

**EXECUTIVE SUMMARY OF THE
TURKISH NATIONAL PROGRAMME**

for

THE ADOPTION OF THE ACQUIS

INTRODUCTION

The modern Turkish Republic is founded on the principles of peaceful foreign policy, secularism, the rule of law, a pluralistic and participatory democratic system, and fundamental human rights and freedoms.

Turkey is a country that contributes to the enhancement and reinforcement of peace, security, stability and prosperity in international relations and will continue to develop her relations with neighbouring countries on the basis of a peace-seeking foreign policy. In this context, Turkey will continue to undertake initiatives and efforts towards the settlement of bilateral problems with Greece through dialogue; support the efforts of the UN Secretary General, in the context of his good-offices mission aiming at a mutually acceptable settlement with a view to establishing a new partnership in Cyprus based on the sovereign equality of the two parties and the realities on the Island; act as a model for the Turkic States and the Islamic world in their further development according to universal values; enhance, as a key actor, stability in the Balkans, the Caucasus, Central Asia and the Middle East; and contribute to the ongoing rapprochement of Europe and Asia, and hence help extend contemporary values throughout Eurasia.

The Turkish Government regards EU membership as a new step forward, a milestone confirming the founding philosophy of, and Atatürk's vision for the Republic.

Turkey will accede to all relevant international conventions and take the necessary measures for their effective implementation in order to align further with the universal norms manifest in the EU acquis and practices in EU Member States, particularly in the areas of democracy and human rights.

Turkey can assume a fundamental role in the process of European unification through the concrete and distinct contributions that she can offer.

POLITICAL CRITERIA

As of 2001, the Turkish Government will speed up the ongoing work on political, administrative and judicial reforms and will duly convey its legislative proposals to the Turkish Grand National Assembly. The goal is to strengthen, on the basis of Turkey's international commitments and EU standards, the provisions of the Constitution and other legislation to promote freedom; provide for a more participatory democracy with additional safeguards; reinforce the balance of powers and competences between State organs; and enhance the rule of law. In the context of the reform process regarding democracy and human rights, the review of the Constitution will have priority. The constitutional amendments will also establish the framework for the review of other legislation.

The Turkish Government will closely monitor progress in the country in the areas of human rights, democracy and the rule of law, regularly evaluate the work underway for harmonization with the EU acquis, and will take all necessary measures to speed up the ongoing work.

In addition, legal and administrative measures will be introduced in the short or medium term regarding individual rights and freedoms, the freedom of thought and expression, the freedom of association and peaceful assembly, civil society, the Judiciary, pre-trial detention and detention conditions in prisons, the fight against torture, human rights violations, training of law-enforcement personnel and other civil servants on human rights issues, regional disparities.

ECONOMIC CRITERIA

The economic stabilization programme introduced in 1999 has been revised due to the economic crisis of February 2001. It has been decided that the necessary structural reforms be introduced as soon as possible, on the basis that they are crucial for the success of the new program.

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Within the scope of structural reforms, the social security system, which was in deficit for years, has been reorganised and significant steps have been taken to ensure a balance between the system's assets and liabilities.

Tax reform has been introduced so as to enlarge the tax base and to register the unregistered economy. The Banking Regulation and Supervision Board, established as a consequence of the reform of the fiscal sector, provides a central authority for the regulation, observation and supervision of the banking sector. However the crisis faced in February 2001 has made it necessary to take more fundamental measures in the context of the reforms of the fiscal sector. It is essential that priority be given to the Banking Act and the Law of the Central Bank of Turkey. The regulations regarding state owned banks will also be given first priority in the context of fiscal sector reform.

Transition to the direct income support system in agriculture has been initiated and positive responses have been received from projects undertaken in pilot regions. Within the framework of fiscal transparency certain projected budgetary and non-budgetary funds have been dissolved.

Privatisation is an important component of the reform program. For the growth of the Turkish economy in a competitive environment, economic activities of the state, especially those having a monopolistic character, have to be privatised immediately. Meanwhile, maximum care must be taken to ensure that private monopolies do not develop and replace the state monopoly.

