

ANNEX

Instrument for Pre-Accession Assistance (IPA)

Multi-annual Indicative Planning Document

(MIPD)

2011-2013

Turkey

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Executive summary

The purpose of this Multi-Annual Indicative Planning Document (MIPD) is to set out the EU's priorities for assistance to Turkey for the programming period 2011-2013.

The MIPDs are based on the needs identified in the Accession Partnership of the country as well as the latest progress report (adopted on 9 November 2010 as part of the Enlargement Package) and with the country's own strategies. The Government of Turkey, local stakeholders, EU Member States and other donors have all been consulted in the design of this MIPD.

The Commission has taken a number of steps to enhance the strategic nature of this process over the last few years and to strengthen the link between the priorities established in the progress reports and the programming of assistance. To better illustrate this focus, and to strengthen ownership by the beneficiary countries, the Commission will increase its use of a sector-based¹ logic in its planning of pre-accession assistance.

To increase the impact of IPA assistance and to give greater focus to achievable results, the Commission has decided to concentrate its efforts on targeted sectors. A sector approach should facilitate cooperation among donors and beneficiaries, where possible under the lead of the national authorities, eliminating duplication of efforts and leading to greater efficiency and effectiveness. This in turn should allow all stakeholders to focus increasingly on the impact of our combined efforts.

To date, the number of fully fledged sector programmes developed by IPA beneficiary countries is limited. Nonetheless, by beginning to focus increasingly on priority sectors now, the Commission can better support the development of such programmes on which the EU and other donor assistance can then be based.

The following priorities for IPA support over the period covered by this MIPD have been identified:

The first priority for Turkey is to make progress in the critical areas of rule of law in order to tackle key reforms of the judiciary and fundamental rights.

A second priority is to adopt the *acquis* in areas where there is complex legislation or costly requirements to adopt EU standards in areas such as transport, agriculture, food safety, environment, climate change and energy.

A third priority is to support Turkey in its economic and social development and to enhance competitiveness.

Horizontal priorities that will be supported as cross-cutting themes are participation of civil society, participation in EU programmes, a high degree of protection of the environment, mainstreaming of climate change considerations, equal opportunities for men and women, support to disadvantaged and vulnerable groups as well as the development of good neighbourly relations.

To achieve the priorities selected for support in the programming period 2011-2013, the Commission will focus its assistance primarily on the following sectors:

¹ Or programme-based approach where the selected priorities span across sectors.

- Justice, Home Affairs and Fundamental Rights.
- Private Sector Development
- Environment and Climate Change
- Transport
- Energy
- Social Development.
- Agriculture and rural development.

1. IPA STRATEGIC OBJECTIVE

The overall objective of EU financial assistance to Turkey is to support its efforts for reform and towards compliance with EU law in order that it may become fully prepared to take on the obligations of membership to the European Union.

The Europe 2020 agenda offers the enlargement countries an important inspiration for reforms. Turkey is invited to consider the priorities of the strategy and adapt main challenges in the national context. Enlargement policy also supports the Europe 2020 strategy by extending the internal market and enhancing cooperation in areas where cross border cooperation is key.

2. STRATEGIC PLANNING OF IPA ASSISTANCE

2.1. Country challenges and needs assessment

Turkey is a big country with an area of 783,562 sq km with Ankara as its capital. The population is 72.6 million according to the 2009 Address Based Population Registration System (ABPRS), with half of the population being younger than 29 years. More than 75% of the total population lives in the urban areas (province and district centres), the remaining quarter of the population in towns and villages. Mainly due to declining fertility rates, previously high population growth has now slowed down considerably. According to the 2009 ABPRS life expectancy stands at 71.5 years for men and 76.1 years for women, with an overall average of 73.7 years for the population as a whole. The literacy rate of above 15-year-old is 90.5% for men and 81.1% for women in 2009. To achieve a high level of education and economic competitiveness is a major challenge for Turkey that needs to be addressed urgently.

Turkey is the seventeenth biggest economy in the world. The EU is by far the biggest economic partner of Turkey with 41.7% of the total trade and around 76% of foreign direct investment in 2010, while Turkey is the seventh most important trade partner of the EU. Turkey's economy was severely affected by the global economic crisis, mainly the collapse of domestic demand and through its trade links with the major industrialised economies. However, the impact was mitigated by a resilient banking sector and fiscal stimulus measures. Still, the GDP contracted by 4.7 in 2009. Turkish economy had a very strong recovery in 2010 supported by domestic demand and rapid credit expansion and the GDP increased by 8.9%.

GDP in current prices reached EUR 539 million in 2010. GDP per capita was EUR 7,315 in the same year. Unemployment rate gradually returned to pre-crisis level but remains high, at 11.9% in 2010. Inflation fell below four percent in March 2010, the lowest level recorded in the last four decades. To maintain positive and high growth will require investments into both infrastructure and labour market policies that will modernise the country and create a positive business environment. The adoption of the EU *acquis* will help Turkey to comply with EU standards and will bring new trade and investment opportunities.

Turkey is a parliamentary republic and a unitary centralised state, administratively divided into 81 provinces. Turkey continues to sufficiently fulfil the Copenhagen political criteria. In the course of 2010 efforts have been put on passing a constitutional amendment package (current Constitution from 1982) which was adopted by referendum on 12 September. The amendment package addresses long-standing priorities of Turkey's accession process in relation to the judiciary, social and economic rights, the establishment of an ombudsman and the right of protection of personal data amongst others. The constitutional amendments are an important step in the right direction. However, broad public consultation involving all political parties is needed to strengthen support for constitutional reform. It is now essential to ensure proper implementation of these reforms through relevant legislation. Further results are needed as regards fundamental rights, in particular to assure freedom of expression in practice. Women access to the labour market, education, politics and social services remain key challenges for Turkey. The government's "*democratic opening*" aimed notably at addressing the Kurdish issue, needs to be followed through.

2.2. National strategies

Turkey's 9th Development Plan (DP) 2007-2013 was adopted in 2006 and contains five main objectives: Increasing Competitiveness, Increasing Employment, Strengthening Human Development and Social Solidarity, Ensuring Regional Development and Increasing Quality and Effectiveness in Public Services. The implementation of the DP is monitored by the State Planning Organisation. In addition, a National Rural Development Strategy (NRDS) of which the implementation is also monitored by the SPO was adopted in 2006. IPA assistance will support the implementation of the DP and the NRDS as its priorities are aligned with those of Turkey's accession preparations. With the help of IPA, Turkey will be able to meet the objectives of the DP and the NRDS faster than it would have been possible otherwise.

Turkey also adopted its National Programme for the Adoption of the *acquis* (NPAA) in December 2008. The NPAA details Turkey's planned steps in its EU alignment process, thus addressing the short-term and medium-term priorities of the 2008 Accession Partnership. The priorities under the NPAA are the fulfilment of the political criteria in areas such as public administration, judiciary reform, prevention of torture and ill treatment, access to justice, freedom of expression, fundamental rights, women, children and trade union rights, the economic criteria in areas such as economic policy coordination, fiscal policy, regulatory reforms, investment environment, labour market, social security and assistance, education, health, energy and transport and sector specific measures for the adoption of the *acquis* by negotiation chapter. These priorities reflect those listed in the Accession Partnership and key issues identified in the EU's progress report and if addressed will allow to meet the political and economic challenges listed above.

In March 2010 the Secretariat General for EU Affairs adopted an "EU Strategy for Turkey's Accession process – 2010-2011 Action Plan" which outlines Turkey's *acquis* alignment plan in the short-term perspective. These streamlining efforts are especially important as the accession negotiations reach a more demanding phase requiring Turkey to step up its efforts

in meeting benchmarks to allow for further progress in the opening of chapters. The priorities of this MIPD are directly derived from these strategy documents.

2.3. Relations with the EU

Turkey has had a long association with the project of European integration. A European Economic Community-Turkey Association Agreement was signed in 1963 and an EU-Turkey customs union (to be progressively developed) established in 1995. Turkey is a candidate country for EU membership following the Helsinki European Council of December 1999. Accession negotiations started in October 2005. Since then the EU opened negotiations on thirteen chapters and in addition closed provisionally one chapter. In February 2008 the Council adopted a revised Accession Partnership with Turkey.

The accession negotiations have reached a more demanding stage requiring Turkey to step up its efforts in meeting relevant conditions in areas which require more complex and far reaching reforms. The EU accession process provides an opportunity for Turkey to strengthen democracy and fundamental rights and further modernise the country. Regarding the accession negotiations, three additional negotiation chapters have been opened since the beginning of 2009 when the previous MIPD was prepared. These include 'Taxation' opened in June 2009, 'Environment' in December 2009 and 'Food safety' in June 2010.

