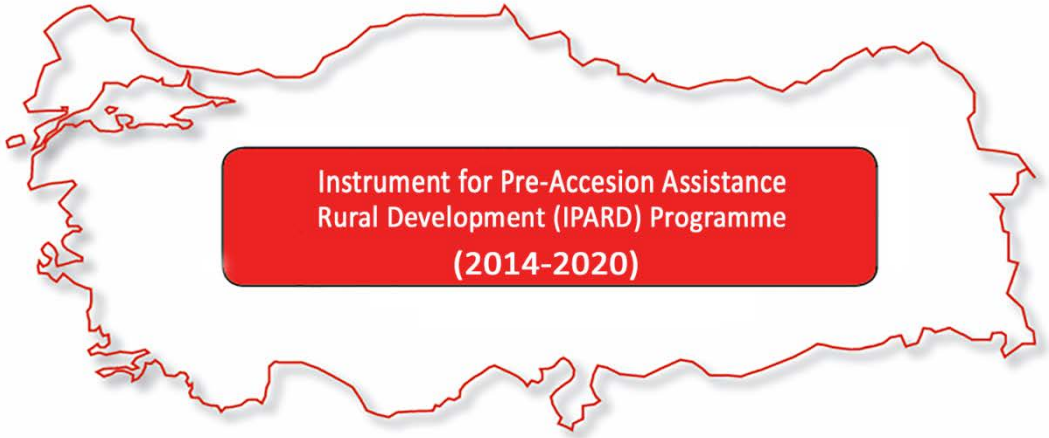
REPUBLIC OF TURKEY

Ministry of Food Agriculture and Livestock



Instrument for Pre-Accesion Assistance Rural Development (IPARD) Programme (2014-2020)

REPUBLIC OF TURKEY
MINISTRY OF FOOD AGRICULTURE
AND LIVESTOCK

Table of Contents

List of Abbreviations

AA	Audit Authority
AB	Agricultural Bank
ACC	Agricultural Credit Cooperative
AE	Agri-Environment
ARDSI	Agriculture and Rural Development Support Institution
ASCA	Agricultural Sales Cooperatives and Associations
CAP	Common Agricultural Policy
CCVUT	Central Council of Veterinary Union of Turkey
CGF	Credit Guarantee Fund
CISOP	Competitiveness and Innovation Sector Operational Programme
CSP	Country Strategy Paper
CUCBT	Central Union of Cattle Breeders in Turkey
CUEP	Central Union of Egg Producers
CURMPT	Central Union of Red Meat Producers of Turkey
da	decare
DG	Directorate General
DG AGRI	Directorate General for Agriculture and Rural Development
DG-FC	Directorate General of Food and Control
DG SANCO	Directorate General for Health and Consumers
DOKAP	Eastern Blacksea Region Development Projects
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
ENPI	Black Sea Basin Cross Border Cooperation Programme
ENRD	European Network for Rural Development
EOP	Energy Operational Programme
EU	European Union
EUR	Euro
EUROSTAT	Statistical Office of the European Communities
F&V	Fruits and Vegetables
FADN	Farm Accountancy Data Network
FAO	Food and Agricultural Organisation
FIS	Fishery Information System
GAEC	Good Agricultural and Environment Condition
GAP	Good Agricultural Practices
GAP	South-eastern Anatolia Project
GD	General Directorate
GDAR	General Directorate of Agricultural Research and Policies

GDP	Gross Domestic Product
GLOBALGAP	Global Good Agricultural Practices
GVA	Gross Value Added
GW	Giga Watt
ha	hectare
HACCP	Hazard Analysis of Critical Control Points
HRDOP	The Human Resources Development Operational Programme
IACS	Integral Administration and Control System
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IPA	Instrument for Pre-Accession Assistance
IPARD	Instrument for Pre-Accession Assistance on Rural Development
IPCC	Intergovernmental Panel on Climate Change
ISO	International Standard Organisation
IT	Information Technology
JICA	Japan International Cooperation Agency
LAG	Local Action Group
LEADER	Links Between Actions for the Development of the Rural Economy
LAU	Local Administration Unit
LDS	Local Development Strategy
MA	Managing Authority
MC	IPARD Monitoring Committee
MOTMC	Ministry of Transport, Maritime Affairs and Communications
MOEU	Ministry of European Union
MOFAL	Ministry of Food, Agriculture and Livestock Rural Affairs
MOLESS	Ministry of Labour and Social Security
MOSIT	Ministry of Since, Industry and Technology
MOU	Memorandum of Understanding
MCT	Ministry of Culture and Tourism
MT	Metric Tonnes
MW	Mega Watt
NAO	National Authorisation Officer
NF	National Fund
NFRS	National Farm Registration System
NGO	Non-Governmental Organisation
NIPAC	National IPA Coordinator
NRDS	National Rural Development Strategy

NUTS	Nomenclature of Units for Territorial Statistics
NRN	National Rural Network
OECD	Organisation for Economic Cooperation and Development
OG	Official Gazette
OIE	Office International des Epizooties
OP	Operational Programme
OPEC	Organisation of Petroleum Exporting Countries
PCU	Provincial Coordination Unit
PG	Producer Group
PO	Producer Organisation
PPS	Purchase Power Standards
PRAG	Practical Guide to Contract Procedures for European Union External Action
R&D	Rural Development
RDISP	Rural Development Investments Support Program
RDP	Rural Development Plan
SEI	Support Activities To Strengthen The European Integration Process
SHW	General Directorate of State Hydraulic Works
SME	Small and Medium-sized Enterprises
SRUDA	Sustainable Rural and Urban Development Association
SWOT	Strengths, Weaknesses, Opportunities, and Threats
t	tonnes
TA	Technical Assistance
TBS	Agriculture Information System
TETC	Turkish Electricity Transmission Company
ToR	Terms of Reference
TUCA	Turkey Union of Chambers of Agriculture
TURKSTAT	Turkish Statistical Institute
TURKVET	Veterinary Information System
UN	United Nations
UNDP	United Nations Development Programme
USD	United States Dollar
UT	Undersecretariat of Treasury
UWMIB	Union of White Meet Industrialists and Breeders
UDBFIPT	Union Of Dairy, Beef, Food Industrialists And Producers Of Turkey
WB	World Bank
WGs	Working Groups
WAHID	World Animal Health Information Database

WTO	World Trade Organisation
TL	Turkish Lira

List of Tables

List of Figures

1. TITLE OF IPA RURAL DEVELOPMENT PROGRAMME

IPARD 2014-2020 Programme, Republic of Turkey

2. BENEFICIARY COUNTRY

2.1 Geographical Area Covered by the Programme

To ensure smooth transition from the 2007-2013 programme, the 2014-2020 programme will initially cover 42 provinces corresponding to NUTS 3 level regions (Afyonkarahisar, Ağrı, Aksaray, Amasya, Ankara, Ardahan, Aydın, Balıkesir, Burdur, Bursa, Çanakkale, Çankırı, Çorum, Denizli, Diyarbakır,Elazığ, Erzincan, Erzurum, Giresun, Hatay, Isparta, Kahramanmaraş, Karaman, Kars, Kastamonu, Konya, Kütahya, Malatya, Manisa, Mardin,Mersin, Muş, Nevşehir, Ordu, Samsun, Sivas, Şanlıurfa, Tokat, Trabzon, Uşak, Van and Yozgat) covered by IPARD 2007-2013. Since the National Rural Development Strategy foresees application of the IPARD Programme in all 81 provinces, possibility of extending the coverage of the IPARD 2014-2020 to cover all provinces with special care not to interrupt the implementation of the programme will be considered depending on the budget available, absorption patterns and cost/benefit analysis and administrative costs. Moreover, the added value to be created by expanding the EU Rural Development experience all around the country will also be taken into consideration.

Figure 1. Eligible IPARD 2014-2020 Provinces as of Inception of the Programme

3. DESCRIPTION OF THE CURRENT SITUATION, SWOT AND IDENTIFICATION OF NEEDS

3.1. The General Socio-Economic Context of the Geographical Area

Population

The population of Turkey continues to grow. The growth rate however has declined considerably from a steady value of about 25‰ between 50s and 80s to 13.7‰ in 2013. As of December 31, 2013, the population of Turkey is 76,667,864. The working age population constitutes 67.7% of the total population. The share of working age population increases faster than the population growth. Increase in working age population is 1.64% in 2013. The share of population between 0-14 age group is 24.6% as of 2013 while the share of population aged 65 and more is 7.7%. With 51.9 million of persons in working age and a median age of 34 Turkey is considerably young and has high potential for further economic development. As of 31.12.2013, 20,922,196 people are living in rural areas. 13,845,332 of these are in IPARD Provinces.

Education

Considering population between ages 25-64, about 3.1% is illiterate, 4.2% is literate but have not received formal schooling, 55.1% have primary or secondary school diploma, 18.2% have high school diploma and 16.4% have higher education degree. These figures are considerably lower than EU28 average. As published by Eurostat in 2012, the expected duration of education is as high as 20.4 years in Finland and the EU average is 17.4 years while this figure is 14.4 in Turkey. Education level is even lower in rural areas, between ages 25-64, about 6.6% of the population is illiterate, 8.3% is literate but have not received formal schooling, 67.0% have primary or secondary school diploma, 10.7% have high school diploma and 3.8% have higher education degree.

Employment

Size of the labour force is 27,046,494 in 2013 corresponding to 48.3% labour participation rate which is relatively low particularly for women. Between 2007 - 2013, total employment increased by nearly 4,392,000 and reached 24,601,000 corresponding to 22% increase. . The increase in agricultural sector in the same period was 15% with total number of persons employed in agriculture sector nearly 5,204,000 in 2013. During the same period, the overall unemployment rate decreased by 0.6 points and realised at 9.7%. Urban unemployment rate increased by 0.5 points and reached 11.5%, while rural unemployment rate increased by 0.6 points and reached 6.1%. Throughout the decades, labour is shifting from agriculture to industry and service sectors following the trends in developed countries. Turkey's history in early retirement age and moving of retired persons back to their hometowns overshadows this issue on statistics. In the 90's retirement age was as low as 45 and considerable portion of retirees preferred not to work anymore and moved to their hometown. These persons are now part of the idle labour force in rural statistics positively contributing the working age population but are not included in unemployment figures. .

In the last ten years, the share of agriculture in total employment decreased from 29.1% to 23.6% while the share of services increased from 46.0% to 50.0%. In absence of balanced rural development, this shift in Turkey results in migration from rural to urban areas and it is not

uncommon to observe emptied villages or villages only inhabited by the elderly.

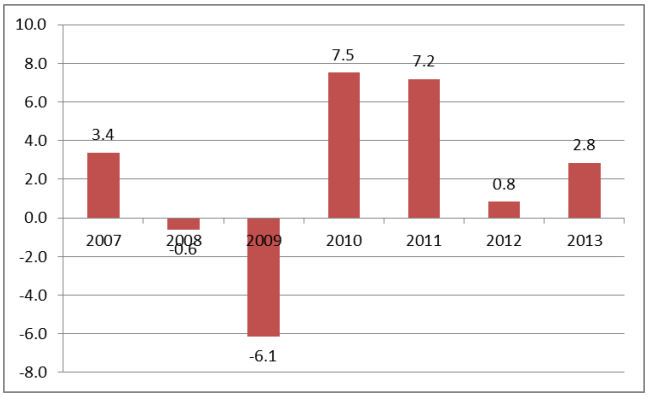
Migration

There is also a steady migration from the Eastern parts of the country to the more densely and economically developed Western parts. In 2013, eight NUTS 2 regions covering Istanbul, Ankara, Izmir, Antalya, Bursa and their neighbouring provinces received a net migration of 208,484 persons while eleven NUTS 2 regions covering Adana, Hatay, Sivas, Nigde, Trabzon, Erzurum, Kars, Elazig, Van, Diyarbakir, Mardin experienced an outward migration of 167,203. The tendency of migration is generally from east to west although there are some western provinces losing population and eastern provinces attracting migration. Moreover, migration from rural to urban areas within a region is also common as reflected to decreasing rural population and increasing urban population through the years. Share of rural population decreased from 56.1% in 1980 to 22.7% in 2012.

GDP

GDP per capita registered a 15% increase between 2007 and 2013 corresponding to an average annual growth of 2.1%. Considering the average population growth rate of 1.4% in the same period the growth in real terms is even higher. The volatility in GDP is due to the global economic crisis in years 2008 and 2009 and its aftermath.

Figure 2. Increase in per capita GDP (Source TURKSTAT)



The rate of per capita GDP increase corresponding to each year is shown in Figure 2.

Traditionally construction sector has become the major driver behind Turkey's economy. Growth of construction sector has indirect effects on industrial production as well. Construction is followed by tourism in terms of contribution to economy. Industrial production is continuously increasing. Industrial production index increased 60% in the last ten years and share of industrial products in total exports exceeds 90%.

As for agricultural production, total value exceeded 200 billion TL in 2012. 43.8% of the value is crop production while 31.6% is livestock and 24.6% is animal products. Share of agriculture in GDP is 9.3% with annual increase rate of 3.1% in terms of value.

Inflation

Between 2007 and 2013, the annual increase in the consumer price index fluctuated between 6.2 and 10.5% with a six year average at 7.9 %. Although this figure is still high, it is an indication of relative stability considering double digit inflation figures over the previous three decades. The producers' price index showed more variation during the same period. The annual increase was as high as 13.3% in 2011 while it was 2.5% in 2012. The average increase in the producer's price index between 2007-2013 period was 7.4%.

Foreign Trade

Turkey's foreign trade continues to increase in both directions. Although exports were levelled off in 2013, imports continued to increase and foreign trade deficit moved towards the peak value of 106 billion dollars which was realised in 2011. In 2013, total export of Turkey was around 151 billion USD while the imports are 251billion USD. EU countries have been Turkey's most important trading partner. The share of exports to EU Countries rose from 39% to 42% in 2013 while the share of imports stayed stable around 37%.

In 2013, agri-food products constituted 10.9% of total exports and 5.2% of total imports. 10 years ago these figures were 9.5% and 4.6%, respectively. Total export of agri-food products increased 177% over the last ten years while the increase in imports was 194%. The balance of foreign trade of agri-food products is positive with a value of 3.5 billion USD in 2013. Details about the foreign trade of agri-food products are given in Section 3.2

EU countries have an important place in Turkey's foreign trade of agricultural products. In 2013, 41% of livestock imports are made from EU countries. In fish exports, EU had the first place with a share of 49% in 2013. 61% of Turkey's fresh red meat imports are from EU. For processed fruits and vegetables, 63% of the exports and 33% of imports are with the EU. 41% of the imported dairy products are from EU countries.

Administrative System

Largest administrative unit in Turkey is province administrated by a governor. Districts are located under the provinces and ruled by district governors. There is a capital district in each province where the governor is located. Governors are appointed and their budgets are allocated by the central administration. The units under districts are either villages in rural areas or neighbourhoods in urban areas. There are currently 81 provinces, 919 districts, 18,248 villages and 31,718 neighbourhoods in Turkey.

Municipalities are independent from administrative structure with an elected mayor. Although they have some share on the tax revenue from their settlements, their major budget is allocated by central administration depending on their population. Municipalities are mainly responsible for providing infrastructure services to administrative units. Ordinarily there is one municipality covering neighbourhoods in each district. However, with population growth, as districts agglomerate becoming metropolitan areas, metropolitan municipalities covering several districts were introduced in 1984.

The municipality law 5215 dated 2004 allows establishment of municipalities for villages or agglomeration of villages having population higher than 5,000. If a municipality is established in a rural settlement, the settlement is called a county.

Land Use and Ownership

Table 1. Land Use in Turkey

Land Classification	Area (ha)	%
Arable	24.437,000	31,1
Forests	21.678.134	27,6
Pastures	14.617,000	18,6
Water areas	1,050.854	1,4
Other	16.751.482	21,3
Total	**78.534.470**	**100**

(Ministry of Forestry and Water Affairs 2012)

Distribution of land use in Turkey is given in Table 1. As shown in the table, agriculture occupies 31.1% of total land followed by forests (27.6%), pastures (18.6%). Latest extensive statistics on agriculture was published by TURKSTAT based on 2001 Agriculture Census. Since then, there has been no extensive survey on Agriculture. According to 2001 Agriculture census figures, distribution of agricultural land

according to farm size is given in Table 2. However, recent land consolidation initiative will largely alter the structure. The law which has been effective as of 15 May 2014 makes it compulsory to consolidate farms on irrigated lands to minimum 5-10 ha depending on the location of the land.

Table 2. Distribution of Farm Sizes

Farm Size (ha)	Percentage of total agricultural area
0-0.49	0.3%
0.50-0.99	1.1%
1.0-1.9	4.0%
2.0-4.9	16.0%
5.0-9.9	20.7%
10.0-19.9	23.8%
20-49.9	22.8%
50.0-99.9	6.1%
100-249	3.0%
250-499	0.4%
500+	1.9%

Nationwide land ownership statistics are not available. As for farmlands, based on the Farmer Registration System, in 2011 there were 2.3 million farmers while the agricultural land was registered as 15.6 million hectares. This corresponds to an average size of 6.8 ha per farm establishments. Although there is some tendency to rent property from the population moving to urban areas, renting agricultural land is not a common practice in Turkey.

3.2. Performance of the Agricultural, Forestry and Food Sectors

Agricultural production in Turkey has increased considerably in the last decade. Gross domestic agricultural product value reached 116 billion TL in current prices. Calculated over fixed prices, the annual increase has been 3.1% in the last two years while the increase in the 2007-2013 period is 25.3%.

