shopping centres and the city squares throughout Turkey. Besides, Turkish football teams have displayed "9 May Europe Day" banners before the starting ceremonies of Turkish Spor Toto Football League matches took place after the weekend following 9 May.

Furthermore, in their common paper published in the newspaper Zaman on the occasion of the 9 May Europe Day, the Minister for European Affairs and Chief Negotiator Egemen Bağış and the European Commissioner for the Enlargement and Neighbourhood Policy Štefan Füle have given the message "Together We Are Stronger".

**Spot Films:** With the purpose of developing a "common awareness" regarding the common future of Turkey and Europe, the Ministry for European Union Affairs prepared a spot film concerning the enlargement process in cooperation with the European Commission, Directorate General for Enlargement which is entitled "Hidden Treasures" as well as TV and radio spots entitled "A New Europe is Possible Together". These spot films have been broadcasted in 17 national television channels. Moreover, the advertising pages prepared for these spot films have taken place in national newspapers.

On the other hand, public spots entitled "EU and Turkey Working Together" have been prepared in collaboration with the European Union Delegation to Turkey in order to be broadcasted on national and local television channels. In the spot films broadcasted on national channels, the Turkey-EU financial cooperation under Turkey's EU membership objective as well as the acquisitions of Turkish citizens have been explained.

**Hosting of the Foreign Journalist Delegations in Turkey:** For the purpose of overcoming the advertisement problem arising from prejudgments and inadequate information in the public opinions of European countries, the Ministry for EU Affairs continues to host the press members from EU countries in Turkey with the collaboration of the Office of the Prime Minister, the Directorate General of Press and Information and inform them about Turkey's EU negotiation process.

In this framework, press members from the Polish EU Presidency had a series of contacts with high level managers and press members in Ankara, Van and Istanbul during 21-27 August 2011. On the other hand, the Danish EU Presidency and the EU member state Austria had similar contacts in Istanbul, Gaziantep and Ankara during the

8-14 April 2012. In the framework of the visits, the journalists had the opportunity to visit various universities and NGOs in Turkey.

The related visits have the objective of transmitting Turkey's European Union policies as well as the advancements of Turkey in political, economic and cultural fields during its European Union accession process in a more healthy and efficient manner to the European public.

Furthermore, members of the press from EU member countries who had contacts in Turkey in collaboration with the European Union Delegation to Turkey were received by the Minister for European Union Affairs and Chief Negotiator Egemen Bağış on the 28<sup>th</sup> of March, 2012.

**Turkish Local Media on the EU Path Project:** Based on the motto "EU arises from the local" of the Minister for European Union Affairs and Chief Negotiator Egemen Bağış, the project was realized with the aim of informing the public correctly on EU related matters and providing a better understanding of the EU membership process at the local level. The "Turkish Local Media on the EU Path" project had the objective of further strengthening the current communication network between the Ministry for European Union Affairs and the local media, of making possible for the local media to follow up more closely Turkey's EU accession process and including it in the process.

In the scope of the project which was realized with the participation of local media members and the local representatives of national media institutions, who have an important role in constituting the agenda of the public opinion, information seminars were organized in 10 provinces (İstanbul, Ankara, Erzurum, Elazığ, Sivas, Ordu, Şanlıurfa, İzmir, Muğla and Mersin). In the project which aimed to reach 250 local media members, 814 applications were received as of 10 regional information seminars and 500 local media members were reached. During the information seminars, the participants were informed about the EU and its institutions, Turkey's EU negotiation process, financial support opportunities as well as EU programmes and funds devoted to the media.

After the completion of the seminars, a study visit was made to Brussels and London with 10 local media members. Thanks to this study visit, the Turkish local media came together with the EU local media, they visited the EU institutions and local media members shared their experiences with their European colleagues.

Considering the increasing interest of the local media members, the applications made to information seminars and in the direction of the instruction of the Minister Egemen Bağış, it has been evaluated that the continuation of the project would be fruitful. The second phase of the "Turkish Local Media on the EU Path" project will be carried out between January-June 2013 and additional information seminars will be organized in 7 different provinces. At the end of the project, another study visit will be organized to Brussels and London with local media members to be draught.

**Culture, Arts and Sports Activities:** In order to benefit from the unifying power of cultural and artistic activities between societies, many different cultural and artistic activities were organized or supported in the context of the EUCS, from the “Music for the One God Concert” to the “Turkey: The Missing Star” film broadcasts aimed at advertising the Turkish cinema in Europe. On the other hand, as to sportive activities, many different activities were supported in the framework of “Istanbul 2012 Capital of Sports” such as the “Intercontinental Nordic Walking” organized in May 2012 at the Istanbul Bosphorus Bridge. Similarly, many sportive activities were supported from the “International Herald Tribune Sports Business Summit Conference” to the “Friendship and Peace Rally” which is a civil society initiative supported by the Ministry for European Affairs in the scope of the 9 May Europe Day, from the “Jumping Antwerpen 2012 International Horse Races” to “Europe Ladies Golf Tournament” organized in Antalya.