EU financial assistance is provided through the Instrument for Pre-Accession (IPA), which supports the accession process and helps Turkey to carry out reforms which are important for accession preparations but also for the economic and social modernisation of the country. IPA assistance can often provide Turkey with the necessary expertise to kick start and complete accession-related reforms faster and more efficiently than would have been possible otherwise.

Assistance under IPA is implemented through decentralised management. The assistance is managed by the Turkish authorities following the accreditation process carried out by the Commission and completed for IPA components I-IV in 2009. In 2010 the main focus has been to start implementation under these components. Turkey needs to strengthen its capacity to absorb funds, achieve results and implement in a timely manner components I-IV. Moreover, preparations for the conferral of management responsibility under the rural development component (V) need to be completed to not further delay the implementation of the related funds. The supervision by the National Authorising Officer needs to address system weaknesses, including monitoring and control, and further improve the quality and efficiency of the project and programme cycles.

2.4. Lessons learned

Turkey receives assistance from IPA under 5 components with a total allocation of EUR 4.87 billion for 2007-2013.

Based on the Commission's own assessment of past performance and recent audits and evaluations², the following lessons learnt have been taken on board to improve the financial assistance:

² European Court of Auditors (ECA) Special Report on "The European Commission's management of pre-accession assistance to Turkey". An evaluation on the intervention logic for programming pre-accession assistance to Turkey under IPA was completed in September 2009: "Ad Hoc Evaluation of the European Commission's intervention logic for Financial Assistance in candidate countries and key lessons for MIPD 2010-2012 revision A case study – Turkey". A number of thematic evaluations were

- (1) Given the often insufficient strategic underpinning of assistance provided, the revised MIPD for 2011-2013 aims to be a step in the direction of establishing a more strategic and focussed programming framework for IPA in particular through the introduction of sectors. A review of the sectoral definitions under IPA Component I aims to ensure a higher degree of consistency and clearer links between the MIPD, annual programmes and monitoring committees.
- (2) There has been an insufficient direction and lack of specific criteria to determine the priorities of EU assistance and insufficient measurability of achievements of assistance given to Turkey in the past. Consequently, a number of measures were brought under way by the Commission to improve the programming and monitoring of assistance. Improvements were introduced in the annual programming process for Component I. by strengthening project design and in this MIPD through more links to sector strategies. Given the vast number of areas that remain to be addressed under the NPAA and Accession Partnership, the MIPD still covers a wide range of priorities. However, an effort has been made to make priorities more specific and focussed and to only include areas where concrete support projects are likely to materialise in the coming years, moving away from an approach of listing all potential reform needs. This will make the MIPD more realistic, strategic and relevant and will allow an assessment in the future on whether the intended results have been achieved. The current MIPD presents a step in the direction of a more sector based approach which is expected to be developed further in the future.
- (3) Although projects in the past have generally achieved their intended outputs and results were likely to be sustainable, the results and impact of assistance has not always been measurable. Further efforts are therefore made in the programme and project design to have measurable objectives and results and adequate indicators.
- (4) Given the delays in implementation of assistance, measures have been taken to improve financial execution through a strengthening of the management and control systems, better forecasting, procurement planning and capacity increase in the national authorities managing the funds.
- (5) Extended use of the twinning instrument is also envisaged to improve the relationship between Turkish ministries and their counterparts in EU Member States and to make full use of the potential gains from exchange of know-how between the Member States and Turkey on the implementation of the *acquis*.
- (6) Within the field of civil society efforts are focused on bringing together key organisations in order to develop a clear strategy for the development of civil society and to maximize the contribution which civil society can make to Turkey's preparations for EU membership.
- (7) Considering the need for enhanced donor coordination, under the lead of the EU Delegation in Turkey, EU member states, IFIs and other international and bilateral donors have accepted a systematically enlarged coordination at the level of all relevant

also carried out between 2008 and 2010. A Country Programme Interim Evaluation of EU pre-accession assistance to Turkey was finalized in 2010. The need to increase effectiveness and impact of assistance was also part of the conclusions of a conference held by the Swedish Presidency and the Commission in Brussels in October 2009 and was confirmed by the Member States in the Council conclusions of December 2009.

actors engaged in Turkey in financial and technical cooperation. These efforts reflect the principles of aid effectiveness laid down in the Paris and Accra summits.

- (8) The evaluation report on *Gender Equality in Turkey*, which was financed by the Commission, emphasised the need to systematically carry out gender mainstreaming within the IPA structures, while the thematic report focusing political criteria highlighted the need for priority indicators – particularly in the field of gender equality – to ensure sufficient prioritisation between projects.

2.5. Consultations with stakeholders and donors

After conducting a limited assessment of the MIPD 2009-2011 and consulting it with the Turkish authorities the European Commission concluded in its assessment completed in early 2010 that the strategic priorities could remain in place for one more year as based for IPA 2010 programming. The MIPD 2011-2013 puts the stress on ownership and a more sector based approach towards setting priorities for assistance. This has been achieved by a higher degree of involvement of the Turkish authorities in the selection of priorities, a closer link to political reform priorities in the different fields and where possible a better alignment with existing national sector strategies. The process was supported by the IPA Monitoring Committee, which agreed on 16 October 2009 to gradually move IPA assistance to Turkey towards a more sectoral programming approach and to introduce measures to make programming more priority based and focused.

As part of the consultations for the MIPD 2011-2013, Turkey was invited to provide the Commission with its strategic priorities for the next three years of IPA assistance and the National IPA Coordinator at the Secretariat General for European Union affairs (EUSG) established a number of working groups inviting key public bodies and beneficiaries to define priorities for assistance. The outcome was a preliminary mapping of relevant national sector strategies already in place and under preparation together with indicative priorities for the different sectors identified. On 29 April 2010 a jointly arranged seminar was held in Ankara where Turkey presented the new approach to potential beneficiaries of the assistance and to several stakeholders, including civil society representatives. At the same occasion the conclusions from the working groups were discussed with the Commission. Turkey presented its priorities for the coming years, focusing on the chapters of the *acquis* where significant progress is required and expected from Turkey in order to meet the opening and closing benchmarks of chapters under accession negotiations. The current MIPD for 2011-2013 has been drafted based on the priorities established by the Turkish authorities. They have been reviewed and commented by the Commission services and verified to be in line with the Accession Partnership and the priorities in the EU accession negotiation process. This ensures a good level of ownership and has resulted in the objectives and indicators included in the MIPD. As the Commission decided to introduce a more standardised approach for sectors to be used in the MIPD, the sectors selected in the MIPD partially differ from those proposed by the Turkish authorities. However, sectoral objectives are based on the priority areas proposed by Turkey.

A first draft of the MIPD 2011-2013 was discussed with the Turkish authorities in the second half of July 2010, written comments were received in October 2010. In addition, the draft MIPD was consulted with the Turkish beneficiaries on 24 November 2010 and on 25 November 2010 with the Embassies of Member States in Ankara, IFIs, bilateral and international organisations and civil society organisations. These consultations were much appreciated by all stakeholders and led to substantial discussions and increased ownership.

The outcome of these consultations revealed broad support for the priorities and sectors selected and led to revisions of the draft document. In particular the following further adjustments were made to the MIPD:

- Activities in the area of Public Administration Reform were removed as separate sector and were integrated in other areas of the MIPD.
- More emphasis was put on horizontal priorities such as gender equality and civil society support.
- Further improvements were made to the drafting of the background and objectives and indicators inside sectors.

2.6. Selected priorities for EU assistance

The following priorities for IPA support over the period covered by this MIPD have been identified:

The first priority for Turkey is to make progress in the critical areas of rule of law in order to tackle key reforms of the judiciary and fundamental rights.

A second priority is to adopt the *acquis* in areas where there is complex legislation or costly requirements to adopt EU standards in areas such as transport, agriculture, food safety, environment, climate change and energy.

A third priority is to support Turkey in its economic and social development and to enhance competitiveness.

Horizontal priorities that will be supported as cross-cutting themes are participation of civil society, participation in EU programmes, a high degree of protection of the environment³, mainstreaming of climate change considerations, equal opportunities for men and women, support to disadvantaged and vulnerable groups as well as the development of good neighbourly relations. These horizontal priorities may be supported in their own right or as part of programmes and projects in other priority areas.