The increase in production is not because of increase of agricultural land since there has not been a major change in arable land in recent years (Table 3)

Table 3 Agricultural Land (thousand hectares)

	2013	
	ha	%
Area of cereals and other crop products – Sown Area	15.618	40,64
Area of cereals and other crop products - Fallow land	4.148	10,79
Area of vegetable gardens	808	2,10
Area of ornamental plants	5	0,01
Fruits, other crops for beverage and spices	3.232	8,41
Land under permanent meadows and pastures	14.617	38,04
Total utilized agricultural land	38.428	100.00

(Source: TURKSTAT, 2013)

Increase in agricultural production is due to increasing productivity. Considerable portion of employment (19.6%) is in agriculture with a total of 5,204,000 million persons. Employment in agriculture increased 15% in the 2007-2013 period.

Performance of agriculture sector is given in Table 4. Fruits and vegetables are the leading agriculture sector in terms of production value and exports. However, it is also the slowest growing sector. Turkey is trading more and more agriculture and animal farm products every year. Exports of the listed agricultural products increased from 1.2 billion Euro in 2007 to 2.7 billion Euro in 2013, corresponding to an average annual increase of 16%. With the processed food products, total for agri-food exports reach a value of 12.5 billion Euro.

Table 4. Performance of Agriculture Sectors in Turkey (TURKSTAT), 2013

Sector	Production Value (million TL)	Share in Agricultural Production (%)	Change over the last 7 years (current prices in TL)	Exports (thousand €)	Share in exports (%)	Change in exports over last 7 years (%)	Imports (thousand €)	Share in imports (%)	Change of imports over 7 years (%)
Milk	18,284	18.0	101.7	183,187	6.9	153.1	101,607	14.6	40.0
Red meat	16,035	15.8	154.6	631	0.02	-35.4	18,274	2.6	N/A
Poultry	9,713	9.5	140.7	457,793	1729	1,357.1	708	0.1	900.1
Egg	3,863	3.8	71.5	305,786	11.5	521.6	18,618	2.7	133.8
Fruit and Vegetables	53,329	52.3	43.3	1,635,162	61.3	52.7	554,040	79.7	103.5
Freshwater Aquaculture	576	0.6	116.9	85,253	3.2	288.9	1,534	0.2	28.1
TOTAL	101,799	100.0	61.0	2,667,812	100.0	198.4	694,780	100.0	75.8

Turkey is a key exporter of fruits, vegetables and their processed products. Accept for red meat, trade volume of all agricultural products is increasing both in terms of imports and exports. The majority of exported fruits and vegetables comprises tomatoes, tangerines, lemons, grapes, oranges, grapefruits, pomegranates, onions, potatoes, apples, cucumbers, dried apricots, dried figs, hazelnuts and tea. Turkish fresh fruit and vegetable exporters are aware of the health and environmental considerations of customers and satisfy their customers' needs by offering products which comply with both legislative and market requirements. Turkish frozen fruits and vegetables exports are destined mainly for the European ethnic markets and are sensitive to foreign demand as long as domestic consumption still is low.

EU countries have an important place in Turkey's foreign trade of agricultural products. In 2013, 63% of exports and %33 imports of processed fruits and vegetables were with EU countries. In the same year, 41% of livestock imports were from EU countries. Share of EU in the import of processed meat products is 61%. In import of fish, Norway has the biggest share with 68%. Processed fish mostly imported from Peru and Morocco.

As for exports, EU had the first place with a share of 49% in fish in 2013. Although Turkey's export of dairy products to EU countries is negligible 41% of the imports of these products are from EU countries.

Process of Legislative Adjustment to EU Standards for Farms and Food Processing Businesses

EU accession negotiations related to agriculture and fisheries are conducted under 3 chapters, namely, Chapter 11 – Agriculture and Rural Development, Chapter 12 – Food Safety, Veterinary and Phytosanitary Policy and Chapter 13 – Fisheries. Of the EU standards expected to be met by IPARD beneficiary farms and food processing establishments at the end of the investment, those related to public health and animal welfare fall under the scope of Chapter 12, and those related to environmental protection fall under the scope of Chapter 11.

Accession negotiations under Chapter 12 were opened in mid-2010, and to fulfil the first of the 6 opening benchmarks set for this chapter, Law 5996 on Veterinary Services, Plant Health, Food and Feed, which complies with the relevant EU acquis, was enforced as the framework law to constitute the legal basis for further legislative alignment. A transition period is granted to establishments for their adaption to the new legislation.

Based on Law 5996, secondary legislation fully transposing the EU hygiene package (Regulations (EC) 852/2004, 853/2004, 854/2004 and 882/2004) and harmonizing to a large extent EU farm animal welfare legislation for the protection of animals kept for farming purposes (Directive 98/58/EC), the protection of calves (Directive 2008/119/EC), and the protection of laying hens (Directive 99/74/EC) were enforced in 2011.

EU animal welfare rules for slaughtering at the time of killing have not been transposed yet. However, this does not constitute an obstacle to the realisation of investments in these areas for compliance with the relevant EU standards.

Environmental legislation on waste management and manure storage is in place and aligned with EU standards as regulated by the regulation on Environmental Permits and Licences published in the Official Gazette No 29115 dated 10 September 2014 and the Regulation on Protection of Waters Against Pollution Caused by Nitrates from Agricultural Sources published in the Official Gazette on 18 February 2014.

The relevant national secondary legislation in force grants transition periods to egg production holdings for terminating the use of unenriched conventional battery cages for the rearing of laying hens, to food processing establishments producing milk products for complying with the bacterial count requirements set for raw and heat-treated cow's milk to be used in the production of milk products, and to slaughterhouses for the provision of the food chain information for animals for slaughter within 24 hours after the arrival of these animals to the slaughterhouse.

Due to IPARD funds being available for investments in the "physical assets" of agricultural holdings (Measure 101) and the "physical assets" concerning the processing and marketing of agricultural and fishery products (Measure 103), at the end of the investment period, the investments supported shall be required to achieve compliance with the relevant EU standards, which apply to the scope of the investment realised and do not go beyond the investments in the "physical assets".

Milk Sector

Turkey is a major milk producer, and over the last seven years the country has seen an average annual production increase of 6%. This increase is due to growing domestic consumption, which is still below the EU average (in 2013, annual 37 kg per capita for drinking milk). It is estimated that the total milk production will increase by another 40% by 2020. The trend of increase in milk production is attributed to both the increase in the number of milk-producing animals as well as the improved, but still low, milk yield per animal. As of 2013, the average annual yield per animal was 2.9 tonnes, while the EU average was 6 tonnes. The growing domestic consumption is related to the growing young population and increasing purchasing power.

On the market, cow's milk is the dominating product with a share of 91% followed by sheep milk (6%), goat milk (2.5%) and buffalo milk (0.5%).

Table 5. Distribution of dairy farms by size.

Size farm (head number)	Farms %	Milking Cow Population %
1 - 5	55.79	16.75
6 - 9	15.54	12.27
10 - 25	21.35	33.09

26 - 49	5.38	17.71
50 - 100	1.51	9.58
101 - 120	0.13	1.35
121- 199	0.18	2.68
200+	0.13	6.58
TOTAL	**100**	**100**
Based on pedigree and pre-pedigree registration in 2014**.**		

The production of milk is very much fragmented (Table 5). 1.25 million agricultural holdings comprise a total of 5.6 million milking cows. While the EU average for the number of milking cow per farm is 32.2, this figure is 4.5 in Turkey. This fragmentation is due to the prevalence of subsistence farming and mixed production patterns. Farms having less than 10 milking cows can survive only by conducting other farm activities such as producing field crops. For these farms, the scale of milk production is not big enough to meet the demanding standards stipulated by legislation and to sell on the market.

Farms having capacities between10 and 120 milking cows rely on milk producing in terms of income and have the potential to grow in order to meet the local demand. These farms are eager to improve their quality and competitive capacity, but experience difficulties in accessing finance, and thus in investing so as to comply with the EU standards on environmental protection and animal welfare. Farms having more than 120 milking cows are competitive on the market and can easily adapt to EU requirements.

High feed prices force farms to expand in order to reduce feed costs per animal. Medium scale holdings need to invest in order to produce their own fodder and reduce costs.

Quality of raw milk in Turkey is generally low and only very few producers meet the somatic cell count and total bacterial count criteria. In order to improve the quality of milk, medium scale producers having 10 to 120 milking cows and holding nearly 62% of the milking cow population need to invest so as to improve the housing and hygiene conditions of their barns, and to acquire or renew their equipment especially for milking and cold storage. Only by means of such investments can they improve their milk quality comply with the relevant minimum standard and build the competitiveness to cope with market pressure.

There is no government public support mechanism available for the improvement of the quality of raw milk (with the exception of premium payments for chilled milk). Large milk processors, on the other hand, pay premium to their supplier milk producers for the quality of milk in terms of fat, and protein content and bacterial count. Therefore, improving the quality of milk produced by these medium scale farms will not only improve the overall quality of the milk going through into the supply chain but also help them these holdings to increase their margins and become more competitiveness.

Share of sheep milk in Turkey’s total milk production decreased drastically over the last few decades. Sheep milk constituted 20% of all milk production in 1980 and it is now nearly 6%. Although annual milk year per animal increased to 48 lt for sheep and 56 lt for goats, these figures are less than half the EU average.

About 43% of the sheep and goat producers have fewer than 50 animals. Those with between 50 and 500 animals constitute 56% of the farms and it is estimated that they own 85-90 percent of whole sheep and goat population. Only 1% of the farms have more than 500 animals. Almost all sheep and goat breeding is semi-extensive and on rural areas. Most of the milking is manual. The milk quality is low due to lack of milking and cooling equipment and noncompliance with hygiene standards.

Although buffalo milk has a small share in the market, it is important to secure the supply of traditional dairy products such as cream (kaymak), yoghurt and ice-cream for which there is an increasing nationwide demand. Since 2007, the number of milk-producing water buffaloes has

been on the rise, and reached 51,000 in 2013. Their number should be further increased to meet the growing internal demand.

Geographically, milk production is mostly concentrated on the western part of Turkey. Larger farm sizes, higher yields per head and convenient climate are the major factors.

Milk farms need skilled labour in herd management, calve and animal feeding, preparation of ration, protection from diseases, use of milking equipment, knowledge for international norms and standards and business development.

Since energy is one of the major inputs in farms, utilisation of renewable energy needs to be increased.

Difficulty is encountered in the collecting milk under appropriate conditions. Only about 25% of the milk produced is collected through milk collection centres. According to 2014 figures, there are 5,943 milk collection centres and this number is increasing due to the higher marked value of chilled milk. Nearly 60% of these collection centres have been granted approval for operation. 59.6% of these approved milk collection centres belong to cooperatives and producers unions while 40.4% belong to natural persons or private companies. These milk collection centres have proper cold storage facilities, handling and laboratory equipment but need to increase their capacities in order to incorporate more milk into the cold chain. Moreover, due to the scattered geographical distribution of the many small-scale farms, high transportation costs, duration of transportation to longer distances and unfavourable road connections in some areas, more milk collection facilities are needed. In order to increase the efficiency of the milk value chain, the capacities of the existing centres need to be increased especially to secure increasing the percentage of raw milk collected, registered, cooled, analysed and delivered to processing units by these centres.

In recent years, the amount of milk processed in milk processing establishments has increased on average around 5% a year, but still corresponds to approximately half of the total milk production. Therefore, there is still need for more milk processing establishments in order to increase the ratio of utilisation of raw milk for processed products. Of the processed milk, 50% is used for the production of cheese, 20% for yoghurt, 13% for drinking milk, 10% for milk powder, 4% for butter and 3% for ice cream production.

Table 6 Structure of the Milk Processing Industry

tonnes/day	No of establish-ments	% of establish-ments	% of milk processed	% of establish-ments approved by MoFAL
0- 5	1,278	57.5	5.9	69.2
6-10	380	17.1	6.3	80.0
11-40	344	15.5	11.6	80.5
41-70	100	4.5	8.1	75.0
70-100	18	0.8	2.6	88.9
Over 100	102	4.6	65.5	96.1
Total	**2,222**	**100**	**100**	**N/A**

The structure of the milk processing industry is given in Table 6. According to 2013 figures, there are a total of 2,222 processing enterprises. Milk processors with a capacity less than 10 tonnes/day constitute the majority of these establishments. In general, milk processing establishments operate seasonally and serve local markets and can survive only if they produce high value added products.

Practical experience shows that milk processing establishments with capacities 10 and 70 tonnes / day are capable of completing the approval process and continuing to operate on the market.

Large processing companies with capacities above 70 tonnes/day have an extensive network for the collection of milk either directly from farms or through dairy cooperatives. Some companies operate their own collection centres at village level or make long-term contracts with producers or producer unions.

As presented in the table, about 78% of milk processing establishments have been approved to comply the national requirements. On the other hand, only 8 milk processing establishments in Turkey are among the EU approved third country establishments for raw milk and dairy products.

The number of milk processing establishments has remained relatively stable in the last five years, indicating that the present processing capacity needs to be increased in order to handle the rising milk output (+6% per year on average). Domestic demand for a diversified range of processed milk products is also increasing. Thus medium scale establishments have to increase their competitiveness by: investing in capacity increase; product diversification and productivity increase through the utilisation of more energy efficient equipment; and the generation of renewable energy for their own consumption. They also need to make investments to meet standards on environmental protection.

Most dairy plants are located in the Marmara, Aegean, Central Anatolian, and Mediterranean Regions and a few are in the Black Sea Region.

Red Meat Sector

In 2012 the cattle population in Turkey was approximately 14 million while sheep and goats reached more than 35 million. It is estimated that about 30% of this population is reared for red meat production. The number of livestock has increased steadily with an annual average of 4.6% in the last seven years. In spite of this increase, the production is far from meeting the domestic demand. The production gap is estimated to reach 248 tonnes by 2018. In order to meet the growing demand, when deemed necessary, Turkey imports live animals and carcass meat from countries classified to have a negligible or controlled risk status for bovine spongiform encephalopathy (BSE), and which meet the animal health conditions laid down by MoFAL. Over the last three years the annual average import of live animals is about 325,000 for cattle and 1,014,00 for sheep. The average for carcass meat imports during the same period was 47,400 tonnes.

The beef sector in Turkey has not progressed as much as the dairy sector. Specialised beef breeds are rare in Turkey. Dual-purpose breeds, such as the Brown Swiss or Simmental, are very common together with local breeds. According to the Turkish Beef and Lamb Producers Association (TUKETBIR), the current carcass yield is approximately 250 kg for cattle and 20 kg for sheep. These figures are still lower than those of the EU and USA. Local breeds are preferred in traditional farming. They are more adaptable to the harsh climate of eastern Turkey but are less productive. More than half of the herds in Turkey are located in the eastern region. Despite its disadvantageous topographical and climatic conditions, animal husbandry is among the main economic activities in this region. As it is revealed in the sector analysis, Turkish livestock production is predominantly a small-scale activity, within a mixed farming system. 67.4% of farms perform crop and livestock production together. Small farms with fewer than 30 cattle or 100 sheep/goats hold almost 45% of the cattle population and 17% of the sheep/goat

population. These farms operate with mixed farming patterns and cannot rely on animal husbandry alone in order to sustain their economic activities. Farms with minimum 30 cattle or 100 sheep/goats have the capacity to survive by meeting the EU standards by means of relevant investments in buildings, feeding systems and manure storage facilities. These farms are eager to grow and have the potential to become the backbone of the red meat sector but they experience difficulties in improving their facilities to comply with the EU standards. Almost none of the farms in this size have the appropriate equipment and infrastructure for manure management.

The high cost of feed forces farms to have a larger scale in order to reduce their feed per animal costs. Farms with more than 250 cattle or 500 sheep/goats have usually well-designed management structures and are capable of developing their business and complying with EU standards.

Table 7: Distribution of Holdings Having Cattle, Water Buffalo, Sheep and Goat By Holding Size (%)

Holding size by number of cattle and water buffalo (head)	Holdings having cattle and water buffalo (%)	Cattle and water buffalo population (%)	Holding size by number of sheep or goats (head)	Holdings having sheep and goats (%)	Sheep and goat population (%)
1 - 5	50.38	11.35	0-25	25.67	1.45
6 - 9	19.89	12.63	26-50	16.99	5.75
10 - 29	17.03	20.91	51-100	17.16	11.60
30 - 99	11.81	39.11	101-250	26.71	35.52
100 - 250	0.71	8.62	250-500	12.34	39.36
251 -500	0.14	3.25	500 +	1.13	6.32
500+	0.04	4.13			
TOTAL	100.00	100.00	TOTAL	100.00	100.00

DG-FC, Values for some ranges are deduced mathematically

The production of good quality red meat is limited in spite of the continuing introduction of purebred and dual-purpose breeds. Comparing the data of 2013 with the previous study on meat sector carried out in 2006, it is observed that the number of slaughterhouses decreased by approximately 18%. The main reason behind this figure is the upgrading process undertaken by Turkey to comply with EU standards in terms of premises and equipment used for meat processing sector. This process can be said to have been challenging for some of the slaughterhouses.

As of January 2014, there are 674 slaughterhouses operating in Turkey. Approximately 2% of them are owned by the Meat and Milk Institution, 63% are owned by the municipalities and 35% are privately owned establishments. The majority of the slaughterhouses which are owned by the municipalities are usually small-scale establishments (less than 30 animals/day) operating at a loss in order to provide services to the local communities in rural areas. Due to their major structural deficiencies, there is no possibility of these municipal slaughterhouses to comply with the requirements laid down in the national legislation. To ensure compliance it is therefore more feasible to build new slaughterhouses. The lack of a carcass classification system such as the EUROP grid method, creates circumstances allowing for the operation of such non-compliant small scale slaughterhouses. General tendency of the municipalities is to cease the operation of their slaughterhouses in order to avoid investment costs for the fulfilment of EU standards.