The amendments introduced in 1999 mean that privatisation is included in the Constitution for the first time. In addition, problems concerning public procurement in the energy sector have been dealt with through the establishment of an international arbitration mechanism. Within the year 2001 the privatisation of public enterprises including State Economic Enterprises (SEE) such as TÜPRAS and PETKIM (petrochemical production and oil refining companies), Turkish Airlines, ERDEMİR (integrated steel and iron works) and SEKA (Turkish Pulp and Papermills General Directorate) has been planned via block sale and public offerings. Within the year 2000, a 51 percent block sale of Petrol Ofisi (responsible for petroleum distribution), a 31.5 percent public offerings of TÜPRAS, and a greater than expected revenue from the sale of mobile phone licences were positive developments in the privatisation program.

Following the February 2001 crisis the government has declared its intention of finalising the privatisation of Turkish Airlines and Turk Telecom by accelerating the procedure.

In the short term Turkey will fulfil its obligations regarding the Pre-accession Fiscal Surveillance Procedure.

CAPACITY TO ASSUME THE OBLIGATIONS FOR MEMBERSHIP

A. Efforts on the Adoption of the Acquis Communautaire Conducted under the Scope of the "Customs Union" (within the framework of Association Relations)

This chapter lists the obligations that are both fulfilled and unfulfilled by Turkey within the framework of the Association relations with the EU. In this respect, Turkey has not yet fulfilled the obligations due from previous years in the fields of adoption of the technical acquis of the EU, and certain parts of competition law (state aids, special or exclusive rights granted to public enterprises and TEKEL Administration).

B. Adoption of the Acquis

1. Free Movement of Goods

In the field of free movement of goods Turkey is required to complete the adoption of the technical acquis of the EU related to industrial products. This obligation arises from Decision No. 1/95 of the Association Council laying down the rules on the functioning of the customs union and Decision No. 2/97 enacted therefrom, and thus from the Association Agreement built between Turkey and the EU.

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The fulfilment of these obligations, will provide for a supply of quality goods conforming to international norms to our domestic market, and with its positive impact on our exports, will also increase our competitiveness.

In this respect it is a priority that the draft "Law on the Preparation and Application of Technical Arrangements regarding Products", also known as the Framework Law, already presented to the Turkish Parliament, becomes law as quickly as possible. Only after the enforcement of the said draft law will it be possible for related institutions to enforce the legal arrangements in the areas falling under their responsibility, and to take the necessary measures towards implementation thereof.

Another important factor in terms of implementation is to ensure that the Turkish Accreditation Authority (TÜRKAK), officially established on 4 November 1999 through Law No. 4457, begins operation.

Accordingly, it is necessary to establish and develop the institutions responsible for conformity assessment and certification, to assess and certify conformity with the legislation, and establish the accredited institutions to be notified to the EU Commission.

Studies for the establishment of a new market supervision system, initiated following the Customs Union, still continue. This system covers the technical acquis of the EU and its stages of implementation including standardization, measurement (metrology) and accreditation.

Public Procurement

It is very important to finalize the new Draft Law on Procurement, prepared to replace the applicable Law No. 2886 on Public Procurement. This will ensure transparency and impartiality in conformance with international norms, maximize competition and public control in the field of public procurement, and harmonization with the EU acquis in the shortest possible time, as well as taking into account the interests of Turkey.

There is also the need to establish an independent legal or administrative institution to consider applications and to settle disputes in public procurement.

2. Free Movement of Persons

It has been envisaged that many issues related to the free movement of persons, considered to be a very sensitive issue by EU member states, will be dealt with at the full member stage, and possibly through transitional arrangements.

However, Decisions Nos. 1/80 and 3/80 of the Turkey-EU Council laying down the procedures related to the entry of Turkish workers and their families to the EU employment market and their wages and working conditions, need to be updated by taking into consideration the interpretations of the European Court of Justice. There is a need for new Association Council Decisions that will permit our citizens working legally and residing in member states to exercise the right to free movement without having to wait for Turkey's full membership.

On the other hand, it is proposed to amend related articles of Law No. 5682 on Passports, and to establish a structure ensuring conformity with the decisions of the Community acquis in order to prevent illicit immigration, as required by the EU. The relevant draft law should be enacted as soon as possible.

3. Free Movement of Services

Applications in the field of financial services are in harmony with the EU acquis in general terms. The relevant institutions are making efforts to define and correct areas which currently do not conform.