In line with these priorities, the choice of sectors in the MIPD has therefore been carried out bearing in mind the remaining challenges for Turkey to fully meet the Copenhagen criteria for membership with particular focus on the political criteria. At the same time, not all areas in need of support for Turkey's accession preparations can be funded under the MIPD in the next three years and priority was given to areas where support will make the most significant impact. Moreover, in some areas funding has been allocated recently under IPA or by other donors or IFIs, or Turkey decided that they will address these needs from national funds. The sectors and priorities chosen have potential to support the catalytic effect and additionality of the EU support. Where linkages between sectors exist, these will be explored in order to ensure that assistance provided is mutually reinforcing. This is especially the case where there is strong ownership and political commitments for the reforms on the Turkish side and comprehensive sector strategies either exist or are under will. EU assistance will provide value added and often kick start important reform processes that will continue in a sustainable manner beyond the duration of the EU programmes.

³ All EU financed investment projects comply with sustainable development principles and meet relevant environmental requirements.

In line with the Europe 2020 Strategy, Turkey also needs to ensure that the challenges linked to climate change are addressed, in particular by reducing the emission intensity of its economic development. The aim to reduce greenhouse gas emissions shall be taken into account in all relevant sectors of the MIPD, in particular in the sectors of Transport, Energy, Environment and Climate Change, and Agriculture and Rural Development. Furthermore, all financial assistance must comply with the principle of sustainable development and meet the requirements of the relevant EU environment acquis, in particular the EIA as well the Birds and Habitats directives.

3. MAIN SECTORS FOR EU SUPPORT FOR 2011-2013

To achieve the priorities selected for support in the programming period 2011-2013, the Commission will focus its assistance primarily on the following sectors:

- (1) Justice, Home Affairs and Fundamental Rights
- (2) Private Sector Development
- (3) Environment and Climate Change
- (4) Transport
- (5) Energy
- (6) Social Development
- (7) Agriculture and Rural Development

The selected sectors are based on the priorities provided by Turkey which ensures a high degree of ownership. The selection of a limited number of sectors allows for a targeted approach towards EU assistance that aims to deliver the expected results and meet the envisaged objectives in a sustainable manner in line with the lessons learnt described above.

Besides the seven sectors defined for the purpose of this MIPD, a multitude of often interlinked sub-sectors, strategies and priorities within the sectors exists. A process has started where a more sector based approach for the use of financial assistance is being developed in some of these areas, where the necessary strategies, institutional framework, performance assessment and coordination mechanisms are in place. While some of the sectors are more coherent in terms of strategies, institutional framework and priorities, generally linkages between vertical and horizontal reforms are so significant that no area can be considered in isolation and strong coordination between sectors and subsectors is essential for a successful reform process. This is why sectors at a higher level were selected. Many programmes and projects will benefit several sectors and therefore require strong coordination structures during all stages in order to achieve the maximum impact.

Assistance to support these sectors will be provided under IPA component I, III, IV and V. It will be implemented via technical assistance, twinning, works and supply contracts as well as through grants. Other forms for the delivery of assistance such as sector wide programmes or pooled financing with other donors may be piloted in the 2011-2013 in agreement between the Commission and the Turkish authorities if found appropriate for a more effective delivery of assistance. In addition, IPA funds will continue to be provided to Turkey to support participation in Union Programmes.

The European Commission Communication on the Enlargement Strategy and Main Challenges 2007-2008 and in the last Strategy Documents (2008, 2009 and 2010) underlined the importance of civil society being able to play its role in a participatory democracy. The "Civil Society Facility" (CSF), financed under both the IPA multi-beneficiary and the IPA national programmes, was set up as the tool to financially support the development of civil society. The CSF includes actions to strengthen freedom of expression, as it represents a basic precondition for a functioning democracy. An adequate legal framework allowing media to operate freely needs to be put in place. A network of technical assistance desks (TACSO) has been established in the Western Balkans and Turkey. This network became operational in autumn 2009. Also, Local Advisory Groups have been established consisting of representatives from the EU delegations, governments, civil society and other donors.

In line with the recommendations of the 2010 ELARG strategy, fighting corruption is a crucial challenge for most of the countries in the enlargement process. Tangible results and credible track-record in the fight against corruption are important elements for moving forward in the stages of the EU accession process. Financial assistance will pay particular attention to this aspect, as corruption remains prevalent in many areas and needs to be tackled.

Equal opportunities and non-discrimination will be respected as regarding gender at the programming and implementation stage, particularly in relation to socio-economic support programmes. Minorities' and vulnerable groups' concerns will be reflected in all activities programmed under IPA, in particular when it concerns public services, legislative matters and socioeconomic development.

In the sectors Competitiveness, Environment and Climate Change, Transport, Social Development and Agriculture/Rural Development assistance is continued to be provided under the Operational Programmes for IPA component III-V, which are already in place. In addition, complementary assistance will be provided under IPA component I. Otherwise, component I will focus on the Justice, Home Affairs and Fundamental Rights and Energy sectors to make a maximum impact in these areas.

The key indicators for the achievement of the expected objectives in the sectors will be:

- At least 70% of indicators listed within the sectors are addressed by projects under IPA component I 2011-2013.
- Substantial progress is noted 2013 onwards in the Progress Report of Turkey under the political criteria and the chapters covered by the selected sectors under the adoption of the *acquis*.

More detailed indicators at the sector, subsector, results and activity level will be included at programmes and project level.

According to the Multi-annual Indicative Financial Framework for IPA for the years 2011-2013⁴ Turkey will receive an indicative allocation of € 2616.9 million of pre-accession funds.

The planned allocation per sector and per year is presented below:

⁴ COM (2009) 543 of 14 October 2009.

Indicative Financial Allocation per Sector (€ million)			
2011-2013	Period 2007-2010	Period 2011-2013	
Justice, Home Affairs and Fundamental Rights	373.46	439.77	17 %
Private Sector Development	250.22	311.74	12 %
Environment and Climate Change	346.34	465.64	18 %
Transport	270.69	336.29	13 %
Energy	3.85	129.35	5 %
Social Development	546.61	310.42	12 %
Agriculture and rural development	405.63	593.69	23 %
TOTAL	2196.80	2586.9	100 %

The financial assistance will be implemented through the relevant IPA components as follows:

In € million

IPA Component	2011	2012	2013
Transition Assistance and Institution Building	228.62	233.90	238.33
Cross-border Cooperation*	9.78	9.97	10.17
Regional Development	293.40	367.81	378.00
Human Resources Development	77.60	89.93	96.00
Rural Development	172.50	197.89	213.00
TOTAL	781.90	899.50	935.50

* IPA Component II, Cross-border cooperation, is dealt with in a separate MIPD.

Financial allocations are indicative and may vary according to actual financial needs identified at time of programming. The Commission aims to allocate indicatively around 2-5% of the overall assistance for the three years to civil society support.

In addition, IPA may finance actions of a horizontal nature that fall outside the scope of these sectors such as, but not limited to: i) project/sector programme identification and preparation; ii) *acquis* related actions that need to be adopted/implemented according to an established timetable (e.g. negotiating framework or NPAA); iii) participation in Union Programmes to which the country becomes eligible and unless they are included in one of the sectors chosen above; iv) as well as support measures for the implementation, monitoring and audit of IPA programmes.

3.1. Justice, Home Affairs and Fundamental Rights

3.1.1. Description of sector

In line with the renewed consensus on enlargement and taking into account experience from the fifth enlargement, democratisation and rule of law are key priorities which need to be addressed by candidate countries during the accession process. Despite important democratic reforms carried out in recent years further results are needed regarding the rule of law and fundamental rights. To address them will be a decisive condition in the EU accession process under the Copenhagen political criteria. This sector also affects fundamentally public perceptions of the enlargement policy in general and Turkey's membership bid to the EU. Substantial efforts, including constitutional reforms, are under way in Turkey to address the remaining problems but further efforts are needed. Independence, impartiality and efficiency of the judiciary are essential, as are a professional police, depoliticised administration and the full civilian oversight of the security forces. Further progress is needed in Turkey on torture and ill-treatment, prison reform, freedom of expression, association and religion, women's rights, children's rights, support for disadvantaged groups such as persons with disabilities, trade union rights and rights of persons belonging to minorities. Moreover, further progress is needed in the fight against corruption and to establish a fully effective and efficient public service. These issues need to be addressed as a matter of urgency and IPA can play a critical role in this. Financial assistance under this sector will contribute to social inclusion with a particular focus on disadvantaged groups and is thereby supporting a priority area of the Europe 2020 strategy.

Turkey has put in place a strategy for the judiciary, which lists required reform measures and is being implemented. The strategy would benefit from more concrete targets that would allow to concretely measure progress towards the objectives of a more independent, transparent and effective judiciary. Concrete strategies and/or action plans exist or are under preparations such as for Fundamental Rights, the Implementation of Turkey's Integrated Border Management Strategy, the strategy for anti-corruption 2010-2014, on Asylum and Migration and Fight against organised crime, on change management and strategic plans of the Turkish Customs Administration. The priorities of the Accession Partnership, Progress Report, NPAA, DP and Strategic Coherence Framework together with the strategies and action plans in place provide the basis for the programming of funds. The existence of a number of different strategies in this area reflects the complexity of the sector and shows that support has to remain targeted and that sector programmes and support projects will have to focus on a more narrow range of activities and institutions to be effective.