Majority of the privately owned slaughterhouses have slaughtering capacity between 30-500 animals/day. Majority of the slaughtered animals are handled by these establishments. There are also a few slaughterhouses having more than 500 / day slaughtering capacity.

Table 8. Number of slaughterhouses by ownership and compliance with minimum standards (DG Food and Control)

	Municipality	Private	Meat and Milk Institution	Total
Approved	17	43	2	62
Conditionally Approved	14	16	2	32
Suitable for Approval	284	158	5	447
Not suitable for Approval	109	24	-	133
Total	**424**	**241**	**9**	**674**

As shown in Table 8, only a small portion of slaughterhouses comply with minimum standards. Majority of the private slaughterhouses satisfy the minimum conditions for upgrading to fulfil the legislative requirements provided that they will renew their buildings, machinery and equipment. They are in the process of renovation in order to meet the requirements of Law No 5996 on Veterinary Services, Plant Health, Food and Feed, which is in parallel with the relevant EU acquis.

The scattered geographical distribution of small scale farms and the lack of integrated production do not allow meat production to rely on few high capacity slaughterhouses. Therefore, new slaughterhouses need to be constructed to both meet the growing demand and compensate for the decreasing capacity resulting from the closure of non-compliant municipal and private slaughterhouses.

It is estimated that 10% of the meat produced is processed while the rest is consumed fresh. The main processed meat product in the country is Sucuk (dry, uncooked, cured, and fermented sausage), followed by Pastırma (highly seasoned, air-dried, cured, pressed, and non-fermented beef cut), Kavurma (deep-fried, diced meat, stored in solidified animal fat) and emulsified meat products. With increasing urbanisation and as a consequence of socio-economic changes, consumption patterns move towards processed meat products and industrial food. However, although the average capacity utilisation in food industry is between 70 and 80%, this figure is estimated to be lower in meat processing.

The red meat processing industry is also fragmented with 1,530 establishments and the biggest five are producing 8% of the total production. Inevitable consolidation, as well as the foreseeable increase in domestic demand in the sector will require further investments. Meat processing establishments mostly concentrate in few provinces and there is need for new investments in most of the provinces in order to meet the growing demand.

Table 9. Distribution of approved meat processing establishments by size.

Capacity (tonnes/day)	Total
0 – 0.5	525
0.5-5.0	285
5.0 +	89
Total	899

On the other hand, 899 meat processing establishments are certified to be complying the requirements set in Law 5996. The ones in the 0.5 – 5.0 tonnes/day capacity range need to

improve their capacities and investments are needed to have more establishments meeting the standards.

As in the milk sector, there is need to take action with regards to training and renewable energy.

Poultry

The poultry sector in Turkey covers production of broiler, turkey, duck and geese. The total amount of poultry production at the end of 2012 was approximately 169 million broilers 2.8 million turkeys, 0.7 million geese and 0.4 million ducks. The annual growth of the sector has been about 9% over the last four years mostly due to increasing domestic consumption. Per capita consumption which is 19.4 kg in 2013 is expected to increase to 21.8 kg in 2016. 80% of the poultry production is consumed domestically. The sector is highly dependent on imported materials such as fertilised eggs, hatchlings, parent stock and feed.

As stated in the sector analysis report, the number of breeder farms and hatcheries is 402 in 2013 and there are 9,444 broilers farms. Approximately 80-85% of the broiler meat production is based on contract farming. Processing enterprises who own slaughterhouses, cutting plants and secondary processing plants and, most of the time, hatchery and feed mill, contracts farmers for fattening day-old-chicks. This contract farming almost completely disconnects the farmers from the market. Farmers undertake all labour and risk of production and the burden of dealing environmental protection measures.

Table 10. Distribution of poultry farms by size

Number of Animals	% of Farms
Broiler: 5,000 – 25,000	55.1
Broiler: 25,001 – 50,000	27.1
Broiler: 50,000 – 100,000	12.3
Broiler: 100,000 +	1.5
Turkey: 1,000 – 4,000	1.8
Turkey: 4,001 – 8,000	0.8
Turkey. 8,000 +	0.8
Ducks	0.1
Geese	0.5

Table 10 depicts the structure of the poultry farms. Farms having fewer than 5,000 animals are not included since this scale of farming is not viable and the production is usually considered as backyard farming. Bigger farms, on the other hand, produce the majority of the animals. Regardless of being under contracted farming or not, they are old and in need of renovation and maintenance of their buildings and equipment. Establishments with a capacity over 100,000 are able to adapt to national requirements and operate in the market competitively.

While Turkey is free from avian influenza (last outbreaks in 04.2008), Newcastle disease is endemic. In the poultry sector, biosecurity measures are important to maintain the safety of poultry from biological hazards and are used for both protection and disease control. The taking of the required bio-security measures remains an issue to be solved in small and medium scale broiler farms. Practice related to the control of the access to the farm by means of perimeter fencing with a single access gate and the disinfection of vehicles is not proper. The storage and disposal of dead poultry, which is frequently carried out by means of burial sites within the farm area, is also an important issue. Poultry farms need investments not only in equipment, but also in the training of farmers.

Small and medium scale broiler farms need to improve their conditions on bio-security and animal welfare and reduce their production costs to increase their competitiveness. For example, inefficient heat isolation increases the animal loss ratio as high as to 10%. Manure storage and disposal systems are either non-existent or insufficient. Consequently, the number of EU compliant farms is minimal.

Another issue for poultry farms is, due to the increment of the population several farms are now located in urban areas and need to be moved.

In addition to chicken, turkey is produced in a selected number of farms. A study in 2007 reveals that there were around 430 turkey farms located in the western provinces of Turkey. Only 25% of the turkey population is raised in cages. Total turkey meat production is around 12,000 tonnes while the total turkey production in the EU is 1.6 million tonnes. Although turkey is a good alternative to chicken or red meat, its production remains limited mostly due to lack of information on producer's side.

Goose meat is also a promising alternative for domestic consumption. Annual goose meat production is around 10,000 tonnes and goose is raised mostly in north-eastern provinces where the climate is more suitable. More than 26% of all goose population is located in Kars and Ardahan provinces. In addition to meat, geese are also raised for their feathers and livers.

The poultry sector suffers from unavailability of skilled labour in farms especially having bio-security knowledge.

It is important to note that, poultry farms consume more energy in comparison to other farming activities. Long periods of illumination, heating during the winter and cooling during the summer, feeding and watering systems consume energy. Use of renewable energy may reduce these costs and decrease CO_2 emissions. Use of chicken manure as biofuel is not feasible for small and medium scale farms but investments collecting chicken manure from these farms can be feasible.

There are 79 poultry slaughterhouses in Turkey. 50 of those are approved for compliance with Law 5996 and 29 of them need to upgrade their buildings and/or equipment in order to fulfil the requirements. Distribution of slaughterhouses by capacity is given in Table 11. Poultry slaughterhouses having capacity range of 1,000-5,000 animal / day need to increase their capacities and improve their productivity to improve their competitiveness levels.

Table 11. Distribution of approved poultry slaughterhouses by capacity

Capacity (animals / hour)	Number
0-1,000	29
1,000-5,000	6
5,000+	15
Total	50

Proximity of slaughterhouses to poultry farms is critical in terms of economic sustainability of the sector. Big enterprises performing contracting farming create sufficient capacity for the sector. However, there are still some enterprises who need to adjust to the environmental standards and invest in renewable energy.

Number of poultry meat processing establishments is 488. 423 of them are approved to be compliant with the Law 5996. These establishments are mostly concentrated in few provinces. Dynamism of the sector relies on the establishments in the 0.5 – 5.0 tonnes / day capacity range therefore, similar to slaughterhouses, these enterprises need to adjust to the environmental standards, invest in renewable energy and consequently improve their competitiveness.

Table 12. Distribution of approved poultry meat processing establishments by size

Capacity (tonnes/day)	Number
0 – 0.5	225
0.5-5.0	138
5.0 +	60
Total	423

Eggs

Egg production in Turkey reached 15 billion in 2012 with an average annual increase of 10% over the last 3 years. This increase was due mainly to an increase in domestic demand. Per capita consumption is projected to be increased. There are 84.7 million laying hens in Turkey. In contrast to poultry, egg marketing is fragmented and less organised.

As stated in the sector analysis report, the organisational structure in the egg sector is very different from the poultry meat sector and the production of eggs is mainly carried out in small and medium size farms with traditional caged housing systems. According to estimation provided by the Turkish Egg Producers Association (YUM-BIR) in 2013, 11% of the egg farms have fewer than 20,000 capacity, while 41% is between 20,000- 60,000, and 11% is between 60,000-100,000. The percentage of the farms having capacity above 100,000 animals is 37%. The ones in the range of 20,000-100,000 capacity need to renew their facilities in order to keep their operations and improve their competitiveness in the market.

"Regulation Regarding Welfare of Farm Animals" published in the official gazette 28151 dated 23.12.2011, covers minimum standards for the protection of laying hens in compliance with (EU)1999/74 among others and defines standards for cage structures, alternative systems for laying eggs. Based on the regulation, laying hen density will be reduced by abandoning use of traditional cages and with adoption of alternative systems and enriched cages. The majority of producers are currently using the cage systems which will be banned at the end of 2014 with probable extension to end 2015. In order to comply with the regulation requirements, farmers will need to make new investments and the investment costs may be reflected in egg prices.

Most of the problems stated in the poultry sector applies to egg production as well. Bio-security is an issue to be solved in small-scale egg production farms. Control of access, disinfection, disposal of dead chickens, and extension of backyard farming represent a problem. As with poultry farms, some egg farms are also located in residential areas as a result of urban expansion and they need to be moved.

Fruit and Vegetable Sector

The fruit and vegetable (F&V) sector is relatively strong in Turkey. In 2013, total F&V production was 46.7 million tonnes; where 28.5 million tonnes were vegetables and 18.2 million tonnes were fruits. All products have to be marketed through wholesale markets which act as exchange. Legally all producers have to declare their sales to wholesale markets. Therefore all traded fruits and vegetables are registered in the wholesale markets (with the exception of negligible amount of local trade in village markets).

A major structural problem is high losses due to: improper harvesting and transport; lack of storage facilities; lack of packaging; and use of old equipment for processing. Post-harvest product losses are as high as 40% in some regions and 25% for overall Turkey. Total capacity of cold storage facilities correspond only to 2% of the total fruit and vegetables.

Post-harvest product losses can also be prevented by drying. The drying of fruits is an important economic activity in Turkey. Raisins, apricots and figs are major dried products which are demanded both internal and international markets. Use of modern drying equipment is relatively new and scarce. Therefore, most products are dried using conventional methods such as sun drying in open air resulting in the development of aflatoxins.

Instruments such as ISO 9001:2000, ISO 22000, HACCP, GAP and the GLOBALGAP are recognised proofs of quality, food safety and environmental consciousness. Although Turkish exporters have been successfully adopting these requirements their practice is hardly transferred to processors and farmers. This is due to the fragmented supply-chain.

Organic Farming

As stated in the sector analysis report, organic farming and in-conversion land constitute a small proportion of the total agricultural land. The share of organic agriculture related to the total agriculture is around 0.5%. The major organic products which are produced in Turkey are apples, wheat, tomatoes, lentils and olives. The total production of organic products is around 209,000 tonnes. The biggest amount of the organic production is exported. This is around 80 - 90% of the total organic production.

Dried fruits still hold an important share among organic agricultural products and today 45% of the organic farmers are in dried fruit business. Nearly 15% of dried apricots, more than 5% of raisins and around 20% of dried figs are produced using organic methods. The demand for organic fruits comes primarily from abroad (especially the EU and other western countries) and organic production is increasing in Turkey based on the demand of both domestic and foreign markets.

As a result of this increasing demand, the farm lands allocated for organic farming has increased by 303% between 2007 and 2012. During the same period, the increase in organic crop production has been 208%.

Organic farming policies and practices are given under section 3.3 below.

Fisheries – freshwater aquaculture and fish processing

There are 2,291 (1,883 freshwater and 408 marine) farms in Turkey. The average capacity of the 1,883 freshwater farms is 115 MT/year. Structure of the freshwater aquaculture farms is given in Table 13.

Table 13. Structure of freshwater aquaculture farms

Capacity Range (tonnes)	Number of farms	% of Farms	Production (tonnes)	% of Production
0 - 10	658	34.9	1,758	1.4
10-100	816	43.4	13,988	11.4
100-300	169	9.0	17,883	14.5
300+	240	12.7	89,391	72.7
Total	1,883	100.0	123,020	100.0

Between 2002 and 2011, freshwater aquaculture production increased by around a factor of 4, reaching 123,019 MT per year. The performance is an indication of a vibrant aquaculture sector with higher potential that can be beneficial to all stakeholders if appropriately managed.

The aquaculture product quality standard of the Turkish sector is well recognised in all EU countries. Large aquaculture producing companies are in the process of standardising their quality systems. All the larger producers already utilise different quality system to provide the requested national and international market standards.

Freshwater trout is the largest contributor to aquaculture production with more than 52% of the national Turkish aquaculture output. This is followed by sea bass and sea bream with 30.8 % and 14.5 %, respectively. The three species cover 97.7% of the national aquaculture production.

Contributing to the remaining ~3% are carp (Cypriniuscarpio), trout in marine water, tuna (Thunnusthynnus), and Mediterranean mussel (Mitilusgalloprovincialis). Culture of alternative fish species has started to diversify the industry.

Processed fish products are mostly frozen fish; dried, smoked & cured fish; fish meal & oil; fish feed; and canned fish.

There are 182 fish processing plants complying with Law No. 5996 (158 fish processing plants, 10 bivalve mollusc and 14 frog legs and snail) corresponding to 80% of all establishments. The structure of the sector is given in Table 14. As shown in the table, 55% of the fish processing plants is at the range of 100 – 2,000 MT/Year capacities which is responsible for about 28% of the production.

Table 14. Structure of fish processing sector, MOFAL, 2013

Capacities (MT/year)	% of Establishments	% of Production*
0-100	14	0.6
101-600	29	2.4
601-1400	19	9.6
1401-2000	7	15.9
2001-4000	9	26.9
4000 +	22	44.7
*Calculated based on estimated mean capacity values .		

Half of the approved establishments (94 plants) are already exporting to the EU and comply with EU standards. The remainder need to improve their cold chain and to comply with EU hygiene and food safety standards.

The establishments are mostly located in coastal areas in order to process fish from sea farms and fisheries. New establishments close to fresh water aquaculture farms are required.

Aquaculture input (fish feed) has different patterns as they go directly to the final user and the large aquaculture conglomerates are horizontally and vertically integrated.

Forestry

Almost all forestland in Turkey is owned by the state and managed by the General Directorate of Forests subordinated to the Ministry of Forestry and Water Affairs. Forests under private ownership comprise less than 0.1% of all forestland (approximately 18,000 ha). The forests are managed under 10-20 year management plans developed by Forestry Management Units. Forest management plans are based on inventory studies using stock, increment, species and productivity data from trial areas.

Based on the inventory of management plans renewed in the 2005-2012 period, the total coverage of forests in Turkey is determined to be 21.7 million ha. This corresponds to 27.6% of the country size.

Annual average production of wood is 13,269,618 m^3 from high forests and 3,725,583 m^3 from coppice forests corresponding to a total annual production of 16,995,201 m^3.

There are four major challenges facing the forestry sector in Turkey. These are:

1) Reducing the poverty of the population dependent on forestry
2) Rehabilitation of degraded forests, preventing soil erosion and damages to natural assets

3) Multi-purpose planning of forests
4) Improving the financial capacity of the forestry sector.

Advisory Services

For developing capacities of farmers, MoFAL produces and distributes publications to raise awareness on certain issues and to introduce new technologies to farmers. Agricultural publication services are provided free of charge to all farmers engaged in agricultural production and living in rural areas. The publication services are coordinated by provincial directorates of MoFAL in the provinces and districts and also by the Education Centres of Handicrafts.

The MoFAL extension and advisory services with regard to national schemes include training activities for farmers, women and young people and organising farmer days in villages. Under each provincial directorate of MoFAL, department for rural development and organisation, and department for coordination and agricultural data carry out activities for improving the capacities of farmers. They organise training programmes, seminars and extension services for farmers.

Currently there are 2,120 advisors in 81 provinces. In addition, 106 unions, 7 associations, 31 cooperatives, 126 chambers of agriculture also provide advisory services. A monitoring system is needed to evaluate capabilities of these organisations and individuals as well as to monitor their activities.

Full analysis of the existing advisory capacities will be conducted prior to the launch of the relevant measure in the programme.

Vocational Education

As indicated in Section 3.1, education level in rural areas is considerably low and the majority of farmers are not formally trained in their field of activity. There are agriculture vocational high schools and two year colleges in Turkey but the number of graduates is very low and they are mostly employed by food processing sector.

Other than information services provided by provincial directorates of MoFAL there is no formally established system providing vocational training to farmers.

MoFAL conducted some studies on training needs. Areas like farm and financial management and new production technologies were identified as general needs. A full training needs assessment will be conducted prior to the launch of the relevant measure in the programme.

Rural Credit

Credit to farmers is offered by Ziraat Bank and other commercial banks. They provide subsidised low interest credit with longer pay back periods. Each year the government publishes

a fixed interest rate for agricultural credit. This rate is lower than commercial credit rates offered by commercial banks. Depending on the field of investment, a further reduction over the published rate applies, making some credit transactions as low as 0% in some investment areas (such as the purchase of cattle). In addition to Ziraat Bank, some commercial banks also provide consultancy and information services for agricultural investments.

MoFAL signed protocols with 18 banks for them to offer rural credits to recipients of IPARD funds. Financing models provided by the banks are determined and announced on ARDSI's web site.

