



SCREENING CHAPTER 22

REGIONAL POLICY AND COORDINATION OF STRUCTURAL INSTRUMENTS

AGENDA ITEM IV: PROGRAMMING

**Country Session: The Republic of TURKEY
9-10 October 2006**



CONTENT

- I. Community Strategic Guidelines and National Priorities
- II. Preparation of Programming Documents
- III. Partnership in Programming Documents
- IV. National Investment and Budget Planning
- V. Project Management Capacity and Project Pipeline



I. Community Strategic Guidelines and National Priorities



Community Strategic Guidelines

- ❑ “Community Strategic Guidelines, 2007-2013” (CSG) combining competitiveness objective of Lisbon Strategy and convergence objective of economic and social cohesion provided important inputs and benchmarks for major strategic documents such as 9th Development Plan and SCF.
- ❑ Although CSG is binding for member states, Turkey foresees the need of harmonization of the policies for better adoption of the systems and implementation structures.
- ❑ Pre-accession period; Priorities of MIPD specific to Turkey are taken into consideration.

pNDP (2004-2006) experience



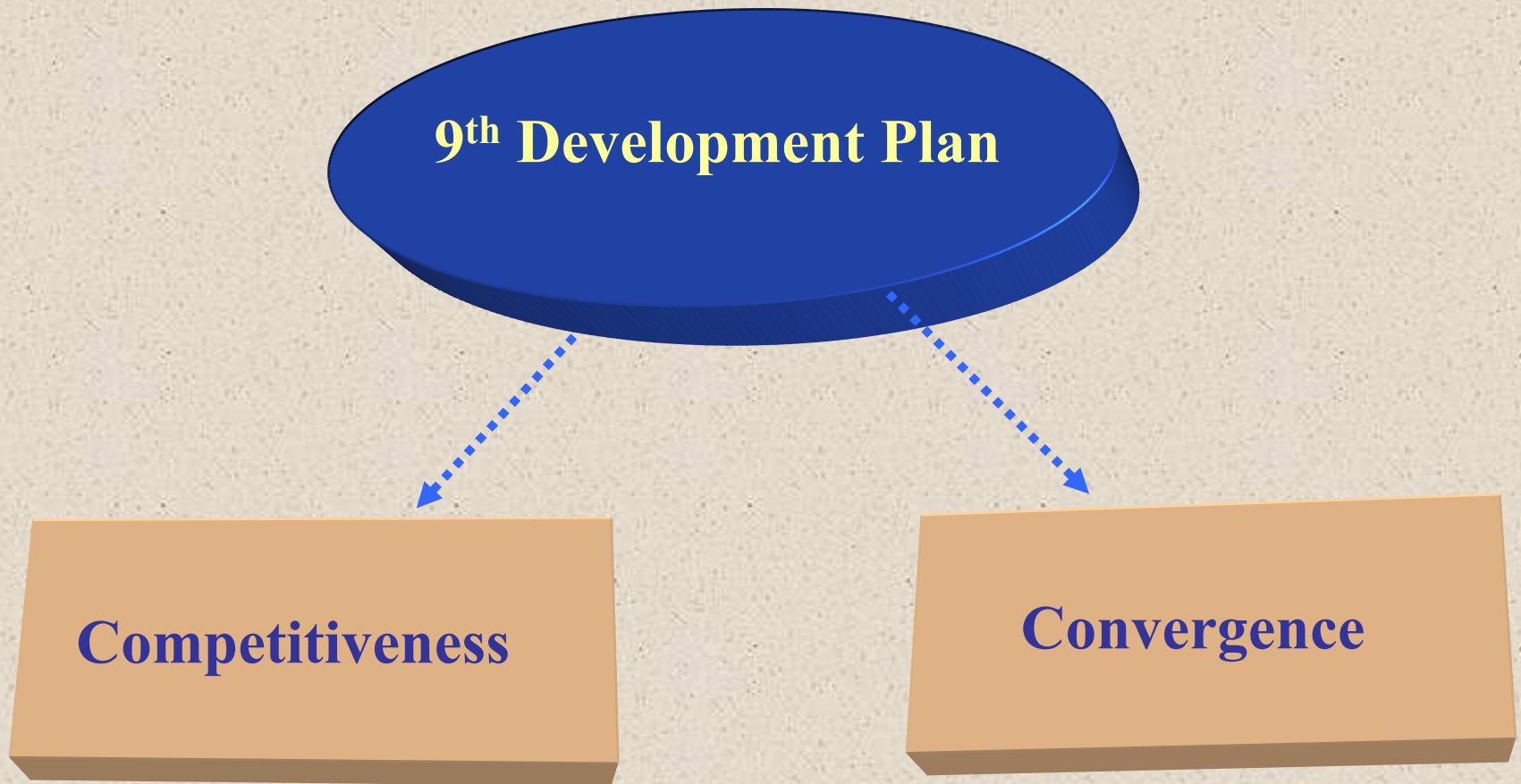
Ninth National Development Plan (2007-2013)