The implementation of the different national strategies and action plans will be supported through the financial assistance. To be effective continued development and pluralism of civil society is needed as engine for, and guarantor of, the reforms besides the direct support institution building and capacity strengthening. Specific guiding principles for civil society development were drafted and widely discuss among civil society stakeholders in Turkey. The consultations revealed that there are a number of legal and administrative obstacles, which need to be removed in order to ensure an effective participation of civil society in the process. Moreover in this context, a continuation of the civil society dialogue between Turkey and the Member States and other candidate countries focusing on this sector will contribute to the reform efforts.

3.1.2. Past and ongoing assistance (EU and other donors)

The financial assistance allocated to Turkey by the EU from 2000 to 2009 for meeting the political criteria and carrying out judiciary and public administration reforms has amounted to almost EUR 500 million. Under the political criteria, democratisation and the rule of law, the promotion of human rights (including the protection and rights of vulnerable groups) and women's rights and the situation in the east and the South-East), as well as good governance – have been addressed through a number of projects aimed at the judiciary, the law enforcement bodies, civil society and education institutions. Many projects have already been completed successfully and a number of positive immediate and intermediate impacts in areas such as judiciary reform or adoption of the *acquis* in this sector have been achieved through training, awareness raising, the drafting of legislation, development of IT systems, preparation of strategies/action plans and the commissioning of supplies.

In this sector international organisations such as the Council of Europe and UN Agencies (e.g. UNDP, IOM, UNFPA, UNICEF, UNHCR) have provided substantial support, together with relevant Turkish and international NGOs working on Human Rights, Civil Society Development and other right-based areas. The World Bank provides support for public administration reform. Bi-lateral support is provided by several EU member states (e.g.: Denmark, France, Germany, the Netherlands, Sweden the United Kingdom etc.) and/or their development agencies (British Council, SIDA, MATRA etc.) as well as by Canada. Donor working groups on governance and migration issues (asylum and border management) help to coordinate efforts in this area.

3.1.3. Sector Objectives for EU support over next three years

The first objective is to implement the necessary reforms to build an independent, impartial and efficient judiciary. The second objective is effective law enforcement, successful fight against crime and corruption and improved integrated border management and prevention of illegal migration. The third objective is to achieve measurable progress towards the full enjoyment of all fundamental rights and freedoms by all individuals without discrimination. The fourth objective is to establish a well functioning and effective civil service and to proceed with modernization of the public administration. The fifth objective in this sector is to set up strong democratic institutions and civil society promoting pluralism and the values of European integration. These objectives are directly derived from Turkey's National Programme for the Adoption of the *Acquis* and the Accession Partnership as well as from the relevant strategies and action plans in this sector. Financial assistance under this sector will contribute to social inclusion and is thereby supporting a priority area of the Europe 2020 strategy. Specific emphasis and a considerable share of the financial assistance available for this sector would be expected to be allocated to support the implementation of the Readmission Agreement between Turkey and the EU once signed, as well as to foster the achievement of the sector objectives on integrated border management, to enhance the capacity to prevent illegal migration and to improve the quality of the asylum system in Turkey.

Types of indicators to measure developments towards these objectives include, inter alia:

- Completed capacity building aiming at more efficient and effective organization, strengthened independence and impartiality of the judiciary through improved court management system, including competent and effective court experts; strengthened juvenile justice system; efficient use of alternative dispute resolution mechanisms and

mediation system and increased efficiency of law education and training and expertise of the judiciary, in particular in EU law and by supporting the Justice Academy.

- Better access to justice through completed review of legal aid, expertise and interpretation services to enable better access to justice; establishment of an effective Ombudsman institution and establishment of Courts of Appeal in administrative judiciary and fully operational Regional Courts of Appeal.
- Improved penitentiary system through better access to health services for prisoners and further strengthened and spread probation services.
- Achieve results in the fight against corruption through support provided to the effective implementation of the anti-corruption strategy and the action plan, effective measures in place to improve ethical standards, transparency in the public sector and tackle conflict of interest of public servants, enhanced collaboration among NGOs, public and private sectors for an ethical culture in society and improved capacity of inspection boards to fight against corruption.
- Strengthened law enforcement and effective fight against crime through strengthened capacity of law enforcement institutions, including improved inter-agency and international cooperation; improved forensic skills, crime analysis, criminal investigation; effective measures to reduce organised crime, drugs and cyber crimes; to prevent money laundering, reduce financing of crime and terrorism and full civilian oversight of the security forces ensured.
- Effective integrated border management and prevention of illegal migration through effective systems to manage asylum, illegal migration and borders; establishment and effective functioning of the integrated border management system and reduction of cross-border crimes, in particular focusing on trafficking and smuggling in human beings.
- Sufficient administrative and operational capacity of the Turkish Customs Administration to implement a customs code fully aligned with that of the EU through measures taken for the protection and enforcement of intellectual property rights; adequate enforcement capacity of the customs administration and operational IT systems which ensure a better interconnectivity and information exchange with the EU Member States.
- Freedom of expression, including freedom of the press, freedom of assembly and demonstration, freedom of religion and cultural rights protected and strengthened through targeted training completed on human rights and investigation techniques for judges, public prosecutors, law enforcement officers and civil administrators, including effective investigation of allegations of torture in line with the framework of the Istanbul Protocol. Upgraded detention centres in conformity with international standards, effective follow up mechanism for European Convention for Human Rights (ECHR) preventing repeated violations of the Convention and for the European Court of Human Rights (ECtHR), definition and implementation of ethic principles for law enforcement officers and effective reporting, registration and follow up of human rights violations.
- Improved integration, respect for and protection of minorities and disadvantaged groups, including internally displaced persons, Roma; children's rights and women's rights are protected and promoted effectively, reduction of violence against women and children; gender equality and anti-discrimination policies are implemented and promoted; support

mechanisms in place for persons with disabilities, mental illnesses and elderly persons and enjoyment of full trade union rights by workers and public servants.

- Effective implementation of the legislation regarding the reform and restructuring of the central public administration and transferring authority to the local and provincial administrations; reduced bureaucracy, strengthened policy making systems and sustainable development of a professional, accountable, transparent and merit-based civil service; parliamentary and civilian oversight mechanism over security sector secured; oversight, control and participatory mechanisms supported including strengthened external and internal audit functions and establishing an independent data protection system.
- Civil society development and civil society dialogue, democratisation, promotion of the values of the EU⁵ and of cultural diversity and protection and preservation of cultural heritage; development of democratic standards and structures, including capacity building of the Parliament and political parties; improved environment for civil society and strengthening the capacities of organised active citizens, more effective civic participation in policy processes at all levels, including a better legal framework for establishing, operating and funding civil society organizations; support provided to the sustainable development of grassroots civil society organisations and newly established organizations and strengthening, sustainability and activism of civil society organisations ensured.
- Fostered dialogue, communication and cooperation between Turkish civil society organisations and those in EU member states and candidate countries and increased awareness among civil society and population in Turkey about EU values, fundamental rights, policies and Turkey's EU accession process through improved provision of targeted EU information and communication.

3.1.4. EU assistance per IPA component

The main support under this sector is provided under IPA component I but links to component IV are also important for the sector, in particular where fundamental rights are concerned (see related results addressed under component IV in the sector social development).

Besides the traditional delivery of support to the public sector through Technical Assistance, Twinning, Grant Schemes and investments, to achieve some of the above results in a sustainable manner, a further objective is to facilitate the further development of active citizenship and pluralism in Turkey, by implementing the guiding principles of EC support to the development of civil society in Turkey, and enhanced civil society dialogue between Turkey and the EU/other candidate countries.

In this sector, IPA will also support Turkey's participation in the Union Programmes *Culture 2007-2013*, *European Monitoring Centre for Drugs and Drug Addiction* (subject to the ratification by Turkey of the relevant Memorandum of Understanding) and *Customs 2013* through annual contributions within the national programme.

3.2. Private sector development

3.2.1. Description of sector

Supporting private sector development and increasing competitiveness is one of the main objectives and development axes of Turkey's DP. Turkey's GDP per capita (PPS) represents

⁵ As defined in article 3 of the EU Treaty.

46% of EU27 average⁶. In addition, Turkey has to contend with regional disparities that are much more marked than in any country of the EU. Other social and economic indicators - life expectancy, literacy rates, education, access to health services, sanitation, industrial activity, FDI fluxes and employment - also underline the development gap among Turkish regions. These factors lead to mass migration of skilled people from the eastern regions to the more dynamic western regions, placing significant pressures on urban centres and further contributing to the accentuation of regional disparities.