So far 19 banks provided a total of 671,369,419 TL in credit to 754 recipients. Nevertheless, the amount of public contribution is not sufficient to cover all investment budget and therefore additional collateral is also required. This is usually in the form of mortgage on property, which is often problematic due to procedures and low appraisal rates of the property. The introduction of the Credit Guarantee Fund (KGF) as facilitator to support IPARD recipients by undertaking up to 80% of their collateral is expected to ease the situation. However, this mechanism needs some improvements in being more effective since the number of projects which KGF provided collateral has so far been limited to seven. A further step was taken to facilitate mortgaging as collateral which encouraged banks to provide credits. A protocol was also signed with the Central Union of Agricultural Credit Unions to provide credit to recipients.

As for the problems with rural credit:

- High interest and commission rates often serve as a disincentive for recipients to benefit from rural credits.
- Restricted land value to warrant the collateral, low appraisal rate of banks
- Limited availability of subsidised credits, low credit scores of recipients to benefit from these loans
- Inability to get credit due to existing debts, especially to Agriculture Credit Unions
- Bureaucratic procedures for loans
- Discrepancy between project value as appraised by ARDSI and commercial banks
- Low return on investment in agricultural projects

3.3. Environment and Land Management

Turkey has a total area of 785.345 km² consisting of 774.836 km² (%98.7) of continental land excluding water surface of 10.509 km² as lakes, rivers etc. 31,5% of continental land is arable.

The country has a mountainous terrain having an average altitude of 1,132 m, with the highest 5,185 m (Ağrı Mountain), surrounded by coasts at the North (Black Sea), South (Mediterranean Sea) and the West (Aegean Sea). Numerous mountain ranges run generally parallel to the northern and southern coasts surrounding the central undulating Anatolian Plain. These ranges that reach a height of 500 m in the west and over 2,000 m in the East.

In general climate is considered to be in Mediterranean macroclimate. However, different types of climates can be observed depending on the geographical formations. Extensive coastlines as and high relief mountains are the main reason of the climatic variations. As a result of geographical characteristics, regional climate characteristics are observed. For example, while the average rainfall is 670 mm, this figure decreases to 250 mm in the central regions and increases to 2500 mm in the coastal lines of the East Black Sea Region.

The main characteristics of Turkey's natural flora are pasture-meadows, forests and moors. The flora of the Black Sea Region is forests including coniferous trees as pines, spruce trees and fir trees. On the western and southern regions under the sub humid mild Mediterranean climate, together with topography, typical vegetation is seen. Different maquis types as wild olive, carob, oak, ash tree, hackberry, stone pine, daphne, liquorice, myrtus and vitex are some examples.

Central parts of Anatolia are semi-arid, with the steppe being the main characteristic. Examples of vegetation include annual or perennial scrubs and thornbushes (veronica, eryngium, etc.) and some fodder plants such as clover, common vetch, barley and also grasspea in humid areas. Flora of the East Anatolia is pastures and meadows because of high mountains, however deciduous and pine forests can also be seen.

<u>Land abandonment and marginalisation</u>

As stated in Section 3.1, migration from rural to urban areas still continues in Turkey due to undesirable socio-economic conditions and lack of infrastructure in rural areas. Loss of population negatively affects agricultural land and environment. Land abandonment is especially common in areas with low fertility in terms of agriculture.

As a result of urbanisation, agricultural land around metropolitan areas is used for residential or commercial purposes. The Union of Chambers of Agriculture of Turkey estimates that between 1995-2013, land actively used for agriculture dropped form 26.83 million hectares to 24.44 million hectares. Loss of agricultural land, including irrigation infrastructures, is common in regions where there is accumulation of industry or tourism facilities.

<u>Soil quality and erosion</u>

Soil degradation problems in Turkey are due to water and wind erosion, salinisation and alkalisation, soil structure destruction and compaction, water logging, biological degradation and soil pollution.

Erosion to a certain degree is observed across 86% of Turkey. 59% of 24.44 million ha arable land is under erosion. National soil studies reveal that 2.78 million ha land carry salinisation

and 1.5 million ha land carry desertification risks. The share of agricultural land under risk of desertification is equivalent to 5.48% of the size of the cultivated land.

Over-irrigation, lack of drainage or poorly maintained drainage conditions and leakage of fertilisers are the causes of increasing salinity, which in turn decreases soil productivity and increases the levels of sodium in the soil, leading ultimately to aridity.

The main causes for the occurrence of accelerated erosion in Turkey are deforestation, overgrazing of rangelands, misuse of land, mismanagement of cultivated land (inappropriate tillage, stubble burning, abandonment of rural infrastructure such as terracing, and inappropriate or excessive irrigation).

Extensive pastures in Turkey helps the protection of soil as well as biodiversity. Although the total area of pastures is decreasing, MoFAL is taken actions for improving pastures. Between 2002-2012, 866 improvement projects have been implemented over 420 thousand ha of pasture land.

Water Quality

The pressure on water resources are imposed by Global Climate Change, changes of water consumption habits following the socio-economic development, and the increasing pressure of tourism and agriculture. The most important problems with regard to irrigation in Turkey are related to over pumping of groundwater, inefficient use of irrigation water, pollution due to over use of fertilisers and chemicals, and soil degradation due to inadequate drainage systems. Irrigation is a threat to groundwater balance since almost three quarters of the total freshwater extracted is used for agricultural purposes. As a consequence of meeting the expanded needs of the growing population, the pressure of agriculture on groundwater is expected to increase in the future.

According to State Hydraulic Works' data, 32% of the agricultural land is irrigated. Flood irrigation is used for most of the irrigated land. The distribution of irrigated land by type of irrigation is given in table below.

Table 15. Distribution of irrigated land by type of irrigation (%, 2012. State hydraulic Works)

Flooding	Sprinkling	Drip irrigation
77	15	8

Flood irrigation has very low water use efficiency, of around 40%. Though agriculture is not yet the sole source of highest pressure on water resources, critical importance are the utilisation of pressurised irrigation techniques (drip irrigation), optimisation of water drained to the fields and careful management of irrigation. These should be supported as the contribution of agricultural activities to address one of the major environmental problems in Turkey.

Flooding, in addition to causing waste of water, is also highly polluting the water resources, through infiltration of fertilisers and plant protection chemicals, even on areas with low fertiliser usage. Legislation for protection of water resources against nitrate pollution due to agricultural activities which is in line with Directive 91/676/EEC was published in 2004. With the legislation, a monitoring network for water quality is established and a draft list of nitrate sensitive areas has been published. The draft list refers to 25 water basins covered by 53 provinces. The total area declared corresponds to 19.02% of total area of Turkey. The list will be finalised by a joint study of MoFAL and Ministry of Forestry and Water Works. A draft

action plan is also prepared and studies for awareness raising regarding agriculture originated pollution is under progress.

Use of fertilisers and pesticides

Use of pesticides in Turkey on the average is low as compared to developed countries. Pesticides are mostly used in poly-cultural areas in the Mediterranean and Aegean regions. In these regions of intensive agriculture, use of pesticides are high and might be at the level of developed countries. Fruits and vegetables are mostly grown in these regions and these regions provide also raw materials to food industry mostly exporting to international markets. Use of pesticides in Turkey is given in table below. Among the pesticides, fungicides are consumed the most (45%) which is followed by herbicides (18%) and insecticides (15%).

Table 16. Consumption of pesticides in Turkey (kg/lt)

Years	Insecticides	Fungicides	Herbicides	Acarisides	Rodenticides	Others	Total
2006	7.628.215	19.899.724	6.955.585	901.999	2.877	9.987.399	45.375.799
2007	21.045.632	16.706.631	6.668.653	966.488	50.925	3.277.315	48.715.644
2008	9.250.719	17.862.861	6.176.508	737.123	351.095	5.613.346	39.991.651
2009	9.913.897	17.395.950	5.960.852	1.532.728	77.610	2.302.300	37.183.337
2010	7.175.831	17.545.584	7.451.591	1.039.739	147.404	5.343.714	38.703.862
2011	6.119.933	18.123.614	7.406.602	1.061.609	421.426	6.977.775	40.110.958

Source. MoFAL, Agricultural Economy and Policy Development Institute

Climate change

Calculated in compliance with IPCC guidelines, total greenhouse gas emissions in Turkey reached 439.9 Mt CO_2 equivalents in 2012. Shares of energy, industry, waste and agricultural activities in the emission are 70.2%, 14.3%, 8.2% and 7.3% respectively. Per capita emissions reached 5.9 tonnes with 133.4% increase since 1990. Although increasing, this value is about 64% of EU-27 average.

In 2012, CO_2 emissions were mostly originated from energy with a share of 84.4%. CH_4 emissions, on the other hand, originates from waste (55.7%), agricultural activities (34.8%), energy and industrial operations (9.5%) while N_2O emissions were originated from agriculture (73.4%), waste (12.8%), industry (7.1%) and energy (6.7%).

Activities related to combatting against climate change are implemented under the coordination of the Climate Change Coordination Council. The council has published the first national decree in 2007 and the Strategy document in 2010. The strategy document refers to strategies in the long, medium and short term that will be followed for land use, agriculture and forestry. The National Action Plan detailing the activities to be implemented along with the strategy was published in 2011. The council is restructured in October 2013 as Coordination Council for Climate Change and Air Quality.

As the result of climate change, an increase in average temperatures, less rain falls, extreme events such as floods, hurricanes, and rise in sea level are foreseen in the long run. This will result in an increase in frequency of droughts, reduction in soil and water quality, reduction in biodiversity, destruction of ecosystem, shifting in ecological zones, increase in diseases and pests, and consequently reduction in agricultural production.

Under the scope of adaptation of agriculture to climate change, the studies are being implemented in Turkey covering the: protection of water resources; supporting of modern irrigation techniques for water saving and expanding their coverage: establishment of flood early warning systems; and the use of renewable energy in the sectors including agriculture and development of drought tolerant species. Turkey supports the use of biofuels instead of fossil fuels and also the use of best agricultural and irrigation techniques in order to decrease the emissions arising from agriculture and to protect the natural resources. Within the scope of these efforts for adaptation of agriculture to climate change, studies on the use of soil as rehabilitation of pastures and meadows, expanding the cultivation areas of fodder crops and increasing orchards have decreased the emission by 14% in agriculture in the recent years according to the Fifth Climate Change Declaration of Turkey (May 2013).

Biodiversity

Turkey is ranked the 9th on the continent of Europe in terms of biodiversity. The 7 geographical regions each of which have their own climate, flora and fauna are divided into 3 ecological regions. North-east Anatolia has colchis flora/forests, steppes-grasslands are on Central Anatolia and Mediterranean region has maquis vegetation and cypress (Cupressus sempervirens) and cedar (Cedrus libani). Anatolia has a rich fauna having 80,000 species with 120 mammals, more than 400 bird species, nearly 130 reptiles and approximately 400 fish species

The difference in the geographical structure of Turkey provides the diversity of endemism and genetics. Turkey has 75% of the flora in Europe and 1/3 of this is endemic.

The highly endemic Turkey flora is also rich in terms of medicinal and aromatic plants.

As mentioned above, because of Turkey's geographical location, geomorphological characteristics and interaction with three major bioclimatic regions, the richness in biodiversity is also reflected to agriculture. Many cultivated fruit species such as cherries, apricots, almonds and figs originated in Turkey. Turkish flora includes many wild relatives of food crops and genetic diversity of important cultivated species, such as wheat, chickpea, lentil, apple, pear, apricot, chestnut, hazelnut and pistachio. In all there are about 256 different grain types, as 95 wheat, 91 corn, 22 barley, 19 rice, 16 sorghum and 2 rye types. Turkey is also home to a number of ornamental flowers, the most notable being the tulip.

Turkey is located in a rich geography in terms of fauna range. As it is in the intersection of Asia, Europe and Africa, Turkey contains the fauna particular to these continents in itself.

Reasons for the rich fauna in Turkey include climatic changes, changes in the habitats, instinct for moving and finding new habitats as well as the suitable ecosystem of Anatolia for their vital functions such as feeding and sheltering. Another reason is that because of the different geological, geomorphological and climatic characteristics in high mountains, steppes, wetlands, forests, scrublands and caves, Turkey has different ecosystems and these ecosystems allow different types of fauna.

No nation-wide census has been carried out so far about animal genetic biodiversity. It is estimated that there are 20 indigenous cattle breeds, 17 of sheep and 5 of goat. There is no survey on genetic erosion of cultivated species and varieties to define protection priorities. National Strategy and Action Plan on Biodiversity prepared by Ministry of Forestry and Water Works in 2007 refers to an exclusive list of plant and animal varieties to be protected. (http://www.bcs.gov.tr/documents/UBSEP-2007.pdf)

Wildlife Protection Department of Ministry of Forestry and Waterworks identified 45 bird species whose existence is highly dependent on agricultural practices.

Organic Farming

Organic farming activities in Turkey started in 1980s as response to demand from international markets. A limited number of farmers began to produce organic products utilising traditional methods. With increasing demand, Turkey first published a legislation in 2002. The Law on Organic Farming was published in 2004 followed by secondary legislation on its implementation in 2005. The legislation was aligned with Council Regulation 834/2007 and Directive 889/2008 in 2010 however it does not cover poultry meat and egg production.

Since organic farming requires controlling the production in every phase and certifying the final product, control and certification bodies are contracted to perform these activities. Environmental conditions require that the land allocated to organic farming shall be at proper distance from busy roads, heavy industry facilities, mines, urban waste areas, rivers and underground waters containing pollutants. If these conditions are ensured, the farmer who wants to start organic farming makes his application to the control and certification bodies. If the farmer meets all requirements defined in the legislation, (s)he becomes entitled to use organic farming label on the products.

The organic product label is the guarantee showing that production methods preserving human and environment health have been used. In these labels the name of the enterprise, year of the harvest, the organic farming logo (as described in the regulation), name of the control and certification bodies, ingredients, origin, place of production, date for production and last use, its accordance with the legislation are determined.

As described by the legislation, all control and certification activities of organic farming are conducted by the control and certification bodies authorised by the ministry. Following the restructuring of the Ministry of Food Agriculture and Livestock, Department of Good Agricultural Practices and Organic Farming under General Directorate of Plant Production became the authorised body for policies and implementation on organic farming. Within the ministry, the Organic Farming Committee was established to authorise certification and monitoring bodies or cancel the given authorization and propose fines for violations. In addition, the Organic Farming National Steering Committee was established to coordinate the implementation and development of organic farming policies; raise awareness of organic products of consumers; determine the strategies and projects; and identify research priorities. Under provincial directorates of MoFAL, Organic Farming Units were also established.

The Organic Farming Information System (OTBIS) was established in 2005 to facilitate information exchange between the ministry, control and certification bodies and provincial directorates. All the information about the control and certification bodies, their staff, the entrepreneur in organic farming as well as the information on the identity, land, product and production of enterprises and projects are registered in OTBIS. This system is integrated with ministry's farmer Registry System and used for supporting the farmers.

A protocol was signed with ARDSI to enable them to access OTBIS during implementation of IPARD support.

With the establishment of the formal system, organic farming practices now is spread over a wide spectrum of products from fruits and vegetables to cereals, from animal products to aquaculture, from processed food to textiles and to agro-eco tourism.

Between 2003 and 2011, the number of products increased from 179 to 225, number of producers increased from 14,798 to 42,460, production area increased from 113,621 ha to 614,618 ha and the production increased from 323,981 tonnes to 1,659,543 tonnes.

High Nature Value Farming

Turkey also has high potential in High Nature Value Farming. This is thanks to the country's long history of traditional farming, the presence of low intensity farming locations, in addition to the presence of extensive wild areas. Turkey participated in Convention on Biodiversity and signed other international agreements on the subject. High Nature Value Farming also increases the biodiversity in the areas of implementation. It therefore becomes critical to sustain traditional farming applications and preservation of biodiversity.

Protected Forests

Forest protection practices are followed mainly for protection of woodlands against fire, pests, and human actions. The geomorphological structure of Turkey, especially mountainous areas with high slopes and dry soil characteristics makes it necessary to take actions for protection of forests. Actions have been taken for:

- Combating harmful bugs and diseases
- Protection from physical interventions
- Protecting legal status and border of forest areas
- Conservation of biological resources and ecology

12.6 million ha corresponding to 58% of all forestland in Turkey is under risk of fire. Most of the forest fires were due to human factors. As of November 2012, 54 protected forest areas were determined with a total area of 251,211 ha. The number and size of protected forests may be increased depending on the forest characteristics, their functions and their resource value.

3.4. Rural Economy and Quality of Life

Definition of Rural Areas

So far, the official statistics in Turkey made the distinction between urban and rural areas in two different ways. The first approach is based on the location of the settlement. The settlement's administrative status is taken into consideration regardless of its population. Those located in province and district centres were regarded as urban, while the rest were considered rural. The second approach uses the population of settlements as a criterion. A population of 20,000 is set as a threshold to distinguish rural areas from urban. Settlements with a population of less than 20,000 are considered as rural areas. This definition is generally used in published statistics of TurkStat. IPARD 2007-2013 adopts the latter definition. According to this definition, 27.7% of Turkey's total population and 18.3% of the population of current IPARD provinces live in rural areas. It should be noted that most of the population in rural areas live in settlements with a population of less than 2,000. 16.2% of Turkey's total population, 10.8% of the population of current IPARD provinces live in settlements having population below 2,000. These figures correspond approximately to 59% of the rural population both in Turkey and in IPARD provinces.

Recently, aligning itself with EuroStat definitions and in response to Law 6360 (which extended boundaries of urban municipalities to include many villages), TURKSTAT has revised the

definition of rural areas but not yet officially reflected this in published statistics. The new definition is based on districts (LAU1 level), and all districts in Turkey are classified as being densely populated, having intermediate density or thinly populated. The classification is mainly based on clustering of square kilometer grid cells inhabiting fewer than 300 persons and land use 2006.