The vision:

- Growth in stability
- Equitable income sharing
- Global competitiveness
- Transformation into information society
- Completion of harmonisation process for EU membership



Ninth National Development Plan





Ninth National Development Plan / Development Axes

- Increasing the competitiveness
- Increasing the employment
- Strengthening the human development and social solidarity
- Ensuring regional development
- Improving the quality and effectiveness of the public services



Ninth National Development Plan

Balanced RD Policy

- Decreasing regional development disparities
- Increasing competitiveness of the regions

RD Policy Priorities

- Increasing the harmonisation and effectiveness of policies at the central level
- Creating a development environment based on local dynamics and potential
- Increasing institutional capacity at the local level and accelerating rural development

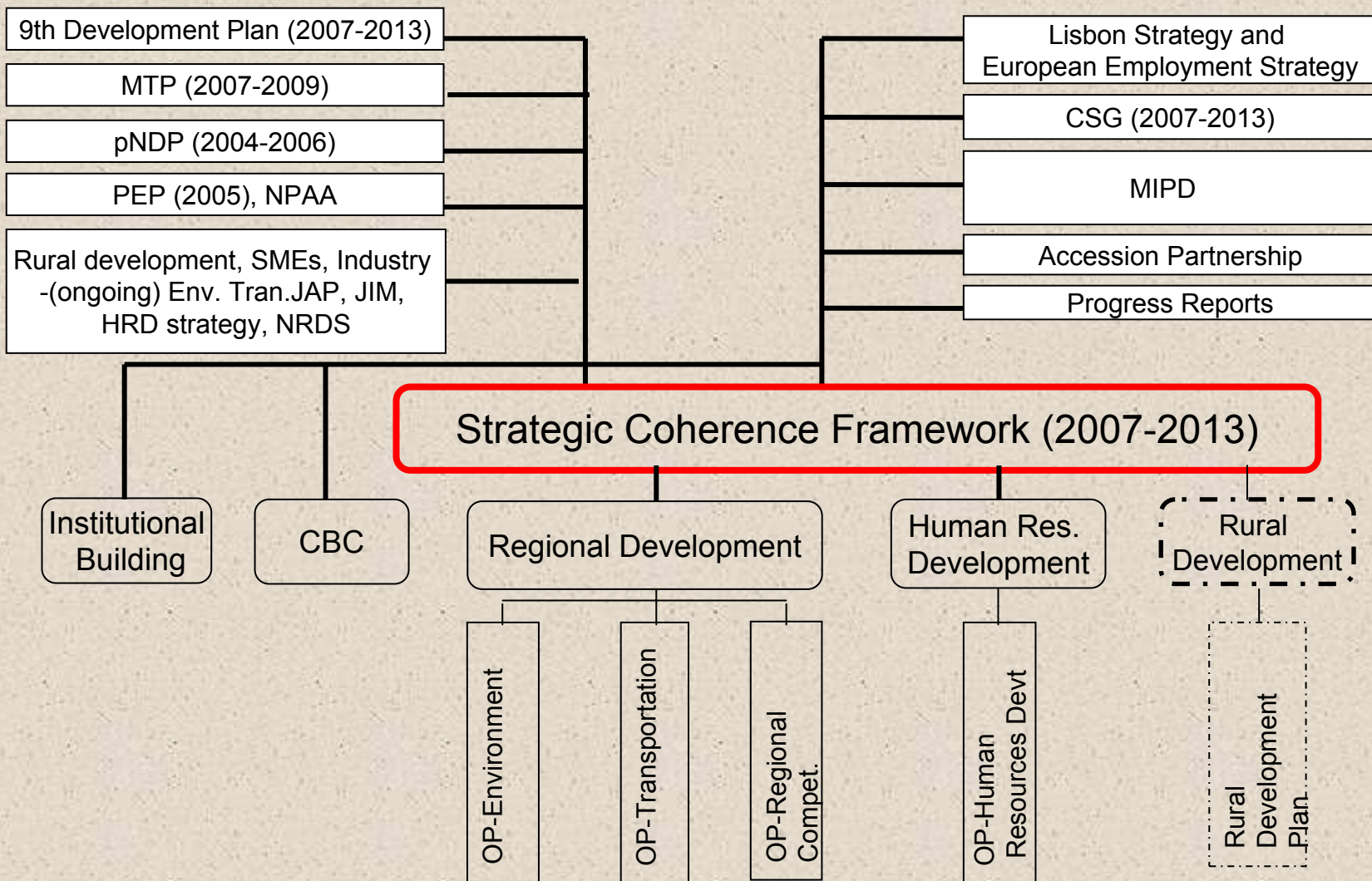


Ninth National Development Plan / Territorial Dimension

- Determining Growth Centres having high potential in terms of growth and serving to their surrounding areas especially in less developed regions
 - Improving accessibility of Growth Centres
 - Strengthening physical and social infrastructure of Growth Centres.
 - Forming new industrial focal points by stimulating investments in medium size centres which have sufficient infrastructure