In this context, SMEs have an important role in establishing market competitiveness, increasing employment, and improving income distribution. Dynamic and competitive SMEs are fundamental therefore to increase the competitiveness of Turkish regions, to reduce disparities and to achieve a higher rate of convergence with the EU. IPA support under the regional competitiveness theme should contribute therefore to improve the competitive stance of Turkish regions to attract and maintain sustainable economic activity which create wealth and employment. Development Agencies (DAs) were established at all 26 NUTS II regions in Turkey, which would foster local democracy and public participation as well as for accelerate regional development, ensure sustainability and reduce inter-regional and intra-regional disparities. DAs have the potential to support the utilization of EU pre-accession funds at regional level.

Increasing regional competitiveness is a key element in order to achieve this aim. In order to converge with the EU and to narrow inter-regional disparities for sustainable, low-carbon and balanced development, Turkey needs, inter alia, to expand its economic and business potential, namely through improved capacity to innovate and to use existing know-how and new technologies more efficiently. The Operational Programme for Regional Competitiveness serves as strategy in this area with particular emphasis on less developed regions. It allows delivering assistance comprehensively and in a targeted manner based on a programme based approach. The OP is following a sector approach and is compatible with the DP, SCF 9th National Development Plan, the Industrial Strategy, the SME Strategy and Action Plan and the Information Society Strategy.

EU assistance in this sector makes a strong contribution to the Europe 2020 strategy by supporting priority areas “R&D, innovation and digital society” and “Competitiveness, including the industrial base and SME sector”.

3.2.2. Past and ongoing assistance (EU and other donors)

The implementation of the Operational Programme for “Regional Competitiveness” under IPA component III started in late 2009 when the Financing Agreement was signed and the management powers were conferred. In the past this sector was included in Economic and Social Cohesion programmes, which provided over EUR 450 million to Turkey in the period 2000-2006.

The donor working groups on Competitiveness/Economic Governance and Regional development are chaired by the World Bank and UNDP/UNIDO, respectively.

3.2.3. Sector Objectives for EU support over next three years

The main objective within this sector is to increase employment, productivity and export of goods and services, particularly in the regions where employment and business stock is low.

⁶ Eurostat news release 91/2010 – 21 June 2010

Types of indicators to measure developments towards these objectives include, inter alia:

- Improved provision of basic services, infrastructure and technology which contribute to SME development, strengthening and upgrading.
- Stimulated innovation, entrepreneurship, technology transfer, namely through development of business networks and clusters, and public-private partnerships.
- Facilitated SMEs access to finance, namely through the provision of revolving finance (e.g. loans, equity and guarantees) at affordable costs and avoiding market distortions.
- Promoted SMEs participation in information society, including development of local content, services and applications.
- Assistance and services provided to SMEs to adopt and effectively use information and communication technologies.
- Better integration into the European Research Area and strengthened research and technological development capacities.
- Provision of infrastructure and services which contribute to the creation of suitable environment for tourism development.

3.2.4. EU assistance per IPA component

Support in this sector is provided under IPA component III through one Regional Competitiveness programme covering the statistical regions equivalent to NUTS level 2 regions whose GDP per capita falls below 75% of Turkish national average GDP per capita (PPS) on the basis of latest available Eurostat statistics

Links exist with activities that could be supported under component I, other interventions, in areas of the *acquis* such as free movement of goods and services, enterprise and industrial policy, company law or public procurement.

In this sector, annual contributions under component I will also support Turkey's participation in the Union Programmes *Entrepreneurship and Innovation Programme (EIP)* and the *Information and Communication Technologies Programme (ICT)*; both belonging under the *Competitiveness and Innovation Framework Programme (CIP)*. Substantial amounts will also be allocated to support Turkey's participation in the *7th Framework Programme*, given the country's rapidly growing participation fee for this programme.

3.3. Environment and Climate Change

3.3.1. Description of sector

As for all candidate countries, adopting the environmental and climate change *acquis* is an enormous challenge for Turkey. Under the coordination of the Ministry of Environment and Forestry, the EU Integrated Environmental Approximation Strategy (UÇES) was prepared and approved by the Higher Planning Council in February 2007. According to the UÇES, Turkey's investment needs for compliance with the environmental *acquis* are estimated as around 59 billion Euro, where costs for chemicals, noise and packaging waste are not included. Currently, Turkey's infrastructure is insufficient in water, urban water waste treatment plants and controlled landfills. Also the institutional capacity remains low in many

areas. To address these needs the implementation of projects necessitates an overall sustainable environmental investment strategic and integrated approach (including river basin management plans in the water sector) as well as waste water and solid waste management plans and local external emergency plans in the area of Industrial Pollution Control. The respect of general principles of environmental policy and conventions, the polluter pays principle, need for low-carbon development, and financial sustainability has to be taken into account.

The main strategy for the sector is the “Plan for Setting up Necessary Administrative Capacities at National, Regional and Local Level and Required Financial Resources for Implementing the Environmental *Acquis*”, which defines the actions required for Turkey to implement the *acquis* in the Environment and Climate Change sector. The strategy details the actions, timeframe and resources required and the sector can therefore be considered as coherent and supporting a sector wide approach. IPA supports in this section the implementation of the Europe 2020 strategy under the priority “Climate Change, Energy and Transport”.

3.3.2. Past and ongoing assistance (EU and other donors)

The implementation of the Operational Programme for “Environment” under IPA component III started in late 2009 when the Financing Agreement was signed and the management powers were conferred. A large number of contracts are currently at the preparatory phase and expected to be implemented in the coming years, giving a major boost to Turkey’s membership preparations in this area. The donor coordination working group on Sustainable Development (Environment, Energy and Climate Change) is chaired by UNDP and UNIDO.

In addition to the investment support, over EUR 85 million have been provided in this sector to Turkey between 2000 and 2009 for institution building and legislative alignment under EU pre-accession funds. These have helped Turkey to advance their adoption of the *acquis*, in particular through the transposition and implementation of Directives in the area of Water and Wastewater, Waste Management, Air Quality, Nitrates, Integrated Pollution, Prevention and Control, Horizontal, Nature Protection, Chemicals and the Noise Directive, including the related administrative capacity building.

3.3.3. Sector Objectives for EU support over next three years

The objective in this sector is for Turkey to fully comply with EU environmental and climate change legislation upon accession requiring adoption of all relevant Directives and legislation, including the necessary investments.

This sector belongs to one of the most difficult and costly in terms of transposition, implementation, enforcement and heavy investments. To meet this objective is a long term aim, which will be addressed via the implementation of the sector strategy. The existence of this strategy for the sector, which has a clear focus, priorities and estimate of the required budget makes it a possible candidate for more sector based programming of assistance.

Types of indicators to measure developments towards these objectives include, inter alia:

- Transposition and enhancing implementation of framework and horizontal legislation and establishment of strong administrative capacity at all levels.
- Compliance with international environmental and climate conventions.

- Designated and supported nature protection areas and biodiversity, in particular pursue work on the preparation of the list of the sites for the NATURA 2000 network and legislation on nature protection.
- Improved water quality, in particular through advances in the transposition and implementation of the Water Framework Directive and including an integrated approach to the marine environment.
- Improved air quality and effective air quality management systems.
- Effective waste management systems.
- Effective industrial pollution control and risk management.
- Effective management of chemicals in order to prevent harmful environmental impact and in line with the EU's legislation on chemicals.
- Development of measures to mitigate and adapt to climate change, with convergence towards EU requirements and mainstreaming of climate change considerations into other sector policies.
- Reduction of the pollution of recipient water bodies.
- Improved governance of sea-related activities such as, for example, Maritime Spatial Planning, Integrated Coastal Zone Management or marine and maritime research.
- Introduction of waste collection systems meeting EU requirements.
- Closure of non-compliant municipal landfills, opening of new ecological landfills meeting EU requirements.
- Capacity to prepare, implement and manage large-scale infrastructure projects in the environmental sector, in particular at beneficiary level.
- Creation of new jobs and improvement of public health.
- Energy efficiency and use of renewable energy sources advanced.

3.3.4. EU assistance per IPA component

Whereas component I finances legislative alignment and capacity building for the management of the *acquis*, under the Operational Programmes of component III, infrastructure investments in these areas are supported.

Assistance under component I will be provided through Twinning, TA, supply of equipment and grant schemes. Annual contributions under component I will also support Turkey's participation in the European Environment Agency (EEA).