**Parliamentary Exchange and Dialogue Project:.**

The overall objective of the project that is carried out through the Turkish-EU Financial Cooperation is to maximize the role of the TGNA (Turkish Grand National Assembly, the beneficiary of the project) in the process of EU membership negotiations by promoting the dialogue between parliamentarians as well as political parties represented in the parliaments of the member states and Turkey. The purposes of the project include contributing to a better knowledge and understanding between Turkey and European Union and raising awareness for the opportunities and challenges of Turkey’s EU accession by increased publicity and visibility.

The project contributes to the development of the information and understanding between Turkey and the EU by realizing thematic symposiums, dialogue forums, international summer camps, study visits and publication works. The Ministry for EU Affairs monitors the project and provides technical support to TGNA and participates to the project activities.

**Competition of Young Communicators on the EU Path:** Thanks to the “Competition of Young Communicators on the EU Path” organized under the auspices of the Minister for EU Affairs and Chief Negotiator Egemen Bağış; the European Union, communication and youth themes have been brought together and young people have been able to activate their imaginations in the field of the EU while being informed about the EU and the Turkey-EU relations.

The competition, the first one of which had been implemented as a pilot project in the academic year 2010-2011 within the provincial borders of Istanbul, was realized in the universities throughout Turkey in the academic year 2011-2012. As a result of the Final Jury assessments of the competition where 200 works of art had been sent from 45 universities, the first three works of arts which were entitled to win a prize in 4 categories were determined. As competition prize, the holders of the work of arts who won the first prize were awarded a Brussels and Copenhagen trip while the holders of the work of arts who won the second prize were awarded a Brussels trip. On the other

hand, the holders of works of arts who won the third prize were entitled to get a laptop computer. Within the context of the competition, information presentations were realized on Turkey's EU accession process in 13 universities.

The competition, the third one of which was organized this year throughout Turkey, consists of the categories of TV, Outdoor Advertisement and Printed Material, Radio, Internet and Social Media Applications, News File and Public Relations Campaign and the students will prepare works of arts in two basic themes. These topics are the acquisitions that the EU will obtain with the membership of Turkey and women and environment in the EU accession process.

Those who win the first prize in the competition will be awarded a trip to Brussels as well as to Dublin, the capital of Ireland which will carry out the EU Term Presidency during January-June 2013; those who win the second price will be awarded a trip to Brussels while those who win the third price will be given a laptop computer. Information Reunions concerning Turkey's EU Accession Process, Turkey's European Union Communication Strategy and competition rules continue in universities in the scope of the competition.

Thanks to the Competition of Young Communicators on the EU Path, our young people who will become the communication and media professionals of the future are informed about the European Union and their creativity is promoted.

**Dialogue with Civil Society:** Within the framework of the EUCS, for the purpose of establishing a dialogue with civil society and thus reaching different fractions of the public opinion, cooperation is made with universities, civil society, think tanks and professional institutions, business environments, which are institutions that have a "multiplier" effect in Turkey as well as in the European countries. In the context of the EUCS, many activities are being supported, such as the activities organized by European think tanks in Turkey, providing that the spokesmen be sent to conferences organized abroad or that foreign academicians come to Turkey.

The fifth one of the reunions of dialogue with civil society organized by the Ministry for EU Affairs with the aim of providing that all the fractions of society take an active role in the EU accession process, where the leading non-governmental organizations of Turkey participated, was held on 14 February 2012, under the auspices of Egemen Bağış for Turkish citizens belonging to different belief groups. During the meeting, the problems of citizens belonging to different belief groups as well as the ideas and suggestions brought by NGOs for the resolution of these problems were discussed. Also, certain topics related to Turkey's EU membership process were evaluated by exchanging ideas.

The project entitled "My Europe", the fifth of which was organized in Istanbul, consists of a series of workshops started under the patronage of the European Commission Vice President Viviane Reding on 6 September 2011 in order to be carried out in 29 European countries. The Minister for European Union Affairs and Chief Negotiator

Egemen Bağış is the national patron of Turkey for the project. The workshop of the project in Turkey was realized on 17-18 May 2012.

The “First Future of European Democracies and the Muslim Communities Forum” was realized by COJEP International, which is a non-governmental organization of Turkish origin having its headquarters in Strasbourg, in cooperation with the Istanbul Trade University, between 10 -11 May 2012 in Istanbul. The forum was supported by the Ministry for EU Affairs in the scope of the EUCS.

The conference entitled “What Has Changed in Turkey between Denmark’s EU Term Presidencies in 2002 and 2012” was organized by the Ministry for EU Affairs in cooperation with Global Political Trends Center (GPoT), which is affiliated to the Istanbul Culture University. The Minister for European Affairs and Chief Negotiator Egemen Bağış and the Denmark’s EU Minister Nicolai Wammen participated in the conference as speakers on 31 May 2012, in Istanbul.

The “Harvard Executive Education” programme which is organized each year in certain regions of the world in the month of June under the Harvard University Kokkalis Programme, was realized this year in Istanbul Özyeğin University between 3-7 June 2012 with the support of the Ministry for EU Affairs under the title “Public Leaders in Southeast Europe”.

**Activities Devoted to Children:** The presentation of the play entitled “Karagoz’s EU Lesson” which is inspired by the shadow play and explains children the EU and its values was also continued in the year 2012 by the Ministry for EU Affairs.