II. Preparation of Programming Documents





SCF, OPs

- IPA process is considered as the main tool for the preparation of Turkey to Structural Funds
- The institutional mechanisms and preparation process designed for the SCF will be the starting point for NSRF.



SCF, OPs (Cont'd)

- SCF Working Group: Coordinated by SPO
 - Ensuring overall coordination
 - Steering the preparation of SCF
 - Securing OP's compliance with SCF
- OP Working Groups: Coordinated by each OSs
 - Preparation of OP
 - Participation (related public institutions, ministries and representatives from Business and Trade Unions and NGOs)
- Coordination and Close Cooperation between the Working Groups



SCF, OPs, NSRF Timetable

- SCF will be finalized before the beginning of 2007 and Operational Programmes will be finalized after the official submission of SCF document to the Commission
- Within 2009-10, an independent interim evaluation is planned to review the IPA architecture.
- Turkey is targeting to initiate NSRF preparations in 2011



Ex-Ante Evaluation

- Projects:
 - “Support to SPO to Build Capacity at Central, Regional and Local Level to Implement Economic and Social Cohesion Measures in Line with the PNDP”, including activities for developing ex-ante evaluation capacity both in SPO and relevant ministries
 - A bilateral technical assistance project under preparation envisaging establishment of a monitoring and evaluation system at national level for public investments
- In-house units within SPO responsible for assessment of feasibility studies and strategic plans of public agencies, and monitoring and evaluation of regional programmes
- Outsourcing ex-ante evaluation if required



III. Partnership in Programming

Ad-Hoc Committees of National Development Plans (NDP)

- According to Regulation No:5/1722 dated 29.09.1961 and Decree Law No:540
- Organized for all NDPs (Since 1961)
- Strong participatory mechanism for development plans and programming documents.
- Committees work independently (The chairman and reporter of the Committees are selected among the participants by vote)
- Participation from the relevant public institutions (both central and local), economic and social partners, universities, NGOs, private sectors, business organizations.
- For Ninth NDP Ad-Hoc Committees were set for 57 different sectors and sub sectors.

Regional Development Plans

- ❑ Participatory approach to ensure utmost involvement of local authorities and regional partners.
- ❑ “Central” and “regional” steering committees by the participation of major stakeholders such as; governorships, municipalities, chambers of commerce and / or industry, professional organisations, associations, foundations and private sector.
- ❑ Strategies and scenarios were defined through the SWOT analyses, workshops, focus group meetings carried out both at the central and local levels
- ❑ Regional projects identification (Yesilirmak Basin Development Plan) with participation of stakeholders

Turkey Economics Congress

- Wide participation of universities, private sector, NGOs, bureaucrats and local authorities as well as international organizations' members.
- Working Groups coordinated by a relevant stakeholder.
- Presentation and discussion of the results of the study groups in the plenary sessions
- Inputs for the preparation of long term strategy documents.

Preliminary National Development Plan (2004-2006)