Based on this new classification, 794 districts (LAU1) are classified as thinly populated while 55 are having intermediate population and 121 are densely populated. Distribution of population in these district groups is 40.0%, 7.2% and 52.8%, respectively. Geographically, thinly populated areas which will be regarded as rural covers 90%, intermediate areas covers 4%, densely populated areas cover 6% of Turkey.

Until the development of more suitable methodology to define rural areas, the current definition used in IPARD 2007-2013 shall also be used for the 2014-2020 programming period. In order to avoid implementation problems caused as the result of the new Metropolitan Municipalities Law no. 6360 which brings significant changes in the Turkish public administration system, especially in terms of municipalities (namely many rural municipalities are absorbed into bigger urban units and lose their identity); the list of rural areas defined as settlements having population below 20,000 based on TurkStat, data as of 31.12.2012, shall be used to define rural areas. According to this definition the total rural population in Turkey is 20,922,196 (27.7%), and in that in 42 provinces is 13,845,332 (18.3%).

According to TurkStat data as of 31.12.2012;

- The smallest settlement unit in rural areas are villages. There are 34,292 villages in Turkey (as of 2012), the average population living in villages is 347 people, and 11,883,500 people are living in villages.
- Counties[1] comprise the second smallest settlement unit in rural areas. Counties are the settlements that have municipality. As of end 2012, there were 1,977 counties in Turkey, average population living in these counties was 2,678 with a total county population of 5,294,616. All villages are in the coverage of rural area definition. For counties, 94% of people living in counties comply with rural area definition.
- Out of 892 districts, 590 district centres are in the coverage of rural areas. 4,058,130 people are living in rural district centres.

Rural Economy

66.4% of the population in rural areas is engaged in agricultural activities. Agriculture therefore is still forms the backbone of the rural economy, supplying most of the production and employing most of the labour. The ratio above remained more or less stable in the 2007-2013 period due to very limited employment opportunities in non-agricultural sectors.

Farmers engaged in subsistence agriculture are predominantly faced with poverty and migration. The population living in villages and counties dropped to 22.7% in 2012 from 35.5% in 2000. Loss of population further decreases economic activities and creates a vicious circle.

Creating alternative ways of income generation is needed to fight poverty and reduce migration. As far as increasing household income is concerned, it is also important to involve women in the workforce. These could be achieved by increasing the variety and capacity of small-scale

[1] In the administrative structure of Turkish Republic, the county is placed between village and districts. Counties do not have judicial and executive units but have municipal organisation.

economic activities that could be performed in the rural areas. The statuses of major economic activities that could contribute to the rural economy are summarised in the following paragraphs.

Diversification of plant production, processing and marketing of plant products:

Climate, vegetation and topography of Turkey are very suitable for growing a broad spectrum of plant species. In addition to traditional agricultural products, it is possible to increase the income of the producers per hectare by growing higher added value agricultural products. Currently Turkey is utilising only a minor portion of this advantage. Given below is a brief overview of the major product types that could be used for diversification.

Ornamental plants: In 2013, more than 1.4 billion interior and outdoor plants, cut flowers and bulbs are produced on 4,512 ha land. When compared to 2004 this corresponds to an increase of 15.5% and there is still potential to grow and create new jobs.

Medicinal and aromatic plants: Cultivated area as well as varieties of medicinal and aromatic plants are increasing due to increasing domestic demand. This creates an opportunity for small farmers who cannot produce staple food since they do not have sufficient land. Collecting, wild picking of medicinal and aromatic plants are one option, but also cultivation of medicinal and aromatic plants on a few hundred square metres is feasible, especially for women who need income. Cleaning, sorting and packaging increases the value added on these products.

Mushrooms: Mushrooms are an alternative and inexpensive source of food and can be produced with modest level of investment. In 2012, approximately 34,000 tonnes of mushrooms were produced in Turkey. This corresponds to 77% increase when compared to 2009. Per capita mushroom consumption is about one fifth of the EU average and there is a potential of growth.

Plant propagation materials (Seedling and sapling, bulb, micelle, etc.): Although there has been considerable improvement in the last decade due to changing policies, research activities and use of new technologies, agriculture still requires better quality propagation materials in order to increase agricultural productivity and quality of agriculture products.

Major requirements of the sub-sectors stated above are renovation of buildings and machinery, enhancement of tools, equipment, storage and processing facilities and establishment of new facilities.

Beekeeping and production, processing and marketing of bee products.

Honey production is an important sector in Turkey due to its suitable climate, flora and topography. In spite of convenient natural and climatic conditions, average honey production per colony is between 15-17 kg. This corresponds to about one third of the figure in EU countries. Production of other bee products such as bee pollen, propolis are also low.

The main needs in this sector are modernisation and expansion of tools, equipment and machinery; storage and filling facilities of current producers and establishment of new ones. It is important that the producers should enhance their marketing capabilities, market their products at higher values and use the generated income to further develop their businesses.

Crafts and artisanal added value products

Although the concept of geographical indication was introduced in 1995, so far there are only 179 registered geographical indications while about 200 are in the registration process.

Considering both that there 254 registrations only for cheese in the EU, and Turkey's geographical and cultural diversity, it can be concluded that Turkey does not sufficiently benefit from the economic value of its local products.

In addition to the food products, internal and external demand for handcrafts reflecting the rich cultural heritage of the country also carry a high potential. Export of handcraft primary goods reached 2.6 million Euro in 2012 increasing 68% in the last three years.

Micro enterprises operating in the field of artisanal added value products and handcrafts have deficiencies in terms of infrastructure, marketing capabilities and publicity. They mostly experience financial problems and are not competitive in the market.

Rural Tourism and Recreational Activities:

Rural tourism is among the aims of the Turkish Tourism Strategy Plan 2023. Currently, rural tourism is not widespread and professionalised in Turkey despite the country's richness in terms of archaeological, historical and natural resources; local characteristics, and rural destinations. With the changing demand of people looking for alternative destinations and recreational activities, rural tourism may play an important role in the rural development of Turkey. In addition to mainstream tourism on the coasts and main tourism destinations, Turkey needs to promote rural locations of high natural, archaeological, cultural values. This will not be possible without improving the infrastructure in these locations. New accommodation and recreational facilities are needed and existing ones should be renovated.

Machinery Parks:

The figures indicate that 10% of the agricultural organisations have different ways of sharing machinery among their members. This is a low percentage and suggests inefficient use of assets of the farmers. Initiatives are needed to establish pools of machinery that are commonly used by farmers but are not easily affordable. This will increase the efficiency of the farmers, improve their margins by reducing their investment and maintenance costs and consequently improve their competitiveness. With this innovative concept it becomes possible to create new job opportunities in rural areas. Existing assets should also be improved and expanded.

Aquaculture farming which is described in Section 3.2 above is another activity that could contribute to rural economy.

Infrastructure in Rural Areas

Investment in the broader rural economy and rural communities is vital to increase the quality of life in rural areas. This can be achieved by providing improved access to basic services and infrastructure and a better environment. Making rural areas more attractive also requires the promotion of sustainable growth, and generating new employment opportunities, particularly for young people and women, as well as facilitating the access to up-to-date information and communication technologies.

In Turkey, the fact that rural settlements are numerous, small in terms of population and scattered in terms of settlement pattern, adversely affects the costs and effectiveness of public service provision. It also makes it difficult to attain required scales on the basis of settlements for development of basic public services.

The quality of life in rural areas in terms of basic infrastructure is significantly lower than that of urban areas. In terms of the basic infrastructure requirements of rural areas; the main issues can be considered as being roads, potable water, sewerage systems, solid waste

disposal, energy, internet access, sports and recreational areas. Some statistics for Turkey's needs regarding basic infrastructure are expressed below.

Roads

According to Ministry of the Interior's inventory of village roads, there was a total of 320,000 km of village roads in 2010. Of these, 141,000 km have either asphalt or concrete sealing, which is the standard that is considered adequate. The remaining 179,000 km are dirt- gravel- or stabilised gravel roads and require upgrading.

Potable water

According to the Turkish Statistical Institute (TURKSTAT 2012) 99% of the population in municipalities are connected to water supply systems. However, 9.9% of villages and their bound settlements[2] do not have adequate access to water. Of those villages and bound settlements that have adequate water supply, 4,800 villages or bound settlements have no water distribution system. Residents of the settlements have to collect water at fountains, or public taps (Ministry of Interior, village inventory, 2012).

Waste water and solid waste

85% of municipalities do not have waste water treatment plants and 80% of villages have no sewerage system. 27% of the population are not connected to any waste water system and 48% of the population's waste water is not treated before discharge into rivers, lakes, land or the sea. Although there is no clear classification of rural and urban areas for these figures, most of the suffering population is located in the rural areas. In 2010, there were only 326 waste water treatment plants in the country, serving 438 municipalities out of a total of 37,271 villages and municipalities (TURKSTAT 2010).

45% of the municipalities which are mostly located in rural areas do not have any solid waste management systems and 2% of municipalities do not collect solid waste at all.

Stream rehabilitation

Rehabilitation of streams for prevention of floods and their use for irrigation is under the responsibility of the State Hydraulic Works. It estimated that the area requiring stream rehabilitation covers an area of approximately 2.5 million. The State Hydraulic works aims to increase the number of structures constructed for this purpose from 6,188 to 10,000.

Sports and recreational areas

With the improvement of welfare, there are more people in Turkey who are willing to enjoy recreational activities in their spare time.

With a wide spectrum of cultural and natural assets, Turkey has significant potential for creating tourism. This is in addition to tourism activities involving nature sports, such as tracking, mountaineering, rafting and golf.

Internet Access

According to TURKSTAT 2012 data, 53% of population do not have a chance to use the internet in their neighbourhood. This might be due to restricted availability of internet in rural areas.

Renewable energy

[2] Dispersed housing registered in a village but far from village centre. Bound settlements do not have separate legal identity.

The renewable energy sector is developing fast, new technologies are developed and existing technologies are now more cost effective. Turkey is one of the fastest growing countries in energy demand among European countries. It imports a large proportion of the energy it consumes, and the demand for energy is expected to double by the year 2020. As of 2014, the total installed capacity for energy generation has reached 65 GW. The energy demand is mostly met by fossil fuels and a large proportion of this is imported. The biggest shares in electric production are natural gas and hydro-power.

Turkey's potential for generating renewable energy is enormous for solar, wind, geo-thermal energies and hydro power. Since the support for renewable energy and the possibility to sell electricity to the electricity grid was introduced in 2005, the generation of renewable electricity has grown tremendously. Please see table below for installed capacities.

In 2004, Turkey became a party the United Nations Framework Convention on Climate Change and in 2009 to the Kyoto Protocol. Furthermore, Turkey has already taken major steps to bring its legal framework in line with the EU energy acquis. An increase in the share of renewable energy production in total electric production is a key target presented in Turkey's National Climate Change Action Plan. The government plans to meet 30% of electricity demand from renewable energy sources by 2023. This action is partly in line with "20-20-20 Targets" of the EU.

Excluding hydroelectricity plants, the share of the installed capacity of renewable energy in the total installed capacity increased to 5.2% in 2013, from 4.7% in 2008 and from 2.8% in 2000. The installed capacity for electricity generation using non hydro renewable energy increased to 3,307.3 MW in 2013 from 2,581.2 MW in 2012, an increase of 25% (TETC, 2013). In order to reach the target of generating 30% of energy from renewable sources excluding hydroelectricity by 2023, awareness among rural people for using clean energy should be improved.

Table 17: Potentials and projections for renewable energy resources in Turkey

Renewable Energy Source	Feasible Potential	Built-in capacity as the date of 30.04.2014)	2023 Projection
Hydropower	37 GW	22,9 GW	All feasible potential
Wind power	87GW	2924 MW	20 GW
Geothermal	2 GW	317 MW	600 MW
Solar PV	500 GW	9 MW	7-10 GW
Biomass	N/A	81 MW	Not considered

For large-scale, commercial renewable energy generation, there are already ample sources of funding and investment. It is obvious that government incentives for generation of renewable energy are sufficient for large investments and investors.

Small-scale renewable energy generation is an untapped and undeveloped energy source and offers large potential, not only for energy production but also for cost cutting in rural settlements and in diversifying rural enterprises. The few examples of small scale renewable energy plants that exist in the country are quite telling.

One reason for growing small investments is that until 2013 it was not possible for unlicenced, small scale electricity producers to sell their surplus electricity on to the main grid. The required changes to the legislation were made in 2013 and it is now possible for small producers not only to sell but to even out their own consumption with their surplus production.

Wind Energy

Besides hydraulic energy, wind energy is the most advanced and widespread renewable energy source in Turkey. South of the Marmara region, coastal and some inner parts of the Aegean region, the eastern part of the Mediterranean and locations with rugged mountains in Eastern Anatolia have promising wind energy potential. Wind energy potential of Turkey is estimated to be 37 GW of which only a small portion has been utilised.

Solar Energy

Turkey also offers perfect natural conditions for solar power investments. The country is geographically located in the Mediterranean sun belt with solar radiation values at levels comparable to those in Spain and Portugal. The South of Turkey and Eastern Anatolia have promising solar energy potential. Estimated potential for Solar photovoltaics (PV) of Turkey is 500 GW. Again, only a small portion of it is being utilised.

Geothermal Energy

Turkey is located on the Alpine-Himalayan belt with high geological activity. It therefore holds high geothermal potential. The geothermal potential of Turkey is calculated to be 31,500 MW. The areas with potential are concentrated in Western Anatolia (77.9%). By 2010, 13% of the total potential (4,000 MW) has been made available by the Ministry. 55%

of the areas with geothermal potential are suitable for heating practices. 120 ha of greenhouses are heated using geothermal energy, and 100,000 households in 15 settlements are heated with geothermal energy. (Ministry of Energy and Natural Resources, 2014)

Biogas

Animal manure, agricultural waste, agricultural-industrial waste, and municipality waste are the main resources for producing biogas. Taking into consideration the availability of these resources, western part of Turkey, eastern and some inner parts of Anatolia have promising biogas energy potential. If Turkey can fully use its biogas potential, 6%-12% of its electricity needs can be met from this resource. (Ministry of Environment and Urban Planning, 2011)

As detailed above; Turkey is exceptionally rich in terms of renewable energy resources but, unfortunately, does not sufficiently benefit from these resources. Although the share of privately owned renewable energy investments has increased since 2005, public investments in this area have not increased in parallel. Electricity costs are high and it is known that many local administrations have difficulty in paying the electricity bills of their water and sewerage treatment plants, and sometimes cannot operate them.

3.5. Preparation and Implementation of Local Development Strategies - LEADER

Turkey has extensive experience of regional and local development planning. Each province has a Provincial Strategy implemented by Special Provincial Administrations. GAP Project is one of the world's leading Regional Development Project. There is already a gained experience in top down "development planning'' while LEADER is a new mechanism for Turkey. Strategic local partnerships based on a bottom up approach and formalized local private partnerships are so far adopted only in a few projects. These are rural development projects which have a more or less similar approach with LEADER. However, they are not based entirely on the same elements as either the EU LEADER approach nor the same philosophy. The recently implemented IFAD funded rural development projects implemented in Ordu-Giresun; Sivas-Erzincan and Ardahan-Kars-Artvin provinces are partly build on the LEADER approach. The village development plans of the villages in these provinces were completed and projects were subsequently implemented in accordance with these plans. The plans were prepared by the villagers in order to assist them with the prioritization of their needs. The IFAD funded rural development projects were conceived with a view to developing farmers' physical environment and raising their incomes by creating new and income generating activities as well as making sure that the recipients were strategically involved from the start. There have also been some small scale activities by some NGOs to provide training mainly to NGO staff.

For developing capacity towards establishment of LEADER measure, Managing Authority implemented a Twinning Project between November 2010 and May 2011 whose aim was to build institutional capacity and make pilot implementations at local level with a view to preparing and implementing local development strategies under the IPARD Programme.

Via the project, capacities of MA and ARDSI in preparing and implementing local development strategies were developed and their technical and legal infrastructure for implementation was determined. Within this scope, potential Local Action Groups were established in Birecik district of Şanlıurfa province and in İskilip district of Çorum province which were selected as pilot locations. Overall objective of pilot project was to get experience for establishment of LAGs and defining the working methodology with them. In this framework, workshops were organised with the participation of all relevant stakeholders in order to identify and draw

attention to local development problems in the area. Priority areas of draft local development strategies, including regional analysis and SWOT analysis, were identified in cooperation with local stakeholders. However, until now the pilot potential pilot LAGs did not get legal status. Turkish law on establishment of associations shall be the legal base for the establishment of LAGs.

With support from national budget, LDS for Birecik and İskilip will be prepared. In addition, expertise for the preparation of action plan to implement the LEADER measure will be provided and publicity materials will be prepared and distributed.