The implementation of results under component III will be delivered through the implementation of one Environment Operational Programme with focus on the water, waste water and solid waste sectors, where the impact on the population are the widest and the self-financing capability is the least. The main activities will be projects in the water sector (water supply and urban waste water treatment) and the waste sector (waste management, including

the rehabilitation of municipal landfills not fulfilling EU requirements (e.g. municipal dumpsites). These will also contribute to reducing Turkey's greenhouse gas emissions.

3.4. Transport

3.4.1. Description of sector

The NPAA describes Turkey's priorities in the transport area as the gradual liberalization of the railway sector in Turkey by opening Turkish rail transport market to competition and separation of functions regarding infrastructure management and provision of transport services. A priority in this sector is the construction of new high speed lines to increase passenger transportation by rail between major metropolitan cities. Road transport needs considerable upgrading and the main target of road transport policy is to decrease the present idle capacity and eliminate it after a reasonable time. Other priorities include maritime transport and aviation. In addition to the considerable investments required, Turkey needs to complete the adoption of the *acquis*. Moreover, transport safety and sustainable development are considered as key horizontal priorities.

In the Transport sector separate pre-accession and reform strategies are in place for land transport, aviation and the maritime and railways, which are focussed and outline priority needs. The strategies, which are in place are suitable for a more programme based support to be provided by the EU and other donors as they identify priority actions, financial needs and the timeframe for the required support.

Financial assistance to Turkey in this area supports the priority "Climate change, energy and transport" of the Europe 2020 strategy by modernising transport infrastructure and coordination with EU core networks.

3.4.2. Past and ongoing assistance (EU and other donors)

The implementation of the Operational Programme for "Transport" under IPA component III started in late 2009 when the Financing Agreement was signed and the management powers were conferred. Since then several major projects are under preparation for implementation.

Moreover, around EUR 30 million of EU funds have been provided between 2000 to 2009 for institution building and the adoption of the *acquis* focussing on the maritime, rail and road areas. Among the other donors, UK, Spain and the Netherlands provide bi-lateral support programmes for small scale technical assistance. In addition, development agencies like the AFD, FAD and the international financing institutions like the EIB, the EBRD, and the World Bank provide loans.

The main source of external finance provided for transportation sector is the commercial banks. The remaining external sources for funding transportation sector are IFIs, export credit agencies and foreign governments. According to Turkish external borrowing strategy, financial sources of IFIs are preferred for financing public sector projects. In this respect, the share of IFI sources has been increasing since 2005.

3.4.3. Sector Objectives for EU support over next three years

The first objective is the transposition of the EU's transport legislation thereby aiming at improving the functioning of the market by promoting safe, efficient, environment sound and user friendly transport services in the area of land transport, aviation and railways and maritime, focusing in particular on achieving proximity with EU neighbours. A second

objective is the establishment of new efficient and environmentally friendly transport links with the European Union; relief of national bottlenecks and repair of deficiencies. This objective is shared by the other donors such as the IFIs, including the World Bank which supports the renewal of conventional railway lines and rolling stocks in order to increase line and rolling-stock capacity especially through the provision of loans.

Types of indicators to measure developments towards these objectives include, inter alia:

- Professional competence and policy training completed for institutions and universities in the field of road, maritime, aviation transport and railways.
- Provided support to transport safety and environmental sustainability by focusing on road charging, reduction of greenhouse emissions from transport, use of transport information systems, utilisation of intermodal transport and transport of dangerous and hazardous goods, on safety management systems, network planning and optimisation, reduction of greenhouse gas emissions, passenger rights, airports and aviation safety, an integrated approach and measures to ensure cleaner sea and coastal areas, emergency response and accident prevention and investigation.
- Improving accessibility of transport and mobility in line with the EU acquis, including the realm of disability.
- Institution building carried out to strengthen implementation of the EU acquis focusing on market regulation (establishment of regulatory body, infrastructure manager, accident investigation body and safety authority).
- Efficiency, sustainability, creation of new jobs and facilitation of external and internal trade through improved transport infrastructure.
- Increase in user friendly and safer transportation through trans border and national interconnection projects, deriving from the TINA process, and concerning in particular (a) rail connection in the West with EU Member States, (b) interoperability and (c) multi-modality; motorways of the Sea (port facilities where there is a link to economic development) and intelligent transport systems (ITS) as well as studies and support services.

3.4.4. EU assistance per IPA component

Whereas component I finances legislative alignment and capacity building for the management of the acquis under the Operational Programmes of component III, infrastructure investments in these areas are supported.

The implementation of results will be delivered through the continuous implementation of the Transport Operational programme covering, in principle, the whole territory but focusing on the trans-European network and infrastructure to promote growth.

3.5. Energy

3.5.1. Description of sector

Turkey is one of the fastest growing energy economies of the world. Both primary energy and electricity demand are increasing rapidly in parallel with growing economy and rising social wealth. Turkey's strategies in the energy policy are especially outlined in the Institutional

Strategic Plan for the Ministry of Energy and Natural Resources (2010-2014) as well as in State Development Plans. Compared to its growing energy demand, Turkey's primary energy sources are highly limited. As of 2009, around 24% of the total energy demand is met by domestic resources while the rest is supplied from a diversified portfolio of imports. Diversification of imports in terms of sources, routes and technologies is an important policy tool in order to achieve and improve energy security.

By completing the energy sector liberalization process Turkey hopes to establish a well functioning, free and competitive energy market is targeted. This requires sustainable private sector investments and a well functioning and regulated energy market, while limiting environmental damage, reducing greenhouse gas emissions, and increasing energy efficiency. In this context, the improvement of nuclear safety is of paramount importance to ensure compliance with the acquis in this area. In recent years, Turkey has also concentrated on increasing the use of national energy resources in a cost-effective manner. Overall, achieving a well-balanced energy supply portfolio for enhancing energy security requires timely investments along the supply and demand chain.

Turkey's DP and NPAA describes the main objective of the energy policy to meet the energy needs of economic growth and social development in a continuous, quality and secure manner at minimum costs through a competitive free market environment. These documents provide a sufficient sector level framework for EU support programmes. Support in this sector is also strongly contributing to the Europe 2020 strategy in the area of "Climate change, energy, transport" by supporting the reduction of green house gases, increased use of renewable resources and the promotion of energy efficiency. Through the latter it will also contribute to the priority area of competitiveness.

3.5.2. Past and ongoing assistance (EU and other donors)

Past EU support has so far mainly focussed on electricity networks, energy efficiency and regulatory authorities. A total of around EUR 50 million has been provided 2000-2009.

Finance in the energy sector is provided by the World Bank, the European Investment Bank and the Islamic Development Bank. Donor coordination in this area is led by UNDP and UNIDO under the working group for Sustainable Development.

3.5.3. Sector Objectives for EU support over next three years

The first objective is increased capacity and better alignment in the energy efficiency field. The second objective is further alignment with and implementation of acquis on the internal gas and electricity market. A third objective is to bring nuclear safety in line with EU standards. The selected objectives are key priorities for Turkey, derived from the NPAA and DP and the strategies of the relevant laws concerning energy efficiency and the electricity market. Both the electricity market and energy efficiency are also among the priorities of the Accession Partnership. The third objective is derived from the Accession Partnership is to bring nuclear safety in line with EU standards. Although this priority remains highly relevant and the Commission encourages the use of IPA support, Turkey is currently not participating in horizontal programmes or other IPA programmes in this area.

Assistance provided by other donors is complementary to the EU assistance as it is mainly focussed on the provision of loans for investment into energy infrastructure. Further synergy with other donors could be created in the field of energy and this area may also be suitable for a sector programme and more multiannual approach to programming.

Types of indicators to measure developments towards these objectives include, inter alia:

- Promoted energy efficiency and renewable energies.
- Activities completed to support alignment with and implementation of acquis on the internal gas and electricity market, cross border exchanges in electricity, and gas transmission.
- Supported nuclear safety, in particular through the safe management of spent fuel and radioactive waste.

3.5.4. EU assistance per IPA component

Whereas component I finances legislative alignment and capacity building for the management of the acquis (Twinning, technical assistance and related supplies), under component III investments into energy efficiency are in principle eligible but currently not included as priority in the Operational Programmes. However, the actual inclusion of projects on energy efficiency in component III has not yet been decided upon. As a result, IPA component I will for the moment be the main source of support provided in the area of energy efficiency and support to the development of renewable energy sources.

Assistance under Component I will be mainly provided through technical assistance and investments.

3.6. Social Development

3.6.1. Description of sector

Despite some positive economic developments, the economy's ability to generate jobs has been limited. Unemployment levels have remained quite high, and especially high among young people in urban areas. Women's labour market participation remains below 30%. There is an incompatibility between the skills provided by the education system and those required in the labour market. Turkey has also experienced considerable migration from rural to metropolitan areas, resulting in more demand for city-based employment than urban economies have been able to supply. In addition to a generally still relatively low enrolment rate in education, girls and women attend school in significantly lower numbers than men. Moreover, important disparities remain in basic health and nutrition indicators to the detriment of rural areas and some regions.