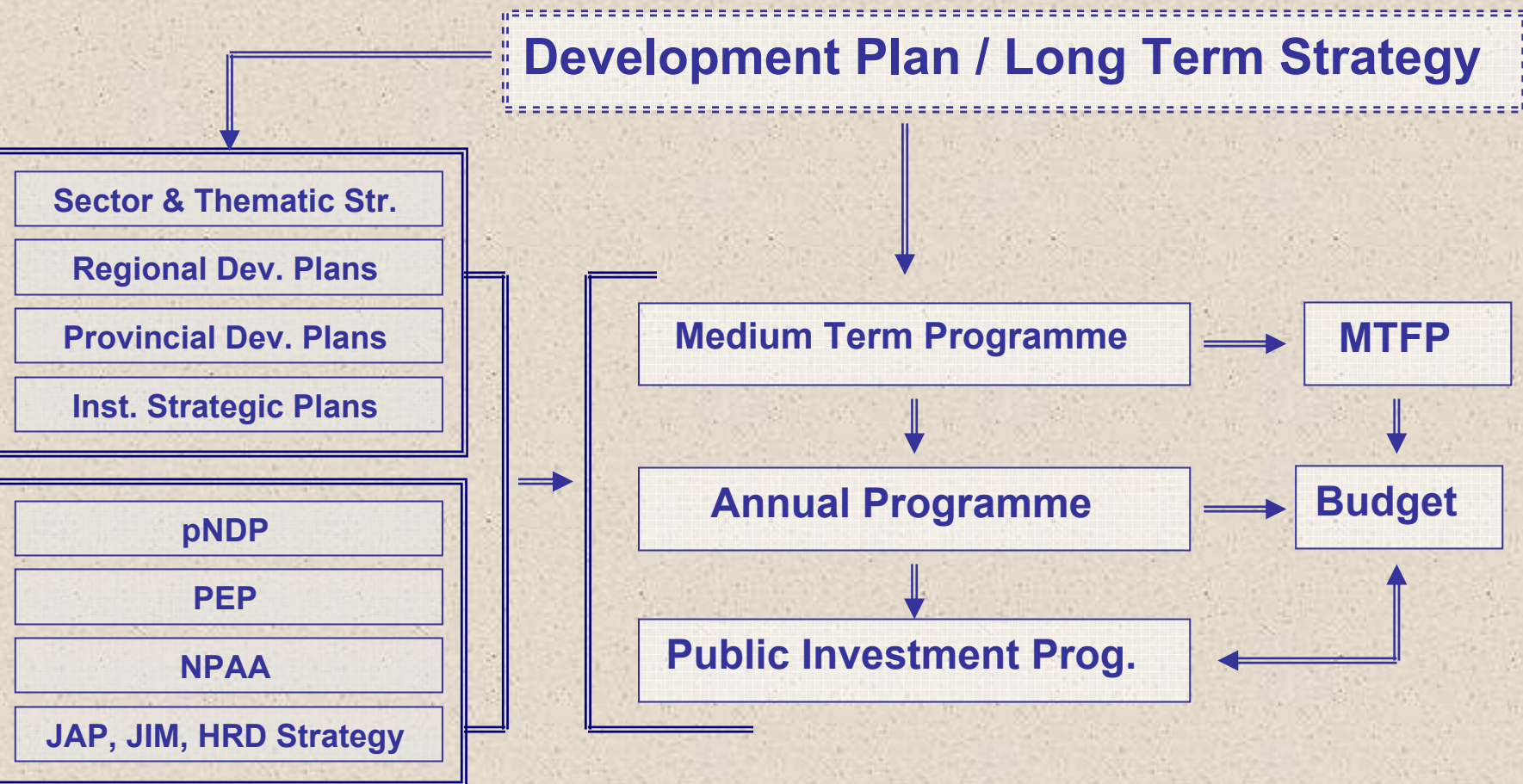
- Organised several workshops with wide participation
- For Regional Development Strategy workshop; 200 participants including governors from 81 provinces, mayors and deputy mayors and representatives from universities, public institutions and NGOs
- Consultation with representatives of more than 50 public institutions
- Considering thematic and sectoral strategy documents (Eighth Five-Year Development Plan and Ad-Hoc Committees Reports, 2003 PEP, SME Strategy and Action Plan, Turkish Industrial Policy Document, and the NPAA) prepared through a participatory approach



IV. National Investment and Budget Planning



Budget and Public Investment Programme Process





Long Term Strategy (2001-2023)

- Long term basic objectives and policies regarding macroeconomic and social sectors,
- Prepared by SPO; approved by Turkish Grand National Assembly .



National Development Plan

- Five-year documents-seven year for Ninth National Development Plan covering 2007-2013, in line with EU Planning horizon (non rolling)
- Long-term strategic objectives and priorities identified under thematic development axes,
- Guides all macroeconomic, sectoral and regional policies and implementations
- Sets the general framework of economic, social and regional indicative targets,
- Based on findings of the ad-hoc committees
- Coordinated by SPO; approved by the Turkish Grand National Assembly.



Medium Term Programme (MTP)

- Medium-term strategic objectives and priorities organized under thematic development axes,
- Sets priorities, macroeconomic policies, targets and projections,
- 3-year documents (rolling on annual basis)
- Consistent with the Development Plan,
- Prepared by SPO in collaboration with Ministry of Finance (MoF), Treasury and Central Bank in the light of views of public institutions and NGO's,
- Approved by the Council of Ministers.



Medium Term Fiscal Plan (MTFP)

- 3-year documents (rolling on annual basis)
- Sets institutional budget ceilings
- Based on MTP
- Covers central government institutions
- Prepared by MoF in collaboration with SPO and Treasury
- Approved by the High Planning Council



Annual Programme

- Sets measures to implement the policies of the Development Plan and MTP
- Institutional responsibilities and timetable
- Prepared by SPO, Approved by the Council of Ministers



Budget

- Rules regarding the implementation in line with the budget
- Institutional allocations
- Revenue estimations
- Approved by a law adopted by Turkish Grand National Assembly.