3.6. Table of Context Indicators

Table 18. Context Indicators

Socio-economic and rural situation				
Context Indicator Name	**Measurement unit [if relevant]**	**Context Indicator Value [Mandatory]**	**Year [Mandatory]**	**Comment [Optional]**
Total Population		75 627 384	2012	TURKSTAT / Basic Indicators
Rural Population		17 178 953	2012	Population living in counties and villages
Share of Rural Population	%	22.7	2012	Population living in counties and villages
Population less than age 15 (Total)		18 857 179	2012	TURKSTAT / Basic Indicators
Population less than age 15 (Rural)		4 458 576	2012	Population living in counties and villages
Share of rural population less than age 15	%	23.6	2012	Calculated from above indicators
Population between 15-65 years of age (Total)		51 088 202	2012	TURKSTAT / Basic Indicators
Population between 15-65 years of age (Rural)		10 712 896	2012	Population living in counties and villages
Share of rural population between 15-65 years of age	%	20.1	2012	Calculated from above indicators
Population over 65 years of age (Total)		5 682 003	2012	TURKSTAT / Basic Indicators
Population over 65 years of age (Rural)		2 007 481	2012	Population living in counties and villages

Share of rural population over 65 years of age	%	35.3	2012	Calculated from above indicators
Total Area	km^2	783 562	2013	TURKSTAT / Basic Indicators
Total rural area	km^2			Not available
Share of rural area	%			Not available
Population density	Inhabitants / km^2	97.8		TURKSTAT / Basic Indicators
Rural population density	Inhabitants / km^2			Not available
Employment (age 15-64)		28 544 359	2013	Labour force Statistics
Rural employment (age 15-64)		9 364 000	2013	Based on old definition of rural areas. Not available for new definition.
Unemployment rate (age 15-64)	%	9.7	2013	TURKSTAT Databases / Labour Force Statistics
Rural unemployment rate (age 15-64)	%	6.1	2013	TURKSTAT Databases / Labour Force Statistics
Youth unemployment rate (age 15-24)	%	18.7	2013	TURKSTAT Databases / Labour Force Statistics
Rural youth unemployment rate (age 15-24)	%	13.7	2013	TURKSTAT Databases / Labour Force Statistics
GDP Per Capita	EUR/inhabitant PPS/inhabitant	8,267[3]	2013	
Sectorial				
Context Indicator Name	**Measurement unit [if relevant]**	**Context Indicator Value [Mandatory]**	**Year [Mandatory]**	**Comment [Optional]**

[3] Reported in USD, converted to EUR based on mid-year exchange rate

Employment in Agriculture	1000 persons % of Total	6 015 (agriculture + forestry + fishery) 21.1%	2013	TURKSTAT Databases / Labour Force Statistics. Employment in rural areas is not the same as employment in agriculture due to the change of law and inclusion of rural areas as metropolitan outskirts in 2013.
Employment in Forestry	1000 persons % of Total			
Employment in Food Industry	1000 persons % of Total	1 308 (food industry + tourism) 4.6%	2013	
Employment in Tourism	1000 persons % of Total			
Labour Productivity in Agriculture - GVA per full time employed person	EUR / AWU	103 635 252 TL	2011	
Tourism Infrastructure	Number of bed places	706 019[4] 512 462[5]	2012	Statistics of Ministry of Culture and Tourism
Environment				
Context Indicator Name	**Measurement unit [if relevant]**	**Context Indicator Value [Mandatory]**	**Year [Mandatory]**	**Comment [Optional]**
Total Agriculture Area	km^2 % of total	38 428 4.9%	2013	TURKSTAT / Basic Indicators
Total Forest Area	km^2 % of total	216 780 27.7%		DG Forestry Figures

[4] As certified by the Ministry of Culture and Tourism

[5] As certified by local Municipalities

4. SWOT – SUMMARY OF THE ANALYSES ABOVE

4.1. Agriculture, Forestry and Food Industry

Milk

Strengths	Weaknesses
• High animal population • Increasing domestic consumption • Steady growth in raw milk production • Some medium and small-scale agricultural holdings have investment capacity. • Increasing awareness and investments for producing better quality raw milk. • Favourable ecology for high variety of products • Presence of incentives for raw milk production • Increased contracted production practices among producers and processors • Long history in traditional milk products • Presence of large scale modern milk processing establishments which are managed effectively.	• Majority of milk producers are medium and small scale farmers which produce around 90% of total production • High cost of feed and other farming inputs. • Low yield due to poor feeding, improper farming conditions and animal diseases. • Insufficient animal welfare and environmental standards. • Lack of milking and cool storage facilities in agricultural holdings • High dependence of processed milk products on quality of raw milk. Limited number of agricultural holdings capable of producing quality raw milk, cold chain deficiencies, poor storage, and transport conditions result in low quality milk products. • Majority of milk processing establishments are medium and small scale • Producer groups are not sufficiently well-structured, organised, or prepared to adequately fulfil the roles they play in the EU. • High cost of energy inputs for food processing establishments • Lack of finance, inadequate infrastructure, insufficient equipment including test and analysis, lack of knowledge • While raw milk production is increasing, the number of high quality collection and processing facilities remains insufficient.
Opportunities	**Threats**
• National legislation is in line with EU food hygiene and farm animal welfare requirements with respect to Chapter 12. Consequently, it is compulsory for milk producers and processors to improve the structural conditions of their establishments. • Availability of national and international support programmes. • Increasing local demand for milk and milk products • Technological improvements enabling more energy efficient and environmentally friendly production. • Increasing demand for high value products such as organic and traditional farm products	• Economic and social problems that might be faced by the closing down of farms and processing establishments due to small and medium sized establishments not fulfilling the requirements stipulated in national legislation. • Low competitive capacity of small establishments against large establishments and imported products due to high costs. • Reduced feed production or pasture area due to climate change • Animal diseases

Red Meat

Strengths	Weaknesses
• Favourable ecological conditions and good climate for agricultural production • Government subsidies for investments in agriculture • Current favourable climate for external investment in professionally run, efficient feed lots, feed mills, slaughterhouses and, meat processing • Increasing domestic and global demand for red meat • Availability of subsidies for the restructuring of qualified slaughterhouses • Improved performance in the production, slaughtering, processing and marketing sectors.	• Production cannot meet demand, low per capita consumption • Poor animal housing resulting in poor animal welfare • Lack of closed winter housing/barns for livestock protection • Local cattle breeds not suitable for beef production • High protein feed is not adequately available to sustain the imported dual purpose breeds • Human resource capability gaps • High energy costs • Lack of infrastructure and equipment for manure management • Animal traceability not effective, excessive loss of ear tags. • Long history of ineffective cooperatives and non-functional producer groups • Lack of slaughtering and processing capacity in eastern parts of Turkey • Current slaughtering capacity is highly dependent on establishments which are not able to comply with current legislation and are not feasible to upgrade. • Insufficient slaughtering capacity especially in the eastern provinces. • Insufficient hygienic conditions in barns and in processing businesses. • Producers and processors face difficulties in meeting EU standards • Fragmented processing sector and absence of scale compared with world class competitors, especially in prepared value added meat products • Organisational weakness of SME[6]s with an over- emphasis on production of low technology products
Opportunities	**Threats**
• Availability of innovation supports for productivity improvement and product development • New high value market opportunities offered by changing consumer demands and new markets • Increasing in interest in environmentally friendly practices • Growing market for organically produced red meat	• High input costs • EU food regulation will not be implemented in a timely fashion • Growing consumer demands and tighter regulations on food safety, environment and animal welfare and difficulties in meeting them • Qualified slaughterhouses may not adapt to competition from imports and face closure due to growing competition on international markets

[6] Definition of SME is given in Annex I

Poultry Meat

Strengths	Weaknesses
• For primary production, little working capital is necessary because the contreact farming provides inputs on credit basis • Well trained producers, clear focus on broiler production, good performance in breeding (low mortality rate in new establishments) • Support in farm management provided by the contractor company (veterinary support, medicines, technical assistance) • Ability to fast adaptation of the supply to fluctuating demands. • As a result of agreements with the processors which provide animal feeds, farmers are protected from price fluctuations related to feed and have an acceptable income • Adequate planning of the workload due to the planned supply of raw material allow better use of available resources (human and economic) • Primary and secondary meat processors under contract farming are working in state of art premises with adequate capacity, hygiene conditions and performance. No marketing problems for the final product in primary production • Marketing chain is well organised thus reducing costs and increasing income • Product is marketed well, frequently "branded" for a good visibility on the market (Note: All strengths mentioned above refer to small number of integrated producers only)	• Poultry production is mainly carried out in old premises and by means of old equipment thus increasing the production costs and reducing the competitiveness • Majority of the farms are small scale • High energy consumption and energy costs • Biosecurity problems • High death ratio in conventional battery cages • Manure management infrastructures are not completely developed thus increasing animal health risks • Waste management systems and animal by-product systems are not always available thus increasing hygienic and environmental risks • Low profit margins due to dominance of the market by high capacity processing plants. • Small-scale primary and secondary poultry meat processors are working in premises using equipment in need of upgrading • Producer groups not functional • The consumption of poultry is not steady throughout the year thus adequate storage facilities are required •
Opportunities	**Threats**
• High Food Conversion Ratio and consequently the most cost efficient protein source • Increasing costs for the production of other types of meat such as red meat makes poultry meat and eggs the more affordable compared to red meat. • Increasing demand for poultry and for organic chicken • Supply of manure for production of fertiliser will increase the farm income in those farms with no cultivated land • New lifestyle of Turkish population requires development of new poultry products such as ready to cook or ready to eat products • Growing market demand from eastern markets for by-products such as chicken legs • Geographical location is excellent for export to both Middle East and Europe • For integrated producers, adequate amounts of raw materials are available at acceptable prices for processing due to industry scale farming	• Newcastle and Avian influenza present a constant threat • Increase in production costs due to compliance to EU regulation on animal by-products (no use of animal origin protein in feed) • Poultry sector is highly dependent on foreign inputs such as breeding stocks, feed and vaccines, exposing the sector to unstable markets and currency fluctuations • Lack of investment in the primary production may cause default of primary and secondary processing • Risk of closing down of some investments which are now located in the urban areas due to expansion of cities.

Egg

Strengths	Weaknesses
• Low labour and land requirement • In certain regions of the country there are no marketing problems for the final product that is purchased by the local egg collection centre • In small number of modern holdings, egg production is carried out in state-of-the-art premises and with modern technologies that guarantee the safety of the product • In certain regions of the country the product is well marketed, frequently "branded" for a good visibility on the market	• For majority of holdings, egg production is mainly carried out in old premises and by means of old equipment thus increasing the production costs and reducing competitiveness. • Manure management infrastructures are not completely developed thus increasing animal health risks • Small scale production of feed at farm level leads to increased feed costs • Producer groups not functional • Insufficient infrastructure and equipment for biosecurity • High death rates in old establishments • High dependence on imported inputs such as feed • High energy requirements and high cost of energy • Egg packaging centres are frequently located at farm level in old premises and with old and poorly maintained equipment • Marketing chain is in general very fragmented (transport, storage, retail) thus increasing the costs and reducing the profitability
Opportunities	**Threats**
• Supply of manure for production of fertiliser/biogas will increase the farm income • Development of organic farming will create value-added products • Adequate amount of raw material is available at convenient price for processing • Economy is developing fast and the demand for eggs is increasing rapidly as well as consumption • Consumption of egg products is increasing in catering and tourism industry • Growing market demand for by-products for feed industry (cracked eggs) • Geographical location is excellent for export to both Middle East and Europe • The creation of adequate marketing infrastructures will lead to increased visibility of the product • Growing consumption of eggs will require increment of production • Egg farms located in residential areas have to be closed down. • As a change of regulations, adaption of enriched cages will reduce capacities and the cage systems need to be improved.	• Environmental issues: manure management is not adequate • Increasing of production costs due to compliance to EU regulations on animal welfare and ABP (no use of animal origin protein in feed) • Poultry sector is partially dependant on foreign inputs such as (breeding stocks, vaccines) • Difficulties in accessing to EU market (prices not competitive) • Turkish egg production relies heavily on the import of feed materials for the preparation of feeding stuffs thus exposing this sector to currency fluctuations • Egg processing establishments are not working at full capacity because of negative consumer attitudes towards consumption of new products (such as liquid egg) • Numerous geographically spread egg producers in market not collaborating with each other reduces the marketing capacity of the sector.

Fruits and Vegetables

Strengths	Weaknesses
• Biodiversity and proper climate • Strong local market (domestic demand and tourism consumption) for fruit and vegetables. • Accumulating know-how in organic agriculture and Good Agricultural Practice (GAP) • Regulations for use of chemicals are in place • Sound regulations in processing of fruits and vegetables	• Low productivity in comparison with EU and other Mediterranean countries mainly due to fragmented land structure and small holding size. • High post-harvest losses. • Insufficient cooling, storage facilities, and cold stores • Insufficient modern drying facilities to prevent post-harvest losses • Traditional drying methods produce aflatoxins • Lack of skills and financial means. • Producer groups not functional • Insufficient food safety systems. Limited application of traceability and quality standards • Need for improving technology used in production and processing.
Opportunities	**Threats**
• High foreign demand driving increase in production of various processed products. Higher domestic demand for processed products. • Increasing number of farmers and investors open for technology and innovation. • Prospect transition to environmentally friendly production systems with certified and integrated production • Tendency for consuming more organic products.	• Climate change and deterioration of ecological balance (water, pest management). • High costs of logistics • Contaminated water resources due to high use of pesticides

Fisheries, Aquaculture and Fish Processing

Strengths	Weaknesses
• Presence of a fishery-structured catch industry with fleet • DG Fishery and Aquaculture recently restructured to address current issues • Presence of fisheries research institutes, innovation potential • The existence of fisheries information system (FIS) • Relatively unpolluted natural water resources • Well-qualified human capacity and developed domestic technological capacity • Large availability of aquaculture sites • Market demand for some specific competitive products • Convenient climatic conditions • Presence of inputs: hatchery and feed/net manufacturing • Fishery market network present in the country • Legislation for the sector is in place and updated based on lessons learned from implementation	• Lack of harmonised policy: legislation, planning and practical application. • Lack of fish stock assessment • Lack of efficiency of producer organisation for management and marketing • Weak monitoring control and surveillance • Cost of feed, which is the main input for aquaculture is high • Sustainable production methods are not adapted • Large number of small-scale farms • Limited number of species available • Poorly post-harvest organised logistics/storage and EU standards • Poor inspection • Production of low value added products
Opportunities	**Threats**
• Support from IPARD and other EU programmes • Proximity to international markets • Increasing international cooperation • GI and sustainable fishery certification system • Demand increase at national and global level, also for value-added products • Innovation possibilities for new products: possible new species culture (such as live bivalve mollusc) and certification system	• Pollution, habitat destruction • Seasonal catch of some fisheries • Climate changes • Overfishing • Part of the production concentrated in few large scale companies • Blocking fisheries chapter in EU accession process • Competition among relevant sectors • Production feed is dependent on fish flour and fish oil. Lack of varieties in fish feed. • Pollution from urban, agriculture and industrial sources • Food and Veterinary Office restriction on bivalve mollusc export, health alert • Threat to water resources from hydroelectric power plants

4.2. Environment and Land Management

Management of Soil Cover and Soil Erosion

Strengths	Weaknesses
• When compared to EU, relatively less contaminated soil in terms of fertilisers and chemicals due to wide use of traditional farming techniques. Soil Conservation and Land Use Law No 5403 in place for preservation of soil • Ongoing land rehabilitation and drainage projects for preservation of soil cover. • Harmonization of Nitrate Directive to the national legislation has been finalised. Water quality monitoring network has been established to control the water pollution caused by farming.	• Implementation of erosion prevention measures require high costs and expertise especially at high slopes • Lack of coordination between institutions responsible for preservation of soil • Use of incorrect crop pattern (in crop rotation) • Green fallow is not a farming practice in Turkey • Measures on erosion concentrates on slope not taking into account other factors such as soil characteristics and climate • Lack of knowledge and skills of farmers in terms of soil preservation methods. • Insufficient analysis of the impact for the measures applied so far.
Opportunities	**Threats**
• Basin management approach and initiatives for River Basin Action Plan. • Studies for the prevention of aridity-desertification • Increasing awareness about the implementations for environment • Establishment and improvement of analysis laboratories	• High risk of erosion • Uncontrolled fertilisation • Aridity-desertification • Lack of determinism in farmers for adopting methods for soil preservation.