There are national preferences and restrictions with respect to services other than financial services. First of all, it is necessary to initiate coordinated studies for defining and correcting these. This subject will be handled by the Secretariat General of the European Union, as in similar cases, taking

into account the fact that there are numerous public institutions and organizations involved in this field.

The negotiations between Turkey and the EU on “Liberalization of Services and Public Procurement” initiated by the Decision No. 3/2000 of the Association Council are underway, and the developments arising from these negotiations will be considered as part of further harmonization measures.

4. Free Movement of Capital

Upon enforcement of the “Draft Law on Foreign Capital”, **replacing** the “Law on Foreign Capital Incentives”, the authorization procedure will be abolished and a registry system will be introduced.

The following regulations having restrictive provisions on the “Free Movement of Capital” need to be revised, taking into consideration the important nature of such provisions and matters regarding security and reciprocity:

- Law on the Establishment and Broadcasting Activities of Radio and Television Enterprises,
- Law on Civil Aviation,
- Law on Cabotage,
- Restrictive provisions of **the** Turkish Code of Commerce regarding foreign shares,
- Restrictions on property acquisition by foreigners,
- Authorization for investments in the fields of oil and mining

Lifting restrictions such as those under the Village Law with respect to property acquisition by foreigners plays an important role in terms of free movement of services.

The restrictions put on cash and “in kind” transfers abroad according to Decision No. 32 on Protecting the Value of Turkish Currency and the Circular No. I-M of the Central Bank of the Republic of Turkey (where amounts over 5 million dollars are subject to authorization), must be adapted to EU norms.

5. Company Law

Although the corresponding Turkish legislation related to companies is in conformity with the EU *acquis* in general terms, partial amendments are required in Turkish legislation. To this end, a commission working under the coordination of the Ministry of Justice is preparing a new draft of the Turkish Code of Commerce, taking into consideration all the related EU Directives. It is very important that this draft be enacted in the medium term.

Significant progress has been noted in the field of industrial property rights within the scope of the Customs Union. Relevant studies still continue with respect to the Draft Law on the Protection of Integrated Circuit Topographies and on the Protection of the Improvement Rights of New Plant Species.

In the field of intellectual property rights, it is proposed to ratify certain international agreements (WIPO- World Intellectual Property Organization – Property Rights and WIPO Performances and Phonogram Agreements) within the year 2001.

It is expected that the project aimed at the establishment of 12 specialized courts to provide for expertise in the settlement of disputes on intellectual and industrial property rights will be concluded with the assistance of EU finance. As an initial step, a Specialised Court for Intellectual and Industrial Property Rights has been established in the province of Istanbul.

6. Competition and State Aid

Turkish Competition Law is to a great extent parallel to the Competition Law of the EU. The Competition Authority is following amendments to EU rules of competition, and activities have already been initiated to prepare parallel arrangements.

Works on the Draft Law No. 1177 on Tobacco and Tobacco Products which is part of the obligations of Turkey arising from the Customs Union should be completed immediately. The Turkish Parliament passed the Draft Law amending Law No. 4250 on the Monopoly on Spirits and Spirit Drinks on 11 January 2001. However, it would be beneficial to reconsider the said arrangements from the perspective of full membership.

Where state aid is concerned, a working group has been established with the participation of the related public institutions and organizations and whereby the fragmented picture of state aid aims to be eliminated. A system similar to the Nomenclature of Territorial Units for Statistics (NUTS), forming the basis of the regional statistical classification of the state aids system of the EU, needs to be established in Turkey.

Furthermore, there is also the need to establish a Monitoring and Supervision Authority for State Aid to assess the conformity of state aid applications with the criteria laid down by the EU acquis.

7. Common Agricultural Policy

The agricultural sector encompasses the largest area in terms of adoption of the EU acquis. It is very important to adopt the complicated provisions in this field which represents such a significant part of the Community acquis.

The priority issue in Turkey-EU relations in the field of agriculture is the harmonization of Turkish agriculture with the Common Agricultural Policy. However, it will not be possible to implement the Common Agricultural Policy in Turkey without establishing an adequate infrastructure that is in conformity with the system of the Community. Therefore, the adoption process can only be realized gradually. In the first place, certain studies on the infrastructure have to be completed prior to the completion of the adoption process. Studies on infrastructural development cover a wide range, from the administrative structure of the national agricultural sector to the policies on production, consumption, prices and markets, and from productivity and competition to rural, regional and environmental development policies.