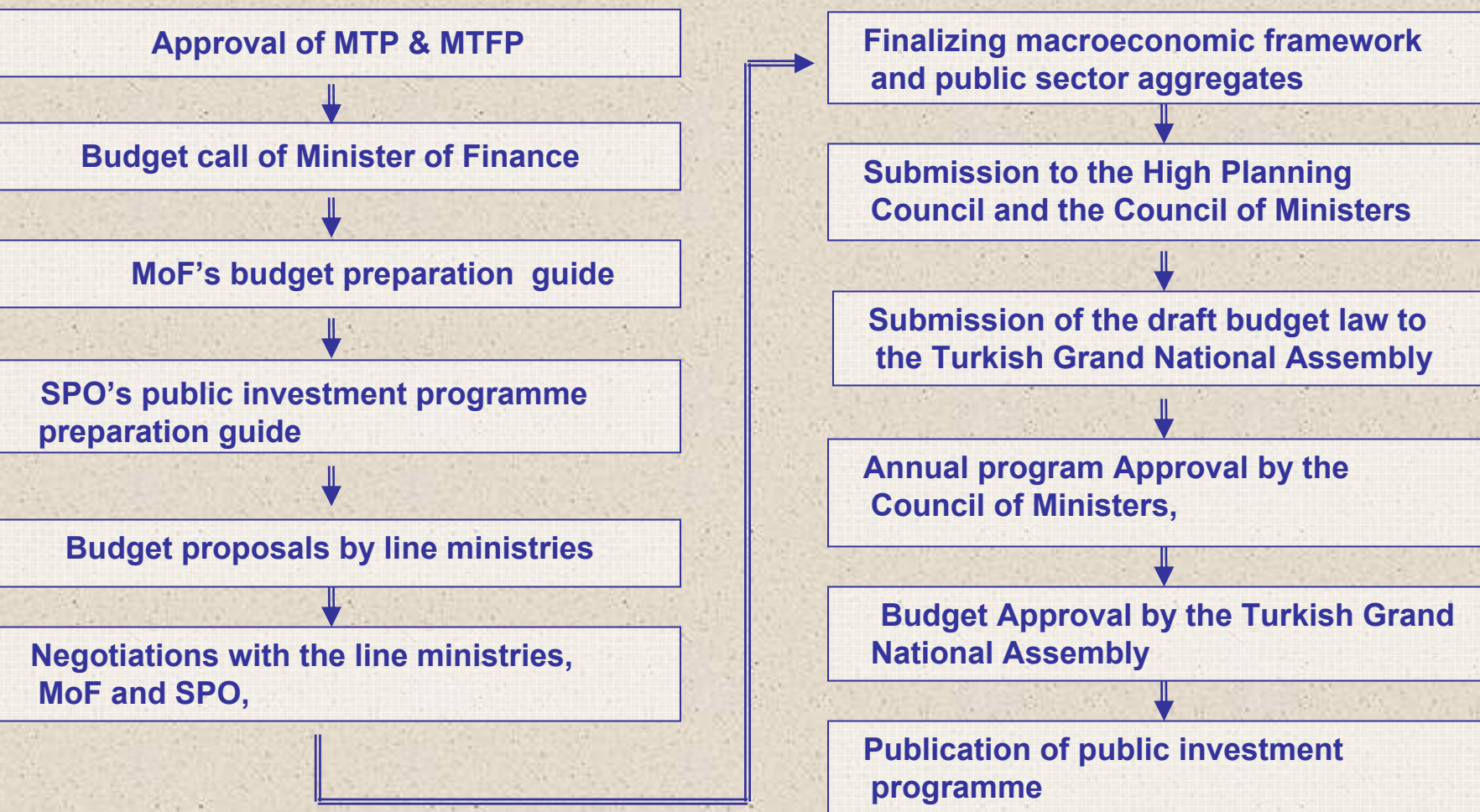


Public Investment Programme

- Project-based distribution of investment allocations
- Covers whole public sector (including SEEs, social security institutions and foreign- financed investments of local administrations)
- Indicates the total cost, cumulative expenditure up to the current year and annual allocation of all projects,



Budgeting and Public Investment Process





Sectoral, Regional and Thematic Strategic Documents

- Information Society Strategy
- Industrial Policy for Turkey Towards EU Membership
- Electricity Energy Sector Reform and Privatization Strategy
- SME Strategy and Action Plan
- Agricultural Strategy
- National Science and Technology Policy: 2003-2023 Strategy Document
- National Rural Development Strategy