What concerns social exclusion, a significant proportion of Turkey's population is at risk of poverty and poverty among children and youth is even higher than for adults. There are many public, private and civil society institutions dealing with persons with disabilities, ex-prisoners, ex-convicts, internally displaced persons (IDPs), Roma, and inhabitants of high poverty areas. However, there is a lack of institutional coordination for handling individual cases, and services are highly fragmented among the different institutions and organisations.

Social development is a key objective as development axes of the DP focussing on the increase of employment and the strengthening of human development and social solidarity. Besides the DP, for the moment no single comprehensive strategy exists for this sector as a whole. However, a number of key documents such as the NPAA, the DP, the Strategic Coherence Framework (SCF), which provide the strategic framework for the programming of IPA assistance under the Regional Development and Human Resources Development components for IPA. In particular, the Operational Programme for IPA component IV and the

Strategic Plan 2010-2014 of the Ministry of Health are the basis for the priorities to be supported under this sector. A focused and well coordinated approach between the different IPA components will be necessary in order to ensure effectiveness.

Assistance provided under this component directly promotes the priorities of the Europe 2020 strategy of education, skills and lifelong learning, and the promotion of social inclusion and fighting poverty, with a particular focus on health care and the support for disadvantaged groups.

3.6.2. Past and ongoing assistance (EU and other donors)

Assistance under Component IV is implemented through a single operational programme for Human Resources Development (HRD OP), which consists of four main priorities and a set of appropriate measures under each priority. Together with the fact that up to 20 % of the overall HRD OP funding is allocated for actions at National Level, main part of the support concentrates on statistical regions equivalent to NUTS level 2 regions whose GDP per capita falls below 75 % of the Turkish national average GDP per capita (PPS) on the basis of latest available Eurostat statistics. The implementation of the HRD OP started with the adoption of the Commission decision on the conferral of decentralised management and the signature of the Financing Agreement in the second half of 2009. In 2010 the HRD OP is updated in order to add the financial allocations for the years 2010 and 2011 and to adapt the related indicators accordingly.

Past support in this sector has also been provided under the economic and social cohesion programmes of 2000-2006 and in addition through interventions concerning social policy of around EUR 50 million from 2000 to 2009. Projects that have been successfully implemented include upgrading of the Occupational Health and Safety system in Turkey, the development of active labour market measures, a strengthening of social dialogue and improved labour inspection system.

In the field of public health, the EU has so far invested in reproductive health, epidemiological surveillance and control of communicable diseases, promoting a cancer-free life, strengthening the blood supply system and the promotion of community-based mental health services.

On the side of the other donors in the area of health protection the World Bank provides loans to the Ministry of Health and important technical advice is provided by the World Health Organisation. UNICEF provides assistance in the health area. Finance in this area is provided also by the Council of Europe Development Bank, European Investment Bank and the Islamic Development Bank. The donor coordination group for Social Policy and Employment is led by the EUD together with the ILO.

3.6.3. Sector Objectives for EU support over next three years

The first objective is effective implementation of the European Social Fund (ESF) and bringing Turkey closer to the EU policies and parameters of the Europe 2020 strategy, both in terms of strengthening employment and human resources development as well as building institutional and administrative capacity. The second objective is alignment to the public health acquis and ensuring adequate administrative structures and enforcement capacity to ensure effective control of communicable diseases and threats to health. Past experience shows that focus in this sector can be achieved through assistance to systems interventions having a multiplier dimension and through a precise targeting of the most disadvantaged groups for assistance to persons. The limited level of assistance available compared to the

needs makes necessary a high degree of thematic concentration in the implementation of Community support. This will be achieved by focussing on a limited number of outputs to be achieved under IPA component I and IV. Furthermore, in order to strengthen the multiplier dimension, assistance will be made available to all regions, with the main part of the support concentrated on the NUTS II regions whose GDP falls below 75% of the Turkish national average.

Types of indicators to measure developments towards these objectives include, inter alia:

- Improvements towards an efficient early warning and response system in control of communicable diseases and threats to public health, including strengthening the role of laboratory structures within the national laboratory network and the epidemiological surveillance system.
- Implemented control programmes designed for specific communicable diseases.
- Strengthened enforcement and surveillance capacities in the fields of tissues and cells, blood and blood components.
- Addressed risk factors related to health such as nutrition and obesity measures, alcohol monitoring.
- Acquis harmonized in the area of organ donation.
- Strengthened the capacity of KETEMs to control cancer risk factors as well as cancer screening and improved palliative care services and strengthened community based services for mental health care.
- Reduction of unemployment (particularly among youth in rural areas), reduced level of undeclared employment and increased participation rates in employment, particularly for women (including those formerly employed in agriculture).
- Modernised and strengthened public employment services able to effectively implement quality and widespread active labour market policies throughout the country as well as a strategic approach to regional disparities in the fields of labour market, education and training and social inclusion policies.
- Adapted education and training to the needs of the labour market; increased attractiveness of secondary/ vocational education training (VET), in particular for girls.
- Strengthened policies for the social integration through employment and further training of women, young people, persons with disabilities and other vulnerable persons.
- Improved coordination and effectiveness of social services providing education, training and employment opportunities, day-care for children and the elderly, in order to facilitate women participation in employment.
- Improved lifelong learning opportunities through the development and implementation of coherent and comprehensive strategies for lifelong learning.
- Better functioning and coordination among the institutions and mechanisms in the field of the labour market and social protection, particularly in order to facilitate the integration of disadvantaged persons in the labour market.

3.6.4. EU assistance per IPA component

Support provided under component I will focus on the area of public health, whereas component IV will provide support for ESF style interventions for human resource development.

Assistance under Component I will be provided through technical assistance and twinning, including awareness raising campaigns and limited provision of supplies where appropriate.

The different measures listed in the Human Resources Development Operational Programme (OP) will be implemented through operations identified in line with the criteria specified in the OP.

In this sector, annual contributions under component I will also support Turkey's participation in the Union programmes Lifelong Learning, Youth in Action and PROGRESS, which is the EU employment and social solidarity programme.

3.7. Agriculture and Rural Development

3.7.1. Description of sector

The Enlargement Strategy 2009-2010 and the Progress Report for 2010 have noted the limited progress achieved in the area of alignment of agriculture and rural development with the *acquis*, as well as the delays in setting up functioning administrative structures and procedures for management of rural development funds in line with the EU standards. Turkey needs to advance in preparations for future implementation of the CAP, in particular regarding the systems for management and control of financial expenditures, agricultural information systems and agricultural policy alignment with the CAP. This is reflected in the conditions set to progress in accession negotiations in this area.

Turkey furthermore needs to focus on the modernisation of the farm, food processing and marketing areas. This should first and foremost be achieved through the upgrading to EU environmental, hygiene, food safety and animal welfare standards, focussing on areas where the related *acquis* to implement is particularly comprehensive and demanding and where structural shortcomings exist. This applies in particular to the dairy and meat area and fisheries. Another priority, although less *acquis* and EU standards related, is to reduce post-harvest losses in fruit and vegetables, as well as adaptation to the effects of climate change.

Turkey also needs to target the diversification and development of rural economies with the overall aim to concentrate on the sustainable development of rural areas. Special attention should be given to the creation of alternative employment in rural areas in order to facilitate the modernisation of the agricultural sector and to contribute to the offsetting of the depopulation trend.

The selection of the priorities for pre-accession assistance through the component V of IPA has taken account of the provisions of the DP and the National Rural Development Strategy (NRDS) adopted in 2006. A Rural Development Plan (RDP) prepared by the Ministry of Agriculture and Rural Affairs (MARA) and approved by the High Planning Council, is furthermore expected to provide additional information about the complete set of national, international and EU funded rural development activities while at the same time highlighting strategic choices for the different funding sources and areas of activity and pointing out synergies between them.

In this sector, two general national sector strategies such as the National Rural Development Strategy as well as the Agricultural Strategy exist. Furthermore, in the context of the accession process, Turkey has and will need to further prepare several strategy documents related to this sector, such as the "strategy regarding identification of agricultural lands and how to develop the national farmer's registration system" or the "strategy for transposition and implementation of EU *acquis*" for Food Safety. Moreover, in-depth analysis of the key agriculture sectors milk, meat, fruit and vegetables have been carried out as a basis for the targeted programming of assistance. In some areas such as fisheries no strategy exists yet but could be developed with the support of financial assistance. The existing strategies are based on a needs assessment in the sector. They are focussed and provide a good basis for measures to be taken with the help of financial assistance in the coming years, in order to prepare for accession and to contribute to rural development of Turkey. Given the wide range of activities and stakeholders, focussing on more narrow areas for the provision of the support is a sound approach as they allow for a functioning coordination and performance management framework. Given the predominantly rural character of the majority of Turkey's regions, measures supporting regional development are also closely linked to this sector and the coordination mechanisms set up under the related operational and rural development programmes provide for the making use of synergies as well as the avoiding of overlap.