One of the major factors in the adoption of the Common Agricultural Policy is the application of Direct Income Support for Farmers. A Decree on Direct Income Support for Farmers was enacted on 1 March 2000. Pilot projects have been conducted in Adiyaman, Ankara, Antalya and Trabzon. This system will be extended countrywide as from 2001 and will take into account findings of the pilot studies.

The application of Direct Income Support for Farmers depends on the establishment and development of functioning Farm Registry and Land Registry Systems across the country. Within the framework of the establishment of a Land Registry System studies are being conducted for the preparation of a new project which will provide for the entering of title deed and cadastre information into the data system, and for servicing computer users. The necessary technical and legal arrangements related to this matter need to be completed. Moreover, the studies on the development of a Geographical Information System and Data Network for Farm Accounting, together with the Farmer Registry System and the Title Deed Cadastre System, and the establishment of the Agricultural Information System, should be accelerated by using the agricultural database.

Establishment of an Animal Identification System plays an important role in terms of bringing contagious diseases under control. Upon the realization of the above it will be possible to ensure safe animal movements and trade. Moreover, it will be impossible to include farmers producing dairy and meat products in the Direct Income Support System for Farmers, within the framework of the Common Agricultural Policy, without the establishment of a properly functioning Animal Identification

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and Registry System. To this end, the Animal Identification System should be extended nationwide and the administrative structure required for this matter should be completed.

In the field of animal health, the Community acquis related to veterinary procedures and the procedures of the EU related to the combat against contagious animal diseases need to be adopted as soon as possible, within the framework of the objective to eliminate such diseases. Concerning the administrative structure, relations between the central organization and the regional organizations have to be conducted in a way which eliminates conflict arising from delegation of authority and coordination. Furthermore, it is necessary to establish Quarantine Laboratories in conformity with Community standards at border inspection posts, in order to ensure efficient inspection during the customs clearance of livestock and animal products.

Turkish legislation on plant health is to a great extent in harmony with the related acquis of the Community. Studies to be conducted in this respect have been identified in general terms, and the results thereof need to be embodied in the legislation. It should be noted that the differences between Turkey and the EU in the field of plant health arise mostly in terms of implementation. Accordingly, necessary measures need to be taken towards improving implementation. Moreover, the infrastructure of the institutions and organizations in charge of plant health needs to be improved, mainly by focusing on the laboratories.

Studies on achieving harmonization with hygiene and public health standards of the EU by the foodstuff processing establishments still continue. In particular, the arrangements for bringing the standards of dairy and meat processing facilities to the level of the EU should be completed.

Activities conducted under the Southeast Anatolia Project and other studies performed by the Ministry of Agriculture and Rural Affairs within the framework of Rural Development Projects, based on the participation of producers, should be extended in scope to cover rural development measures parallel to those within the EU.

The Draft Law Regulating Agricultural Services is required for the purpose of eliminating the disorder existing in the distribution of authority in the agricultural sector and to centralize the delivery of services.

Existing legislation covers farmers organized within cooperatives. However, regulations in conformity with EU norms regarding Union for Agricultural Producers do not exist. In this context, the Draft Law on the Union for Agricultural Producers which has been presented to the Prime Ministry will allow producers' unions to become organized in conformity with EU norms and should be enacted. The said draft law aims at supporting organized farmers from the production to the marketing stages, and at implementing relevant incentives.

The Board for Restructuring and Supporting Agriculture has been established to eliminate disorder in the distribution of authority in the agricultural sector, to restructure the agricultural subsidy policies, and conduct studies on the development of an agricultural database. It is composed of high level representatives from the leading institutions in the sector, including representatives from private sector establishments and farmers' organizations.

8. Common Fisheries Policy

The establishment of an administrative structure to organize the structural developments in the fisheries market by means of short term supervisory and control measures should be ensured. In addition, fishing fleet registers should be improved.

9. Common Transport Policy

Turkey is expected to join TINA (Trans-Infrastructure Needs Assessment), the main planning platform for the Transport Corridors, in accordance with the objectives set under the Decision 1/95 of the Association Council and the "European Strategy for Turkey" published by the European Commission on 4 March 1998.

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Where adoption of the EU acquis in the field of transport is concerned, efforts regarding the road and rail transport need to be accelerated, the related framework laws have to be enacted, and the implementation regulations should be completed in the shortest possible time. In addition, it is expected to restructure the railways and to improve harmonization with security requirements applicable in maritime transport.