Sectoral and Thematic Strategic Documents (Cont'd)

- National Environmental Strategy and Action Plan
- EU Integrated Environmental Approximation Strategy of Turkey for 2007-2013 (Draft)
- Turkey Transportation Master Plan Strategy
- Transportation Infrastructure Needs Assessment (Ongoing)
- National Regional Development Strategy
- Regional Development Plans



Sectoral and Thematic Strategic Documents (Cont'd)

- Joint Assessment Paper(JAP), Joint Inclusion Memorandum(JIM) (ongoing)
- NPAA (2001, 2003 and 2006 under preparation)
- Preliminary National Development Plan (2004-2006)
- Pre-Accession Economic Programmes (since 2001, fifth in 2005)



V. Project Management Capacity and Project Pipeline



Project Pipeline

- Project pipeline management and prioritisation process in environment sector (PEPA)
- TINA Project an important input in drafting the Transport Operational Programme
- DAs at local level
- Sufficient resources allocated



Project Management Capacity of Central Institutions

- Experienced Institutions with high quality project management staff
- Expertise and knowledge in large-scale projects such as dams, highways, motorways, ports, airports, bridges, water supply and sewage systems, business related infrastructure etc.
- Among those institutions:
 - Ministry of Environment and Forestry
 - Ministry of Transport
 - Ministry of Industry and Trade
 - Ministry of Labour and Social Security
 - Ministry of Public Works and Settlement

will become either managing authorities or implementing agencies during preparatory process for structural funds.



Project Management Capacity at Local/Regional Level

- Project management capacity
 - in the regional/local divisions of those ministries
 - in local authorities (special provincial administrations and municipalities)
- Expertise and knowledge of management of loans and grants for the financing of water supply, wastewater, solidwaste and public transportation projects
- Developing EU project management and monitoring capacity

Ministry of Environment and Forestry

Establishment Date and Legal Framework

- Established as the Ministry of Environment in 1991 (which was previously existed as an Under-Secretariat for Environment under the Prime Minister's Office)
- Established as the Ministry of Environment and Forestry in May 2003 by the Law on Organization and Duties of Ministry of Environment and Forestry No 4856

Main Activity Areas

- The protection and rehabilitation of the environment
- The most appropriate and efficient use of the land and natural resources in the rural and urban areas.
- The protection and rehabilitation of flora and fauna
- The protection and rehabilitation of forests and to expand forest lands
- To prevent environmental pollution
- To develop the villages in or near the forest areas
- To meet the need for forest products and to support the development of forest product industry



Ministry of Environment and Forestry

Organisation

DGs

- DG for Environmental Management
- DG for EIA and Planning
- DG for Nature Protection and National Parks
- DG for Afforestation and Erosion Control
- DG for Forestry and Rural Affairs

Affiliated Institutions

- DG of Forest
- Turkish State Meteorological Service
- Authority for Specially Protected Areas

Ministry of Environment and Forestry

Important Projects With International, in Particular, EU Finance

- Analysis of Environmental Legislation for Turkey Project: (June 2001 – April 2002)
- Integrated Environmental Approximation Strategy Development For Turkey Project (January 2003 – April 2004, Project budget: 150.000 Euro)
- Capacity Building In the Field of Environment For Turkey Project (Project budget: 16.630.000 Euro)
- Support to Turkey In the Field of Air Quality, Chemicals and Waste Management (Project budget: 5.800.000 Euro)
- Strengthening the Capacity of the Ministry of Environment and Forest In the Field of Special Waste Management and Noise Management. (Project budget: 3.100.000 Euro)
- Çanakkale SWM, Kuşadası SWM Projects(Project budget: 35.350.000 Euro)
- Nevşehir WWTP, Tokat WWTP, Amasya SWM, Kütahya SWM, Bitlis SWM Projects, Establishment of an Environmental Information Exchange Network (TEIEN) in Turkey

- ✓ LIFE III Countries Program
- ✓ MATRA and PSO Programmes



Ministry of Transport

Establishment Date and Legal Framework:

- The Ministry was established in 27 May 1934
- The Law on the Organization and Duties of Ministry of Transport No. 3348, dated 09/04/1987

Main Activity Areas:

- to establish and develop the transportation and communication system of the country as per the needs of it
- to take and implement the necessary measures for the smooth functioning of transportation and communication affairs

Ministry of Transport

Large-Size Infrastructure Projects:

- Istanbul Strait Tube Tunnel Crossing Project (MARMARAY 1st Phase)
- Rehabilitation of Gebze-Haydarpaşa, Sirkeci-Halkalı Commuter Lines; Construction and Electro-Mechanic Systems” (MARMARAY 2nd Phase)
- Ankara-Istanbul High-Speed Train Project
- Atatürk Airport International Terminal –BOT Project
- Systematic Modernisation of ATM Resources in Turkey (SMART)

EU Supported Projects:

- Assistance to Turkish Road Transport Sector Project
- Turkish Rail Sector Restructuring and Strengthening Project
- Transport Infrastructure Needs Assesment (TINA) Project
- Support to Enhancement of Maritime Safety
- Enhancement of Maritime Safety in Ports and Coastal Areas in Turkey



Ministry of Industry and Trade

Ministry of Industry and Trade (MIT) was established in 1985 with the unification of Ministry of Trade and Ministry of Industry and Technology

- Facilitating the determination of industrial and R&D policies
- Providing and encouraging rapid and stable development of industry
- Establishing, controlling and providing credits for Small Scaled Industrial Estates and Organized Industrial Zones
- Giving permission for the establishment of Technology Development Zones
- Holding records of industrial enterprises
- Carrying out market surveillance, taking protective measures for the protection of consumers' health, safety and economic interest,
- Promoting the competitiveness of SMEs,
- Making legal arrangements regarding the organization of artisans and craftsmen.



Ministry of Industry and Trade

Organisation

DGs

- DG for Industry
- DG for Industrial Research and Development
- DG for EU Coordination
- DG for SSIEs and OIZs
- DG for Domestic Trade
- DG for Organisation (for Cooperatives)
- DG for Measurement and Standards
- DG for Protection of Consumers and Competition
- DG for Craftsmen and Tradesman
- Head of Unit for Strategy Development
- 81 Provincial Directorates

Affiliated and/or Related Institutions

- Small and Medium Industry Development Organisation
- Turkish Patent Institute
- National Productivity Centre
- Turkish Standards Institute
- Turkish Accreditation Agency
- Competition Authority
- Sugar Board
- Sugar Factories Corporation
- Sumer Carpeting Industry

Ministry of Industry and Trade

Project Management Capacity

- Infrastructure of 87 OIZs and infrastructure and superstructure of 393 SSIEs have been completed.
- 22 TDZs have been established.
- 20 Enterprise Development Centers, 18 Technology Development Centers, 15 Regional Trade Development Centers, 8 Incubators Without Wall, 66 Synergy Focus Points have been established.
- 37 Testing Laboratories of Turkish Standards Institute and 2 KOSGEB Testing Laboratories are in function.
- Regional and sectoral clustering analysis has been carried out for 48.000 enterprises.
- There are ongoing 107 OIZs and 6 TDZs projects.
- Within the framework of the industry and university cooperation, SAN-TEZ (Industrial Thesis) Projects have being carried out.
- 105 PIP (Productivity Improvement Projects) have been conducted throughout Turkey in order to improve performance and productivity of the SMEs through consultancy, counseling, productivity measurement and training.
- Projects have been conducted to support the patent applications of SMEs.

Ministry of Industry and Trade

The EU Funded Projects of the MIT

Within the framework of the EU–Turkey Financial Cooperation Programme, 8 projects have been carried out by MIT since 2002.

Types of the projects implemented by MIT

- Equipment supply projects for the Conformity Assessment Bodies and Market Surveillance Laboratories
- Twinning projects for the strengthening of the administrative capacity of the MIT in the implementation of the EU technical legislation and consumer protection
- Infrastructure project (Feasibility and Environmental Impact Assessment Reports of Restructuring of Sanliurfa OIZ project have been completed).

Ministry of Industry and Trade

Important Projects With International, in Particular, EU Finance Coordinated by the Affiliated Institutions of MIT

- Establishment of European-Turkish Business Development Centres
- Shoemaking Training Institution Project
- EU On-line Information Network: KOBINET Project
- Supporting Women Entrepreneurs Project
- Vocational Training in the Clothing Sector in Turkey Project
- Support for the Creation of an Industrial Zone for Small Subcontractors in the Automobile Sector Project
- Environmental Standards in the Textile Sector Project
- INTRINSIC: Integrated Transactions and Imagination Engineering Value Chain
- Fashion Net & Fashion to Future Project
- Establishment of an Information System for Turkish SMEs on EU Environmental Approximation

Ministry of Labour and Social Security

Establishment Date and Legal Framework:

- 28 January 1946
- Law No. 3146

Main Activity Areas:

- Regulating and solving the problems of labour life,
- Establishing measures to provide full employment,
- Taking necessary measures to provide the human resource required by the labour market,
- Controlling the labour market,
- Taking measures in order to provide vocational trainings for the employees and rehabilitation of the handicapped
- Taking measures in order to provide social security
- Providing social insurance services