IPA assistance in this sector makes a positive contribution to the Europe 2020 strategy by strengthening employment opportunities in rural areas and in fisheries and by improving the competitiveness and technological modernisation of SMEs in the agri-food sector through investments to upgrade to EU standards.

3.7.2. Past and ongoing assistance (EU and other donors)

Between 2000 and 2009, around EUR 160 million have been provided under TPA and IPA to support preparations in the area of agriculture, food safety and fisheries to adopt the EU *acquis*.

In addition, assistance under the IPA component V for Rural Development (IPARD) is provided based on a multi-annual programme covering the period 2007-2013, targeting interventions that contribute to the sustainable adaptation of the agricultural and fisheries sectors and the implementation of EU standards concerning the common agricultural policy and related policy areas like food safety, veterinary and phytosanitary matters, preparatory actions for the implementation of agri-environmental measures and Leader as well as interventions for the sustainable development of rural areas while supporting the development of the rural economy. The programme was adopted by the Commission in February 2008 and modified twice in October 2008 and 2009.

Donors active in the area of food safety, agriculture and rural development and fisheries include but are not limited to the World Bank, FAO, the International Fund for Agricultural Development (IFAD), Islamic Development Bank (IDB), Organization of Petroleum Exporting Countries (OPEC), United Nations Development Program (UNDP). A working group between these donors and the Commission has been set up in 2008 in order to coordinate all rural development related activities on the ground in Turkey.

3.7.3. Sector Objectives for EU support over next three years

The first objective is to facilitate the preparation of the Beneficiary Country for the future implementation of the Common Agricultural Policy (CAP) and related policies respecting the relevant EU standards and thereby ensuring a smooth integration into the Single Market; this

will be achieved by assisting the Beneficiary Country with getting ready to effectively implement EU rural development programmes as well as other CAP related expenditures upon accession, including the setting-up of systems for management and control of financial expenditures and agricultural information systems. The second objective is the alignment with the *acquis* in the area of food safety, veterinary and phyto-sanitary policy. The third objective is the restructuring of the administrative system for fisheries required for the adoption of the *acquis* for fisheries resource management, including the strengthening of resource and fleet management as well as the fisheries inspection and control services, producer organisations and an integrated approach to sea-related activities.

These objectives are derived from the Accession Partnership for chapters 11, 12 and 13 for agriculture/rural development, food safety and fisheries, which are reflected in the NPAA as well as from Turkey's DP, which foresees the development of the rural economy as part of the objective regional development. Under this sector, the main support aimed at economic agents in the agricultural sector and rural areas is provided by component V. Fisheries establishments and fisheries producer organisations would also be supported under component I and V.

Types of indicators to measure developments towards these objectives include, inter alia:

- Developed activities related to the future implementation of an Integrated Administration and Control System (IACS) and the use of Land Parcel Identification System (LPIS).
- Expansion of the FADN to a larger number of provinces and improvement of its operation through increased administrative capacity; aligning the methodology and the organisational set-up for collecting information to provide agriculture statistics in line with EU requirements and to ensure sound and reliable agriculture statistics.
- Legislative alignment and development of administrative capacity in the area of single common market organisation (CMO).
- Prepared studies to determine gradual alignment of agricultural support with CAP main principles, in particular the decoupling of direct support, the introduction of key elements of cross compliance and the implementation of an EU-type rural development policy; capacity building for decentralized management of IPARD carried out.
- Developed Strategy/National Plan for modernisation of agri-food establishments to meet requirements of EU legislation, including measures to modernise establishments not eligible for IPA component V.
- Identification and elimination of deficiencies of the establishments and in terms of animal welfare rules and prepared and adopted legislation in the field of animal by-products.
- Improved system for official controls carried out on live animals, animal products, food and feed in line with the EU *acquis*; and measures completed for the eradication of animal diseases.
- Establishment of a structure in compliance with EU's system for controls in the phyto-sanitary area, in particular for plant passport and registration of operators and established Border Inspection Points and traceability in the phyto-sanitary area.

- Strategy and action plan for the harmonisation with the *Fisheries acquis*; actions to support the harmonization with the EU Fisheries *acquis* and to develop quality standards and improved market and market support mechanism completed.
- Administrative system for fisheries management and control restructured; stock assessments and measures to strengthen the sustainable management of natural resources and the related fisheries sector and to prevent illegal, unregulated and unreported fishing activities, carried out.
- Improved employment opportunities, competitiveness and diversification of activities by beneficiaries in rural areas and increased income of the beneficiary farmers and members of newly set up producer groups.
- Improved production conditions in terms of compliance with EU standards Increased added value of agricultural and fishery products through improved and rationalised processing and marketing of products.
- Increased number of agricultural and fishery food processing establishments respecting the relevant Community standards.
- Improved processing and/or marketing of quality agricultural products as well as better preparation for future implementation of the single CMO *acquis* in the beneficiary sectors through the setting up of producer groups.
- Better protection of natural resources in the beneficiary areas and developed practical experience with regard to the implementation of agricultural production methods designed to protect the environment and maintain the country side as well as improved participation of local actors in the development and implementation of rural development strategies.

3.7.4. EU assistance per IPA component

Under this sector, the main support aimed at economic agents in the agricultural sector and rural areas is provided by component V. However, component I provides support aimed at authorities and public sector related to the adoption of the *acquis* in the area of agriculture, food safety, veterinary and phyto-sanitary issues, and fisheries. For example, whereas component I supports the legislative alignment and *acquis* enforcement, the IPA Rural Development Programme (IPARD Programme) or component V of IPA, takes into account the interventions that contribute to the sustainable adaptation of the agricultural sector and the implementation of EU standards concerning the CAP and related areas like food safety, veterinary and phyto-sanitary matters. The majority of investments foreseen under component V comply with the double purpose of contributing to the restructuring of farms and enterprises, as well as upgrading them to EU standards. Fisheries establishments and fisheries producer organisations would also be supported under component V.

Assistance under Component I will be provided through twinning, technical assistance and investments (supplies). Assistance under the IPARD programme is mainly granted in the form of support for private investments undertaken by natural or legal persons like farmers, food processing and marketing enterprises, producer groups etc

List of abbreviations

ABPRS	Address Based Population Registration System
AFD	French Development Agency
CAP	Common Agricultural Policy
CMO	Single Common Market Organisation
DP	Development Plan
ECA	European Court of Auditors
ECHR	European Convention for Human Rights
ECtHR	European Court of Human Rights
EIB	European Investment Bank
ESF	European Social Fund
EU	European Union
EUSG	The Secretariat General for European Union affairs
FADN	Farm Accountancy Data Network
FAD	Development Assistance Fund
FAO	Food and Agriculture Organisation
GDP	Gross Domestic Product
HRD OP	Operational Programme for Human Resources Development
IACS	An integrated Administration and Control System
ICT	Information and Communications Technology
IFAD	International Fund for Agriculture Development
IFIs	International Financial Institutions
IDP	Internally displaced person
IDB	Islamic Development Bank
ILO	International Labour Organisation
IMF	International Monetary Fund
IOM	International Organisation for Migration
IPA	Instrument for Pre-Accession
IPARD	Instrument for Pre-Accession assistance for Rural Development
IT	Information technology
ITS	Intelligent Transport System
KETEM	Cancer Early Diagnosis and Education Centre
LPIS	Land Parcel Identification System
MARA	Ministry of Agriculture and Rural Affairs
MATRA	Netherlands's governmental programme to support social transformation
MIPD	Multi – Annual Indicative Planning Document
NGO	Non-governmental Organisation
NPAA	National Programme of the Adoption of the <i>acquis</i>
NRDS	the National Rural Development Strategy
NUTS	Nomenclature of Territorial Units for Statistics
OPEC	Organization of Petroleum Exporting Countries
PPS	Purchasing Power Standard
RCOP	IPA Regional Competitiveness Operational Programme
RDP	Rural Development Plan
R&D	Research and Development
SCF	Strategic Coherence Framework
SIDA	Swedish International Development Cooperation Agency

SME	Small and medium enterprises
TA	Technical Assistance
TINA	Transport Infrastructure Needs Assessment
UN	United Nations
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
UCES	EU Integrated Environmental Approximation Strategy
VET	Vocational Education Training