In this context, the following matters are to be fulfilled:

- To enact the Draft Law on Road Transport that is before the Turkish Parliament, to amend the Regulation on International Goods and Passenger Transport by Road, and to enforce the Regulation on National Goods Transport,
- To establish an institutional structure for the railways, by making amendments to Law No. 3348 on the Establishment and Duties of the Ministry of Transport, Statutory Decree No. 233 on the State Owned Economic Enterprises, and the Incorporation Statute of the Turkish Railways Authority.

The conventions of the International Maritime Organization (IMO) on sea safety have to be ratified. Moreover, the existing administrative, legal and technical infrastructure will be revised for increased efficiency in Flag State, Port State applications and a re-structuring will be undertaken in the areas of training, materials and financial resources, and through technology transfer.

10. Taxation

The corresponding Turkish legislation on taxation, including Value Added Tax, is to a great extent in harmony with the EU acquis. Remaining differences will be eliminated during the negotiations stage.

However, the Draft Law on Excise Tax (ÖTV), which was previously submitted to the Turkish Parliament became obsolete, needs to be re-submitted as soon as possible.

11. Economic and Monetary Union

For the purpose of achieving harmonization with the EU Central Banks System, amendments to certain parts of the Law on the Central Bank of the Republic of Turkey (TCMB) are necessary; namely the duties of the Bank, its independence, and its relations with public institutions. The new Law will include the following:

- The main objective of TCMB is to ensure price stability and determine monetary policy and policy instruments,
- With regard to the institutional independence of TCMB, no authority will give recommendations and instructions to the Bank in a way to affect its decision making process,
- The 51 percent share of the Treasury in the Bank's capital will be reduced.
- The Bank will not provide credit facilities to public institutions and organizations,
- The Bank will establish a Monetary Policy Board to ensure price stability,
- The Bank will be in charge of, and authorized for, establishing payment systems and making all necessary arrangements, thereby ensuring the continuous functioning of these systems,
- The Bank will be authorized to collect statistical data from real and legal persons, when deemed necessary,
- The terms of the vice presidents will be arranged in parallel to that of the president.

Furthermore, the legislation on the Protection of the Value of the Turkish Currency needs to be revised to permit the establishment of a fixed exchange rate with the single currency necessary for acceding to the European Economic and Monetary Union (EMU), and for implementing a single monetary and exchange rate policy. However, since Turkey's priority at the moment is accession to the EU and participation to the EMU is a post-accession phenomenon, it is not deemed necessary at this stage to make any changes in the legislation regarding harmonization with the single currency policy of EMU.

12. Statistics

Adoption of the *acquis* on "Statistics" has a special importance and urgency. Therefore, full adoption efforts on issues such as collection of data and methodology, necessary institutional arrangements, inter-institutional coordination and cooperation with EUROSTAT (the statistical office of the EU) are to be given priority.

There is no provision within Turkish legislation specifically relating to statistics. Necessary legal arrangements including standards, principles, and methodology, must be made in the medium-term in the laws of all institutions responsible for producing and interpreting statistics.

13. Social Policy and Employment

- The Law on Trade Unions for Public Officers has to be enacted.
- Legal arrangements will be introduced regarding job security.
- The following matters are required within the framework of studies on the elimination of child labour:
 - To amend Law No. 1475 on Labour in order to strictly prohibit the employment of children under the age 15,
 - To complete preliminary studies on defining light work in which children in the age group 15-18 may be employed, and **in which** sectors,
 - To continue to implement the ILO/IPEC project (International Programme on the Elimination of Child Labour) introduced in 2000.
- Amendments are required to be made to Law No. 2821 on Trade Unions, Law No. 2822 on Collective Labour Agreements, Strikes and Lockouts.
- The Law on the establishment and duties of the Economic and Social Council should be enacted.
- It is very important to enact the Draft Law on the Work Permits of Foreigners.
- The Ministry of Labour and Social Security, Labour Market Information Consultancy Committee will be established.
- The Ministry of Labour and Social Security, Labour Health and Safety Assembly will be established.
- The Professional Standards Authority must be established.