Ministry of Labour and Social Security

Important Projects With International, in Particular, EU Finance

- Active Labour Market Programme - Turkish Employment Agency (ISKUR)
- Upgrading Occupational Health and Safety in Turkey
- Strengthening the Capacity of Turkish Ministries for Market Surveillance in Selected Areas.
- Eradicating the Worst Form of Child Labour in Turkey
- Strengthening Social Dialogue for Innovation and Change in Turkey
- Gender Equality in Employment
- 3 projects under the Employment Incentive Programme

The Projects Which Will Start in Short Term

- Strengthening the Labour Inspection System
- Supporting Local Active Employment Measures and the ISKUR



Ministry of Public Works and Settlement

Legal Framework (Decree Law No: 180)

Organisation

The Central Organizations

- DG Construction Affairs,
- DG Disaster Affairs
- DG Technical Research and Implementation.
- DG Highways (the affiliated unit)
- DG Land Registration and Cadastre (the related unit)
- DG Bank of Provinces (the affiliated unit)

Main Activity Areas

- Project preparation, construction and major repairs of public buildings
- Disaster mitigation and organization of relief regarding disasters
- Physical planning, coastal zone planning
- Technical and financial aid to municipalities,
- Land registration and cadastre



Ministry of Public Works and Settlement

Budget / Capital / Sources of Finance

For the fiscal year 2006 the Budget of MoPWS is 685.1 Million €
(only DG Cadastre is included)

Human Resources

MoPWS has 12 741 technical staff. (Civil engineer, environmental engineer, mechanical engineer, geological engineer, cadastre engineer, architect, city planner).

TECHNICAL STAFF IN UNITS	Centre	Regional Divisions	Total
Ministry (main units)	750	3722	4472
DG HIGHWAYS	450	2192	2642
DG LAND REG.CADASTRE	224	4219	4443
BANK of PROVINCES	425	759	1184



Ministry of Public Works and Settlement

Project Management Capacity (World Bank Funds)

- “The Marmara Earthquake Emergency Reconstruction (MEER) Project”
- “Agricultural Reform Implementation Project (ARIP)”.
- “Land Registry And Cadastre Information System (LR&CIS)(TAKBİS) Project”.



Iller Bank (Bank of Provinces)

Legal Framework (Law No. 4759)

Organisation

- Operates on the basis of ;
 - Commercial principles,
 - Special budget,
 - Provision to civil law,
- 18 regional directorates

Budget / Capital / Sources of Finance

- Capital is 1,75 billion €

Iller Bank (Bank of Provinces)

Main Activity Areas

- Investment;
 - Mapping
 - Urban Planning
 - Urban infrastructure projects
 - Infrastructure investments managed with international loans
- Finance;
 - Financing the projects in compliance with the Bank's evaluation criteria
 - Distribution of the shares from the tax revenue to the local administration
 - Similar banking services which authorized for investment and development banks



General Directorate of Highways

Legal Framework (Law No. 5539)

Organization

DG Highways has headquarters in Ankara, and

- 17 Regional Divisions,
- 117 Maintenance Branches,
- 292 Maintenance Houses,
- 23 Motorway Maintenance and Operation Offices,
- 1 Equipment and Supply Group,
- 1 Maintenance Shop in the field.



General Directorate of Highways

Main Activity Areas

- designate the network of Motorways, State and Provincial Roads,
- plan, design, construct, maintain and operate roads, bridges and hydraulic structures,
- prepare technical specifications,
- do maintenance and repair works, and provide road safety
- keep roads open to traffic in all weather conditions, and
- carry out other related supplementary works.

Road Network (as of 1.1.2006)

- Motorways : 1 775 km
- State Roads : 31 371 km
- Provincial roads : 30 568 km
- Total : 63 714 km



General Directorate of Highways

Budget

The budget in the year 2006: 2.4 billion €.

Project Management Capacity

- In 2004, the number of tendered projects for State and Provincial Roads is 222 and DG Highways spent 750 million € on these projects.
- In 2005, 1,038 billion € was spent on 320 projects regarding State and Provincial Roads, touristic roads and energy related road projects.



General Directorate of Highways

Important Projects With International Finance

DG Highways is using funds from

- The World Bank,
- European Investment Bank (EIB)
- JBIC (Japan Bank for International Cooperation)
- Abu Dabi Development Fund .

8 international tenders were conducted in 2004, for 166,8 km. of road sections from EIB loans (for these 8 projects 3 consultancy tenders were realized),

2 tenders have been conducted until the end of September 2006, for 43,3 km. of road sections from Abu Dabi Development Fund (for these 2 projects 1 consultancy tender have been conducted).



Thank you for your attention