Water Conservation

Strengths	Weaknesses
• The harmonization of Nitrate Directive to the national legislation has been finalised. • A new Water Law for conservation of water is under preparation • Support of MoFAL to farmers on individual irrigation equipment via Supporting Programme for Rural Development Investments • Existence of irrigation unions which can be equipped and mobilised for water conservation monitoring system built to determine the effects of agricultural based pollution in waters • The studies on National Water Information System for monitoring water resources launched by the General Directorate of Water Management • Potential for training and research studies on water • Continuation of studies for the issue of Regulation on Codes for Good Agricultural Practices for Nitrate Directive • Continuation of studies for the determination of the Nitrate Sensitive Areas	• Insufficient water resources and low ground water levels in most regions • Improper irrigation practices of farmers • Treated waste water from treatment units are not used for irrigation of agricultural fields • Farmer's lack of awareness and knowledge on the effect of agricultural based pollution in waters • Lack of knowledge on water consumption control (water meter /membership for irrigation union) • Lack of knowledge and skills in persons working in closed system irrigation projects • Different institutions on water management, overlapping responsibilities
Opportunities	**Threats**
• Initiative of the State Water Works entitled "1000 Ponds in 1000 Days" for more effective use of water resources for irrigation • Established regional development administrations (KOP, DOKAP, etc.) working on irrigation projects • On-going studies related to the river basin management plans Revision studies by SWW on basin master plans for preservation of more water • Actions to close unlicenced wells making excessive use of underground waters	• 74% of available water potential of Turkey is used for agricultural activities • Abolishment of quota system for sugar beet which will cause more beet production and consequently increased water use • Use of too much fertiliser in irrigated areas in order to increase production • Abundance of unlicenced wells • Decrease in underground water

Biodiversity

Strengths	Weaknesses
• Supportive regulations and institutions working on biodiversity • Regulations forbidding stubble burning • Awareness of organic farming for controlled use of chemicals by farmers • Supports which are already in place (Good Agriculture Practices, ÇATAK, etc.)	• Lack of cooperation between institutions working on the subject • Insufficient data on biodiversity • The Law on the Conservation of Nature and Biodiversity is still pending. • Traditional farming practices of farmers (e.g. leaving the fields to one year fallow, insistence on using pesticides or herbicides, putting the fields as set aside etc.)
Opportunities	**Threats**
• Increased awareness of some farmers on the issue • Potential for voluntary labour force of active NGOs such as TATUTA (Eco-Agro Tourism and Voluntary Knowledge and Skills Exchange on Organic Farms) in selected regions • Sharing the observational data of farmers can provide to collect long term data relevant to the species	• Senseless use of pesticides and fertilisers • The waste is left on the area and mixes in water • Lack of knowledge about alternative methods of pest control

Organic Agriculture

Strengths	Weaknesses
• Existence of national legislation in line with the EU • Existence of organisational structure for certification and controls • Rich biodiversity and natural resources • Rich agricultural ecosystems • Existence of clean soil and water resources • Pastures and grasslands suitable for organic livestock • Increasing number of NGOs	• Insufficient mechanisms for producers to access internal markets. • Poor in-service training • Lack of training and extension studies • Lack of research and development studies • Market mechanisms were not developed to allow branding and establishing price balances • Almost no processing capabilities • Unlicenced production • Dependence on imported organic inputs that are not available in sufficient amounts in the country in order to be used for processed products • Different approaches of Province Directorates in adopting organic farming methods
Opportunities	**Threats**
• Increasing demand for organic products in the World and in Turkey • Increasing demand in agro-ecotourism • Increased cooperation between stakeholders • Emergence of integrated facilities producing, processing and packaging and marketing organic products • Increased number of accredited laboratories for analysing active substance • Efficient logistics network	• Mistrust in organic products by some consumers • Lack of awareness of consumers • Increased number of industrial plants causing environmental pollution • Technical barriers in exportation

4.3. Rural Economy and Quality of Life

Farm Diversification

Strengths	Weaknesses
• Favourable climatic, natural and environmental conditions • Rich flora and fauna, endemic species • Human resources (underemployment in the countryside, low-cost labour); • Cultural heritage and varied nature for tourism • Possibility of easily integrating rural tourism with other tourism types • High tourism potential of Turkey • Tourism activities in all seasons • Good national infrastructure such as main road network, airports • Presence of unpolluted lands • Traditional lifestyles in rural areas • Diversity of crafts and artisanal added value products • Turkish women skilled in crafts and local products • Access to regional markets • Past experience in rural development projects	• Small and fragmented holdings • Difficulty in accessing finance • Lack of awareness in benefits of using technological equipment and difficulties in accessing technology. • Lack of publicity and marketing skills • Insufficient involvement of women in economic activities in rural areas; • Lack of organisational culture • Rural economy mainly relies on agriculture • High dependence on imports of materials used in plant farming • Deficiency for developing high value-added products • Lack of awareness on geographical indication certification and the advantages of having certified products • Lack of entrepreneurship
Opportunities	**Threats**
• Growing interest for alternative resources of income • Women and the young population are eager to work • Support for entrepreneurs; KOSGEB, ISGEMs, ABIGEMs • Available grants for rural economy • Increasing demand for organic products, crafts and artisanal added value products, alternative tourism • Huge domestic market • Emergence of best practices about IPARD • Expansion of IT infrastructure for easy access to information • Increasing demand for renewable energy • Demand for diversifying tourism activities	• Continued proportional decrease of rural populations, consequently less political influence. • Increased competition among regions • Environmental pollution, not able to protect nature, flora and biodiversity; • Uncontrolled urbanisation • Loss of human resources due to aging and migration to urban areas

Rural Infrastructure Investments

Strengths	Weaknesses
• Good operational skills in Municipalities and Special Provincial Administrations • Political support for rural infrastructure investments. • Tourism potential as driving force for infrastructure investments	• Insufficient energy resources • Problems due to maintenance and operational costs. • Lack of experience in PRAG tendering procedures • Lack of construction supervision mechanisms • Lack of operational skills in village administrations. • Lack of financial resources for operations and maintenance of rural infrastructure investments • Most villages do not have zoning plans (master plans) • Lack of skilled labour for operation of the investments
Opportunities	**Threats**
• Growing demand for public health, sanitation and recycling • Growing demand for rural tourism • For solid waste management investments, possibility to produce energy from biogas of landfill	• Highly overlapping national supports (SUKAP for municipalities, KOYDES for village administrations) • Conflicts that may arise in identifying landfills for solid waste management projects

Renewable Energy

Strengths	Weaknesses
• Legislation allowing large and small producers to sell produced electricity • Government incentives and support • 10 years guaranteed electricity price (tariff incentives), support for investments done before 2020 • Many water supplies suitable for micro-hydro • Long coast lines and good wind data • Lots of sunshine and good data and solar maps available • Plenty of available biomass	• Cumbersome administrative processes during application and for permission to connect to national grid • Possible negative environmental impact of micro-hydro and wind turbines • Limited capital for investment. • Longer pay back period compared with other conventional energy production methods
Opportunities	**Threats**
• Increasing energy demand • Technology development for more efficient renewable energy • New regulation about solid waste unions allowing them to produce and sell electricity without licence (sub regulations published and upper limit increased from 500 KW to 1 MW and the concept of energy cooperatives is introduced).	• Possibility of decrease in world oil prices • High technology costs for solar energy and biomass

4.4. Preparation and Implementation of Local Development Strategies – LEADER

Strengths	Weaknesses
• Presence of NGOs and associations active in dealing with rural development issues • LEADER like project implementations in some local areas. • Presence of women initiatives in rural areas. • Presence of young and women population • Presence of two potential LAG in pilot implementation areas of the LEADER measure.	• Lack of experts on LEADER • Central administration system hinders local initiatives • Lack of self-governance tradition in rural areas • Lack of organisation culture in skills in rural society • Adherence to traditional practices and being closed to new implementations in rural areas • Lack of infrastructure in rural areas • Difficulty in reaching basic services in rural areas • Lack of entrepreneurial spirit in rural areas.
Opportunities	**Threats**
• Harmonization process to EU and IPARD Programme supports • Presence of individuals enthusiastic about the concept in target areas	• Loss of human resources due to aging and migration to urban areas • Strict rules for implementation of the measure

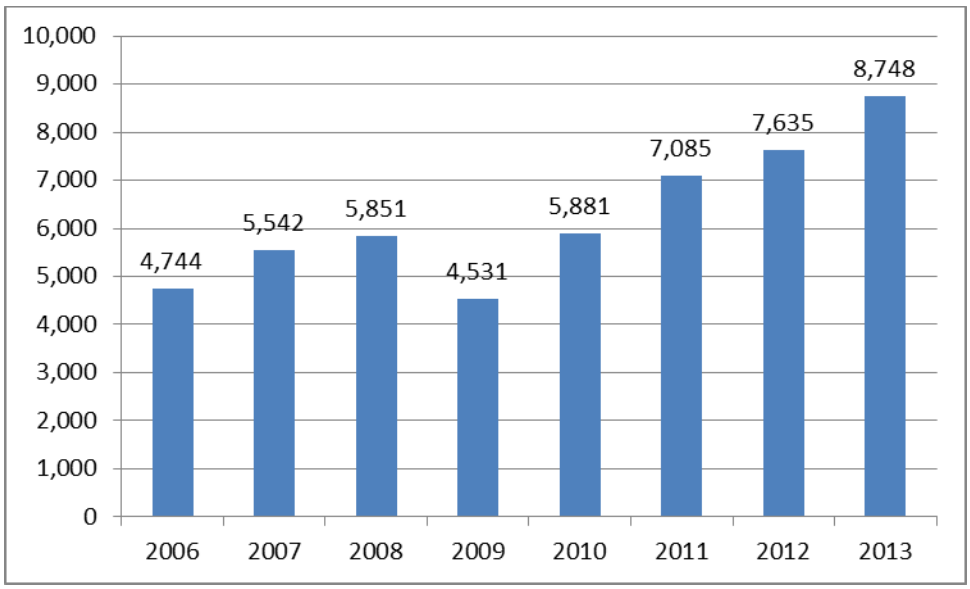
5. MAIN RESULTS OF PREVIOUS INTERVENTION

5.1. Main Results of Previous National Intervention; Amounts Deployed

National interventions can be grouped as agricultural subsidies which are direct payments to farmers for agricultural production and preservation of land, rural development grants which are provided under an integrated approach of agriculture, food industry and entrepreneurship, regional development programmes applied certain regions of Turkey, and agricultural credits.

For the 2006-2013 period, a total of 50,017 million TL of direct payments for agricultural support and rural development grants were provided. With the exception of the year 2009, there is a regular increase in the amount disbursed (See Figure 3).

Figure 3. Amount of agricultural and rural development supports (million TL, Source: GDAR)



These interventions are summarised below.

Agricultural Subsidies

Agricultural subsidies are provided from national budget in order to contribute to the solution of the major problems of the agriculture sector, to enhance the effectiveness of the policies employed, and to facilitate the compliance of the sector with these policies.

The subsidies mostly contributed in the increase of production of crops especially those used as animal feed, enabled farmers to purchase livestock, improved income level of farmers, and encouraged unregistered farmers to be included in the national registry. Two major outcomes are economically important in terms of implementation of the IPARD programme.

i. Subsidising feed production makes concentrate feed affordable for farmers. Considering that feed prices correspond to 70% of farm expenditures, affordable feed prices contribute in viability of animal farming.
ii. Supporting purchase of livestock and artificial insemination supports improve the quality of the breed and contributes in productivity of farms.

Rural Development Supports

Rural Development Investments Support Programme, which is the basis of rural development supports, is a grant scheme within the framework of the Agricultural Strategy (2006-2010) for improving the income and social standards in rural areas, ensuring integration between agriculture and industry, generating alternative income sources, enhancing the effectiveness of the currently conducted rural development activities, improving infrastructure, enhancing entrepreneurship capacity and generating capacity to benefit from international sources, in particular from EU funds. It is implemented by communiques which are drafted by MoFAL every year and enter into force after being published in Official Gazette.

Within the scope of Rural Development Investments Support Program, investments in economic sectors, agricultural infrastructure investments, procurement of machinery and equipment are supported. Collective pressure irrigation systems were also supported until the end of 2012.

The Rural Development Investments Support Programme covers all 81 provinces of Turkey and it is implemented under two headings:

Under Economic Investments, a total of 795 million TL was provided as 50% grant for investments during the 2007-2013 period. In order to benefit from the grant, the recipients have to submit an investment plan.

Machinery and Equipment supports, on the other hand, amount to 625 million TL in the same period and provided as 50% of the costs of machinery and equipment needed in agricultural production. These supports are provided to meet ad hoc needs of farmers without necessity of submitting an investment plan.

In addition to the above supports. General Directorate of Animal Husbandry provided 10.8 million TL to animal farms for the purchase of livestock, construction and machinery.

These supports contributed in improvement of food safety, reduction of product losses due to increased storage capacity for grains, improvement of competitiveness of food processing establishments due to modernisation of equipment, capacity building in preparation of project proposals, and formalising the informal economy.

Regional Development Initiatives

In addition to national support schemes mentioned above, a series of regional development initiatives are being implemented in Turkey.

Eastern Anatolia Development Programme (DAP) which was initiated in 2010 so far supported 183 projects of which 126 are completed. A total of 44.7 million TL was spent so far for animal farming.

South-eastern Anatolia Development Programme (GAP) was initiated in 2009 and so far supported 238 projects of which 173 are completed. The programme supports animal farming and so far a total of 87.1 million TL was spent for the supported projects providing grants for the purchase of livestock, construction of facilities and purchase of equipment.

Under the organisation component of the programme, 219.3 million TL credit was provided to 93 cooperatives, a total of 33,780 animals, 15,580 cattle and 18,200 sheep and goat were delivered to a total of 3,770 families, and establishment of 325 da of greenhouses for the benefit of 650 families was supported.

GAP programme also supports organic farming. 407 ha of land was allocated as organic orchard and demonstration planting was done on 135 ha for field crops (wheat, chickpeas,

lentil, sesame). The procedure of “certification for the transition process for organic farming” was completed in 700 ha of olive groves and in 122 ha of orchards. 880 bee hives were distributed for the production of organic honey.

Environmental planning and restoration works were carried out in touristic and cultural areas (in the historical and cultural areas as Zeugma Museum-Gaziantep, Ravanda Church- Kilis, City walls- Diyarbakır, Nemrut Mountain Tumulus and Monuments- Adıyaman, Kasımiye Madrasa-Mardin, Harran Plain, Şanlıurfa, Hasankeyf- Batman) within the scope of the protection and improvement of cultural assets component of the programme.

In the region 377,672 ha area started to be irrigated. 68% of the main irrigation channels was completed . Total value of irrigation projects under GAP Action Plan was 21.745.706 TL and the investment amount reach about 10,000,000 TL by the end of 2012.

In addition to the programmes managed by Regional Development Administrations, Regional Development Agencies provide financial supports as well to investments in their regions. Although agriculture and rural development are not high priority sectors in all regions, so far around 111,880,000 TL was provided to a total of 599 projects related to agriculture and rural development for investments covering costs for construction of facilities and equipment.

The regional programmes contributed in improvement of food safety, reduction of product losses, improvement of competitiveness of food processing establishments.

Infrastructure Supports

Village infrastructure support programme (KOYDES) programme of the Ministry of Interior supports infrastructure construction investments in villages. It has been implemented since 2005 and the total budget allocated so far is around 9 billion TL. The programme is mainly intended for improving living conditions of villages by financing construction of village roads, drinking water supplies, waste water collection and treatment systems.

Infrastructure support for municipalities (BELDES) is for the improvement of quality water supply network around Turkey. A total of 129,650,000 TL was allocated and 57 municipalities were benefitted from the programme by the end of 2013.

Social Support Programme (SODES) has been implemented since 2008 by the Ministry of Development. Within the programme, financial support is provided to projects on social, recreational and cultural facilities. It covers 30 provinces out of which 12 are IPARD provinces. Annual allocated budget is around 200 million TL. SODES is more concentrated on urban areas and contributes in the improvement of living conditions in these areas.

Irrigation subsidies under the rural development provide 75% grant to collective pressurised irrigation investments and 50% grant to purchase of irrigation machinery and equipment. Since 2006, approximately 206 million TL grant is provided for the irrigation of approximately 75,000 ha area.

In addition to financial supports, there are some training and advisory services delivered to farmers through branch offices of MoFAL. Under each provincial directorate of MoFAL, there are departments for rural development which training programmes, seminars and extension services are delivered to farmers in the framework of the national support schemes. These departments have also been supporting the farmers by giving information about the project submission rules and procedures for the support programmes, on interpretation of the guidelines, and the principles of the preparation of the business plans and other documentation required.

5.2. Main Results of EU Assistance, Amounts Deployed, Summary of Evaluations or Lessons Learnt

IPARD 2007-2013

The IPARD supports have been effectively disbursed since 2012 and the disbursements significantly increased in 2013. During the implementation of the programme, progress has been achieved in increasing participation to the programme, thereby achieving more effective outcomes. With implementation of IPARD, the agricultural enterprises are becoming more institutional and this leads to the increase in demand for IPARD supports as well as productive and effective use of these supports. Especially, the awareness of the farmers about IPARD is increased and farmers started to develop more project proposals in order to meet their needs. On the other hand, the interventions at regional level for supporting farmers such as GAP and DAP are supplementary to IPARD and support the promotion of IPARD activities. Achievement towards meeting IPARD indicators are given in the following Table.

Table 19. Progress of the IPARD Programme as of 31.12.2013

Output Indicators		Realised in years 2011- 2012	Realised in year 2013
Agricultural holdings supported for restructuring and/or upgrading to relevant community standards	Number	61	527
	Total volume of investment (€)	24.058.579,94	205.446.763,53
Enterprises supported to restructure and/or to upgrade to relevant community standards	Number	8	95
	Total volume of investment (€)	4.209.865,47	64.580.142,63
Micro enterprises supported to diversify and develop their economic activities	Number	23	1695
	Total volume of investment (€)	2.106.433,02	60.805.468,51

Projects implemented under IPARD positively contributed to the improvements in the agriculture and rural development sectors. Legislative changes are being introduced in order to implement the EU acquis and national and sectoral strategies are being developed consistently with the objectives of EU strategies towards Turkey's integration into the EU all of which are complementary to the IPARD Programme.

As regards to general issues which affected the IPARD Programme implementation, it could be mentioned that they were much more severe in the first part of the programming period as both the lack of administrative capacity and experience of the Turkish authorities involved in the implementation of the Programme. However, these problems were addressed gradually during the implementation phase. The major problems identified and lessons learnt are given below.

Problems;

- Lack of access to proper consultancy firms (especially at the initial phase of the programme)
- Lack of pre-financing mechanisms
- Difficulties in understanding complex procedures
- Existence of legislative loopholes
- Difficulties in providing collateral for accessing credits (especially for SMEs)

Lessons Learnt;

- More funds need to be allocated to small and medium size enterprises
- Procedures need to be simplified as much as possible
- Human resources and implementation capacities of the institutions taking role in the implementation of the programme need to be strengthened
- Coordination between the institutions involved in implementation of the programme needs to be developed.
- Consultancy firms need to be trained about procedures of the programme.

IPA Component I

More than 70 public institutions benefited from IPA Component I, the extent covered of which has significantly contributed to the gravity attributed by the Turkish key public institutions to the Turkey-EU Financial Cooperation system and generally to the EU accession process. In the field of agriculture and rural development, following activities were supported under IPA Component I – institution building.