As for the elimination of discrimination based on sex the following matters are required to be fulfilled:

- To complete the legal arrangements on paid maternity leave and parental leave;
- To complete the legal arrangements on abolishing the term "head of the family";
- To introduce arrangements on equal treatment in terms of social security;
- To make the necessary arrangements for shifting the burden of proof in cases of sex discrimination to the employer.

14. Energy

The “Regulatory Authority for the Electricity Market” will soon be established in line with the provisions of the Electricity Market Law no.4628, which was enacted on 3 March 2001.

A restructuring of the national oil and natural gas market will result from amending the Law on Oil, introduced in 1954. It is anticipated that Directorate General for Oil Affairs will be reorganized as the “Regulatory Authority for the Oil Market”.

15. Industrial Policy

The complex structure of the “Legislation on State Aids” shall be revised to ensure a simple, comprehensive and harmonious legislation. Accordingly, in the near future certain amendments will be made to the applicable legislation for the purpose of simplifying the investment incentive system and making this system more efficient.

The Turkish Accreditation Authority, officially established on 4 November 1999 through Law No 4457, will begin its activities as soon as possible. It will complete the national quality infrastructure by increasing competitiveness in industry and ensuring free movement of products within the EU market.

In relation to the structural problems of industry, the following will be accomplished:

- i. The adaptation of enterprises to the competitive environment
- ii. To facilitate the access of enterprises to the Internal market and to enable them comply with the EU acquis and quality targets
- iii. To support enterprises in complying with the environmental policies of the EU

Within the scope of the development of a supportive infrastructure for enterprises the following steps will be taken:

- i. The development of technological infrastructure
- ii. The provision of metrological and technological support for industrial sectors
- iii. The establishment of technology transfer agencies
- iv. The strengthening of the technical infrastructure
- v. The establishment of certification institutions and business development centres
- vi. Support for agencies developing industry
- vii. The establishment of industrial zones
- viii. Support for studies carried out by Small and Medium Sized Enterprises for harmonisation with the technical acquis (training and promotion), and to launch studies on harmonisation with the New Approach directives and use of CE marking. The studies will be introduced parallel to the “Industrial Strategy” prepared within the context of the “European Strategy for Turkey”, which also includes various requirements regarding Small and Medium Sized Enterprises.

16. Small and Medium Sized Enterprises

Turkish Small and Medium Sized Enterprises will be encouraged to adapt to the Internal Market conditions of the EU, in accordance with the conditions existing in Turkey.

Turkey will try to participate in the EU's "Fourth Multi-annual Programme for Enterprises and Entrepreneurship (2001-2005)". Through participation in the Program the necessary alignment and implementation of legislation will be completed. The Multi-annual Program will enable the SMEs of the candidate countries and the SMEs of Turkey to participate in EU activities and this will be beneficial for SMEs in increasing their competitiveness within the EU market.

Legislation will be introduced to establish mutual benefits and greater reliability between the main and subsidiary industry, to provide mutual long-term cooperation between them, and to render the main and subsidiary industries more competitive.

17. Science and Research

Turkey endeavours to participate in the Fifth Framework Program (1998 – 2002) of the EU in the field of Research and Technological Development covering the years 2000-2002 with a maximum number of projects until 31 December 2001.

In order to participate in the next framework program as an "associate member", an association agreement will be negotiated and necessary studies will be conducted to allow for Turkey's first full participation in the 6th Framework Program (2002 – 2006).

18. Education and Training

For the delegation of relevant authority and responsibility to the regional organisations of the Ministry of National Education, Law No 3797 on the Establishment of the Ministry of National Education should be revised.

The modifications to be made to the following laws play a significant role in the elimination of shortcomings in the education system: Law No 1739 on National Education, Law No 3308 on Apprenticeship and Vocational Training, Law No 3797 on the Establishment and Duties of the Ministry of National Education, Law No 3418 on the Fund for Apprenticeship and Vocational Training, Law No 4306 on Eight Year Compulsory Basic Education.

With the aim of mutual recognition of vocational training documents and ensuring a certain standard in vocational training, the "Draft Law on National Professional Standards", contemplating the establishment of a Professional Standards Institute which regulates vocational standards and is open to the participation of employees, employers and state agencies has been prepared by the Ministry of Labour and Social Security and the Turkish Employment Agency and submitted to the Prime Ministry. The enactment of this draft will be very significant.

The Draft Law on Establishment and Duties of the National Agency responsible for the Youth and Training Programs of the EU should be enacted.

Turkey plans to participate actively in the SOCRATES Program, one of the education programs of the EU, as from November 2001. In this context, Diploma Supplements to be granted to students by the EU upon their graduation will be introduced in all the higher education institutions of Turkey with effect from June 2001.

Necessary studies will be carried out to increase the period of compulsory basic education to 9-12 years as in EU member states.

19. Telecommunications

Through the introduction of Law No 4502, various articles of Law No 406 on Telegram and Telephone Communications, Law No 2813 on Radio Communication, and Law No 3348 on the Establishment and Duties of the Ministry of Transport have been amended. It is anticipated that certain inconsistencies with the EU acquis in terms of implementation and technical compliance will be harmonised within a short period of time through by laws and/or technical specifications to be published by the Telecommunications Authority.

The necessary legal infrastructure and institutional structure to be applied to existing institutions will be prepared for the alignment of Turkish legislation with the EU acquis in the fields of information security and processing and free circulation of personal data, development of e-commerce in terms of information security, and disclosure of the information processed by the public and private sector through the internet, taking into account the protection of personal data and information related to national security.

20. Cultural and Audio-Visual Policy

Various articles of Law No 3984 on the Establishment of Radio and Television Enterprises and Their Broadcasts should be harmonised with the EU Directive on "Television without Frontiers".

The Draft Law Amending Some Articles of Law No 5846 on Intellectual and Artistic Works should be enacted as soon as possible.

21. Regional Policy

A system similar to NUTS (Nomenclature of Territorial Units for Statistics), which is a system based on the statistical classification of the regions in EU, should be identified and target regions should be determined according to this system.

State aid provided to the regions should be harmonised with the requirements of the EU. This is also one of the obligations of Turkey arising from the Customs Union.

22. Environment

The aim is to increase the efficiency of the Environmental Impact Assessment (EIA) process, harmonise with the EU acquis, and to develop the necessary infrastructure. Therefore studies on the revision of the EIA regulation should be finalised.

In the year 2001 a national program will be prepared so as to provide the necessary legal, technical and administrative infrastructure in order to provide access to environmental information. The said national program will also determine the strategy for accession of Turkey to the Aarhus Convention in the field of access to environmental information, and will accelerate integration of Turkey with the European Environment Agency and European Environment Information and Observation Network (EIONET).

Necessary modifications will be made to the Regulation on the Control of Solid Wastes (14 March 1991), the Regulation on the Control of Medicinal Wastes (20 May 1993), and the Regulation on the Control of the Hazardous Wastes (27 August 1995), for alignment with the EU acquis.

Administrative and technical arrangements covering the issues stated in the EU Directive on The Conservation of Natural Habitats and of Wild Fauna and Flora, that have been launched for the preparation of national legislation related to the conservation of habitats within the scope of the international conventions undersigned by Turkey, are expected to be completed in the near future. The Framework Law on Protection of Nature will be prepared and harmonised with the EU acquis. Legislation contradictory to the EU Directive will be excluded

23. Protection of Consumers and Health

Studies have been launched for the amendment of Law No 4077 on the Protection of Consumers to ensure harmonisation with the EU acquis. The Draft Law was submitted to the Turkish Parliament in 2001.

The Framework Law mentioned in the Chapter entitled "Free Movement of Goods" should be enacted as soon as possible in order that the EU directive on general product safety, one of the most important directives of the EU in this field, can be adopted.

The Consumer Courts foreseen in Law No 4077 have been established and activated in Istanbul, Ankara and Izmir on 1 February 2001 as a first stage implementation.

24. Justice and Home Affairs

The following are the main objectives on which work is being initiated in 2001 to be completed mainly in the medium term:

- Work on administrative reform in the field of justice and home affairs will be accelerated.
- Coordination between competent Ministries and other public institutions will be strengthened.
- Border controls will be further strengthened and preparations will be made to fully implement the Schengen acquis.
- Work will be undertaken to harmonize the legislation and practices with the EU acquis on visa policy.
- In order to prevent illegal immigration, the EU acquis and practices on migration (admission, readmission, expulsion) will be adopted.
- The EU acquis in the areas of organized crime, fraud and corruption, the illicit use and production of and trafficking in drugs, money-laundering, and judicial cooperation in civil and criminal matters will be adopted, and international cooperation in these areas will be further intensified.
- The capacity to fight against organized crime, fraud and corruption, the illicit use and production of and trafficking in drugs, money laundering, and police and judicial cooperation in criminal matters will be enhanced.
- Work on the collection, storage, processing, analysis and exchange of relevant information on suspicious financial transactions will be accelerated.
- Harmonisation with relevant acquis will be completed and preparations will be made to participate in Europol.
- In order to fully participate in the Schengen Information System (SIS) and in Europol, the EU acquis on the protection of individuals in the processing of personal data will be adopted.
- Programs to inform and acquaint the public with the EU acquis and practices in the field of justice and home affairs will be prepared.
- It is intended to participate as much as possible in MEDA and programmes in the field of justice and home affairs such as Falcone, Odysseus, Grotius, Daphne, Oisín and Stop, and in cooperative schemes such as the Action Plan Against Organized Crime, the Action Plan on the Fight Against Drugs, and the European Refugee Fund, with the assistance of EU Member States.
- Existing accommodation facilities and social aid mechanisms for refugees will be further developed.
- Lifting the geographical limitation to the 1951 United Nations Convention Relating to the Status of Refugees will be considered in a manner that would not encourage large scale refugee inflows from the East, when the necessary legislative and infra-structural measures are undertaken, and in the light of the attitudes of the EU Member States on the issue of burden-sharing.

25. Customs Union

The related legislation is to a great extent in harmony with the EU acquis. Developments are monitored and studies for the preparation of new legislation are ongoing.

Studies for the modernisation and automation of the customs administration are still underway.

26. External Relations

Harmonisation efforts are ongoing concerning EU trade policy. Within this framework, Free Trade Agreements (FTAs) have been signed with 13 countries. Parallel to the preferential regimes of the EU, negotiations towards the signing of free trade agreements are continuing with Egypt, Palestine, Jordan, Croatia, Morocco and Tunisia. Studies are ongoing to launch negotiations with Malta, Algeria, Mexico and South Africa in the near future.

Efforts are continuing towards alignment with the autonomous regimes of the Community.

27. Common Foreign and Security Policy

Turkey has been provided with the option of association with common positions and actions taken under the Common Foreign and Security Policy. However, contributions of the Candidate States are not necessarily incorporated in the common positions and actions adopted. Due to her distinct position in regional and global politics, Turkey's views on certain aspects of international relations may well offer useful insights. In this context, until Turkey becomes a full member of the EU, she may not wish to associate with common positions and actions that do not take into consideration her concerns. Nevertheless, Turkey will strive, in principle, to take part in as many common positions as possible and limit her abstentions only to specific cases that are closely related to national priorities and interests. As a matter of fact, Turkey participated in 83 percent of approximately 530 EU common positions and actions to which the Candidate States were invited to associate with between December 1999 and December 2000.

28. Financial Control

It is necessary to introduce a framework arrangement since Law No 1050 on General Accounting does not meet EU requirements, and the implementation scope thereof is restricted. This arrangement is important for increasing efficiency and productivity in public services, maintenance of macro discipline, and harmonisation with EU norms.

Within this framework;

- The creation of a unified public accounting system should be included within the scope of the Law.
- The penal liabilities in budgetary practices should cover all the authorities included in the implementation procedure.
- The budget should be simplified and the provisions not related to the budget should be excluded.

Law No 2886 on Public Procurement should be amended to ensure competition and efficiency required in purchasing and construction works. The scope thereof should be improved so that all the institutions exercising public authority can apply the said Law (special goods and services and public institutions are excluded).

The main arrangement required for the effective operation of the fiscal control system is bringing together the piecemeal legislation within a framework law, and increasing coordination between 129 supervisory institutions to render them more efficient in carrying out the necessary arrangements.

ADMINISTRATIVE CAPACITY FOR THE ADOPTION OF THE ACQUIS

In this chapter, a general appraisal is given of the administrative capacity required to implement the modifications, and the innovations to be introduced in Turkish legislation for the adoption of the acquis.

GLOBAL FINANCIAL ASSESSMENT OF THE REFORMS

In this chapter the financial resources required for the implementation of the National Program, and the amount of financial assistance expected from the EU side is explained.

EXECUTIVE SUMMARY OF THE NATIONAL PROGRAMME