Environment and Countryside under IPARD (2008 - TR 080201) project is designed to strengthen the institutional capacity for alignment to the EU Rural Development Policy. With this project, institutional capacity of Managing Authority and IPARD Agency for the implementation of agri-environmental measures under IPARD is strengthened. Total budget of the project is 1.400,000 Euro.(financed under IPA I component)

Technical Assistance for the Agriculture and Rural Development Support Institution of Turkey in the Accreditation Process for IPARD (2007), ARDSI working procedures were scrutinized, revised and updated to ensure conformance with the accreditation procedures. 176.030 Euro (financed as a SEI Project)

Support for the Preparation of Evaluation Strategy for IPARD Programme Evaluation project (2007), an Assessment Strategy was prepared for the assessment of the IPARD programme. 115.100 Euro (financed as a SEI Project)

Providing compliance audit (preaccreditation review) on behalf of the CAO and NAO of Turkey regarding IPARD accreditation (2007), 255.467 Euro (financed as a SEI Project)

Detailed training for project analysis (2007), 150.407 Euro (financed as a SEI Project)

Capacity Building for Institutional Analysis of Extension/Advisory Services for the IPARD Programme (2008) 250,000 Euro (financed as a SEI Project)

Technical Assistance for the Preparation of Supply Tender Dossier for the Monitıoring and Data Acquisition System of ARDSI, 128.213 Euro

Sector Analysis for IPARD has been recently conducted with a budget of 300,000 Euro (as SEI Project)

In addition to aforementioned completed projects, the projects mentioned below were completed under IPA-I component aiming to support the institutional capacity for Chapter 11 and alignment of Turkish agricultural policy to the CAP.

Support for the Implementation of the Leader Measure for IPARD project (2007) helped to develop the institutional capacities of the Managing Authority and ARDSI for the preparation and implementation of local rural development strategies under the IPARD programme. 250,000 Euro (financed as a SEI Project)

Technical Assistance and Data Collection for Strengthening the Statistical Capacity of the Ministry of Food, Agriculture and Livestock: The project with 1.15 million Euro budget established basis for the farmer register system and its utilisation of reliable production of agricultural statistics. *Capacity Strengthening and Support of Implementation of Nitrate Directive in Turkey* as a Project of 2007 programming year with the budget of 6.765,000 Euro

Extending the Pilot FADN Project and Ensure Sustainability as a Project of 2009 programming year with the budget of 1.450,000 Euro

Whereas *Digitalization of LPIS* as a Project of the 2010 programming year with the budget of 46.200,000 Euro is being implemented and the kick off meeting was held on October 14, 2014.

Training of Staff on IACS Procedures as a Project of the 2011 programming year with the budget of 1.500,000 Euro has been at the tendering stage currently.

Finally, for the 2013 programming year following operations formulated and drawn up in the 2013 Sector Fiche for which the financing agreement was signed.

- *Technical Assistance to Training of staff on the spot controls (OTSC), Risk Evaluation and IACS Software*, with a budget of 6.400,000 Euro

- *Twinning Operation for Harmonization of Cross Compliance Rules, with a budget of 930,000 Euro*

- *Technical Assistance for Capacity Building to converge Turkish agricultural system to the European greening agricultural rules and improving of the implementation of the EU's Nitrate Directive, with a budget of 1.704.640 Euro*

Last but not the least, before IPA was introduced, *Establishment of Agriculture and Rural Development Institution* as a Project with a budget of 5.199,000 Euro was financed by the EU, which supported to meet one of the opening criteria (i.e. establishement and accreditation of Agriculture and Rural Development Institution).

As a total, during the IPA I period (2007-2013), the allocated budget under IPA-I Component for Agriculture and Rural Development field is approximately 69 Million Euro.

IPA Component II

Turkey participates in the implementation of two cooperation programmes under Component 2 of IPA (Cross Border Cooperation).

ENPI - Black Sea Basin Cross Border Cooperation Programme: Besides Turkey, Armenia, Bulgaria, Georgia, Greece, Moldavia, Romania, and Ukraine are the participant countries in this multilateral cooperation programme. The programme aims to establish partnerships and regional cooperation in the countries of the Black Sea Basin. Total budget of the Programme including national co-financing is 38 Million Euros, 7 Million of which is the IPA allocation and 26.6 Million Euros from ENPI allocation. Turkey participated in 39 projects launched under two calls of proposals. The programme contributed in the promotion of economic and social development in regions on both sides of common borders.

Bulgaria-Turkey IPA Cross Border Cooperation Programme: The aim of the programme is to ensure sustainable and balanced development based on the key areas in which both countries are strong to serve to a stronger European cooperation and integration. The total budget of the Programme is 32,084,823 Euro including technical assistance. Three calls for proposals were launched during the period 2007-2013. A total of 119 contracts were signed where so far 71 of them are successfully completed. The biggest benefit created for the cross-border region development is the established and strengthened cooperation between the recipients. The main achievements that added value to cooperation are capacity building, awareness raising, confidence/trust building, better image of the region and commitment to new actions.

IPA Component III

"Regional Development" component of IPA is implemented through three sub-components, namely Regional Competitiveness, Environment and Transport.

Regional Competitiveness Operational Programme: The Ministry of Science, Industry and Technology (MoSIT), is the institution in charge for the development, implementation, monitoring and evaluation of Regional Competitiveness Operational Programme which is implemented in NUTS 2 regions having an income per capita below 75% of Turkish national average. There are 43 provinces in these regions. 25 of them are covered by IPARD.

As of 31December 2013, the RCOP operations' portfolio comprises 63 operations, 51 of which have been approved for a total budget of around 425,5 Million Euros. Out of these 51 Operations, 16 Operations are under implementation and 35 Operations are under tendering and contracting phase. As for the remaining 12 Operations, programming is underway with the objective of getting these projects approved. Although some of the operations address food industry, a direct financial support to private sector is not provided in the OP.

Environment Operational Programme: Ministry of Environment and Urbanisation is responsible for managing funds provided for Environmental Infrastructure Investment projects to be financed under the third Component of IPA, "Regional Development". Total budget allocated for 2007-2013 is 803 million Euro but the absorption rate is low due to deficiencies of ownerships by end recipients and delays in the tendering procedures.

*Transport Operational Programme: M*anaged by the Ministry of Transport, Maritime Affairs and Communications (MoTMC), the programme is implemented through a set of large projects under three 3 priority areas:

1. Improvement of Railway Infrastructure
2. Improvement of Port Infrastructure
3. Technical Assistance to support the implementation of the 1st and 2nd priorities, as well as the functioning of the Operating Structure.

IPA Component IV

The Human Resources Development Operational Programme was developed and is managed by the EU Coordination Department of the Ministry of Labour and Social Security. Several operations, including grant schemes have been already implemented under this operational programme. Total budget of HRDOP is 556 million Euro and 157 million Euro is spent as of end 2013. Capacity development of the recipients and eliminating delays in tendering procedures is required for more effective implementation of the OP.

A specific operation is currently discussed by the Ministry of Labour and Social Policies, namely "Providing Support for the Agricultural Workers and their Families" which aims to *improve the employability of agricultural workers and their families* in the future programming period.

5.3. Main Results of Multilateral Assistance Conducted, Amounts Deployed, Evaluations or Lessons Learnt

Sivas-Erzincan Development Project

Project implementation period: (2006 – 2013)

Source of financing and amount of investment: IFAD, OPEC and national contribution **(**30 Million US Dollar)

Purpose of the project: To increase agricultural productivity and level of income in less developed regions of Sivas and Erzincan provinces with a view of decreasing rural migration.

Activities Undertaken: Activities such as building irrigation channels, establishing sorting, grading and packaging plants, building sewage and natural treatment plants, establishment of a soil analysis laboratory, construction and modernisation of half-open stables, demonstrations, construction of watering troughs and pathways were carried out.

The project gives special emphasis on participatory development. Efforts have been spent for establishing development committees, cooperatives, groups of women farmers, union of villages, irrigation and breeders unions. Training and technical support is provided to managers and members of these unions.

The project was most effective on capacity development on farmers for utilisation of financial resources, pursuing marketing opportunities and accessing technical information.

Anatolia Water Basins Rehabilitation Project

Project implementation period: 2004-2012

Source of financing and amount of investment: World Bank, Global Environment Facility and national contribution (13.2 Million US Dollar)

Purpose of the project: The project is aimed to ensure sustainable management of natural resources and participatory planning in Central Anatolia and Blacksea Regions (in the provinces of Amasya, Çorum, Kayseri, Sivas Tokat and Samsun), to reduce pressure on national resources, to adopt environmentally friendly agriculture and forestry activities, to enhance institutional capacity, to raise awareness among public and to formulate policies concerning water and food management in the EU integration process.

Activities Undertaken: Rreducing fallow lands in small water basins, correct use of marginal agriculture land, rehabilitation of non-forest pastures, land edge afforestation, fodder crop and vegetable cultivation and purchase of mobile water troughs to be placed on pastures. 100 units of drip irrigation installations were established.

The project demonstrated that when communities are given the opportunity to be at the centre of the decision-making process, they feel a greater sense of responsibility to make things work and succeed.

It is important to note that the projects provide mechanisms to enable recipients to reorient themselves quickly and efficiently to respond to unforeseen circumstances. The project demonstrated that activities related to rehabilitation of degraded natural resources in rural areas have a higher uptake when tied to income generating activities.

Information dissemination is key to adoption and replication of technologies unfamiliar to target stakeholders

Diyarbakır- Batman-Siirt Development Project

Project implementation period: 2007-2014

Source of financing and amount of investment: IFAD, UNDP and national contribution (37 Million US Dollar)

Purpose of the project: The project aims at helping to improve economic and social status of people living in rural regions of the project provinces. Based on already existing production and employment opportunities in the villages covered by the the project, it is aimed to diversify agricultural and non-agricultural income generating activities and supporting individual and institutional capacity of the target audience with a view to increasing their employability.

Activities undertaken: Establishing sewage and natural treatment systems, culvert and pipe lying for road crossing, building potable water storage and animal drinking water pond, land road construction; construction of 5 closed system irrigation channels. Furthermore, training programmes on various subjects are being delivered to farmers and technical staff. 7 strategic investment plans on milk, fruit growing, viticulture, strawberry, nuts, a special type of pomegranate and sheep breeding were developed, and a grant scheme are being implemented under this scope.The project is under implementation.

Project for Improvement of Livelihood for Small-scale Farmers in Eastern Black Sea Region (DOKAP-Agriculture)

Project implementation period: (2007-2013)

Source of financing and amount of investment: JICA and national contribution (5,173,000 TL)

Purpose of the project: To disseminate Farm Development Method to small-scale farmers in 6 project provinces (Artvin, Rize, Trabzon, Gümüşhane, Giresun and Ordu) and to increase the income of small-scale farmers within the model area.

Activities undertaken: Forced cultivation of strawberry in areas located at high altitudes, variety tests, building low-cost green houses, blueberry growing, preparation of haylage, preparation of product growing schedules, growing new products (sweet corn, sweet potato, etc.) and landscape oriented arboriculture.

As a result of the project, improvement has been achieved in farmers' income with improvement of their farms and farming practices. Supporting group activities has been effective in dissemination of information about new technologies in agricultures. The project proved that longer term supports are more effective in creating sustainable increases in incomes.

Ardahan-Kars-Artvin Development Project

Project implementation period: (2010 – 2015)

Source of financing and amount of investment: IFAD and national contribution (26.4 Million US Dollar)

Purpose of the project: To decrease rural poverty and to improve agricultural production in the provinces of Ardahan, Kars and Artvin.

Activities Undertaken: Demonstration and training were carried out. Preliminary study for the "Animal Market" to be constructed in Ardahan was completed and potential bidders for invited for implementation tender. Grant applications for machinary and equipment were received from 165 farmers. The project is under implementation.

Çoruh River Basin Rehabilitation Project

Project implementation period: 2011 - 2019

Source of financing and amount of investment: JICA and national contribution 13,471,982.TL

Purpose of the project: To contribute to the protection of natural environment and mitigation of poverty in Çoruh Basin (covering 242 villages covering 604,301 hectares of land and 55,000 population) through integrated rehabilitation and sustainable use of vegetation, soil and water resources and by improving people's life through various income generating activities.

The project is currently at inception phase

Through the projects summarised above, it has been demonstrated that by creating an increase in agricultural productivity and improving the level of income of farmers, it becomes possible to prevent migration from the rural areas. Other outcomes of these projects were provision of sustainable management of natural resources and participative planning, decreasing the pressure on natural resources, embracing environmental friendly agriculture and forestry activities, developing policies on water and nutrients during EU compliance process, and diversifcaiton of income generating activities for agricultural and non-agricultural areas were other outcomes of these project. By contributing positively to sustainable development of rural areas and prevention of rural migration, these projects are completing the implementation of the IPARD Programme.

Modernization of Agri-food processing SME's

In order to support the enterprises processing milk, meat and fish/aquaculture products that would require a global modernization in order to fit with the European and national standards, French Agency for Development (AFD) provided EUR 100M Credit Facility. The agreement has been signed in December 2014 and the pay-back period is 12 years. The funding aims to finance the modernization investments of Turkish agri-food processing SMEs that want to reach the sanitary, phytosanitary and environmental European Standards and to be compliant with Turkish law 5996.

The investments that will benefit from the loan must be in accordance with the improvement/modernization plan approved by Turkish Republic Ministry of Food, Agriculture and Livestock and Ziraat Bank will make its best effort for the utilization of the loans in Priority Provinces for Development.

Due to its objective and structure, the credit line will help to improve SME's access to credit who apply for grants under the EU's Pre-Accession Rural Development Programme (IPARD).

For a similar purpose, another 100M credit line is provided by EIB for a pay-back period of 14 years. The agreement is signed in October 2014. This funding will target smaller investments that will require less than EUR 50,000 credit per investment.

6. DESCRIPTION OF THE STRATEGY

6.1. Description of the Existing National Rural Development Strategy

National Rural Development Strategy (NRDS) covering the 2014-2020 period is under review and approval process. The strategy document has been prepared as an implementation tool of the 10th National Development Plan and prepared with the participation of relevant stakeholders by a core team composed of representatives of nine institutions. The list of participants to preparation of NRDS is given in Annex II. Various workshops and working group meetings were organised during the preparation of the document.

NRDS aims to increase the productivity of rural population and decrease the gap between income levels of rural and urban population. More specifically, NRDS;

- Establishes rules and regulations for the governance of rural policies,
- Sets out perspectives for the preparation and implementation of rural development actions financed by national and international resources,
- Support the alignment of rural and agricultural policies with Acquis Communautaire,
- Establishes a framework for Rural Development Action Plan and IPARD 2014-2020 Programme.

NRDS defines five strategic objectives together with priorities and measures for each objective. Strategic objectives of NRDS are:

1. Development of rural economy, increasing employment opportunities. Increasing productivity and product quality in agri-food industry, improving the knowledge and organisational capacity of the farmers, enhancing linkages between agriculture and industry, supporting improvements in infrastructure of agricultural and food producing establishments, improving food safet , veterinary and phytosanitary conditions are covered under this objective.
2. Improving rural environment, sustainable utilisation of natural resources. Use of environment friendly methods, extending organic agriculture and good agriculture practices, conservation of water, improving the welfare in villages located in forest areas where the major source of income of the inhabitants is forestry are among the scope of this objective.
3. Improving social and physical infrastructure of rural settlements objective cover establishing road connections, bringing potable water to rural settlements, disposing waste, enabling rural communities to access information technology, and utilisation of renewable energy resources.
4. Improving human capital in rural communities and decreasing poverty. Developing skills of rural population, improving living conditions of seasonal workers, expanding the coverage of social security to include agriculture workers especially women are among the scope of this objective.
5. Enhancing local development capacities by establishing district level governance structures. Developing new methods for improving services are covered under this objective.

The action plan to be developed in order to meet these objectives will include measures, actions, responsible bodies and monitoring indicators.

Implementation of the national rural development strategy relies on two components.

- *Rural Development Projects:* They are integrated development actions to meet the needs of different sectors in rural establishments. These projects are implemented through the cooperation of public and non-governmental actors. MoFAL will define the rules and procedures for the selection of the projects in co-operation with relevant ministries.

- *Agriculture and Rural Development Financial Support Programmes:* Financial support will be provided for investments that will increase the competitiveness of agriculture and strengthening of local economies. Support will be provided as grant to cover a portion of the investment.

In both of the mechanisms, priority will be given to subsistence farms operated by families. During the implementation of both components care will be taken in not to overlap with other rural development programmes as well as the IPARD 2014-2020 Programme. Areas of support and profile of the potential applicants will be discussed in the Rural Development Plan Monitoring Committee and priority will be given to geographies that international funded programmes cannot reach.

6.2. Identification of the Needs and Summary of Overall Strategy

Within the perspective of the programme, the needs are screened within the perspective of the IPARD Programme and grouped under five headings as listed below. Needs are identified based on the SWOT analysis given above and sector analysis conducted independently prior to the preparation of the programme are screened within the perspective of the IPARD programme and grouped under five headings as listed below.

Production

1. Adaptation of farms and establishments to new regulations for EU compliance. Turkey recently altered national regulations to align them with those in the EU. Medium and small scale producers and processing establishments are experiencing difficulty to meet these requirements with their limited capacity for investment and may face liquidation if they cannot meet these conditions. The measures, Investments in Physical Assets of Agricultural Holdings and Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products are aimed to support such establishments.
2. Improved competitiveness of the agri-food sector. Average size of establishments is small at farm and processing level. There are small number of establishments in each sector that is globally competitive however, it is necessary to support establishments which are proved to be sustainable in order to make them more competitive at national and international level. This will increase employment opportunities in rural areas and improve the value added created in the agri-food sector.
3. Improvement of cold chain, storage and hygenic conditions of food processing establishments. Food processing establishments need support for improving the storage facilities as well as establishing / improving cold chain to for collection storage and delivery of food products in proper conditions in order to prevent waste of agricultural products. Moreover, some Small and Medium scale producers and processing establishments lack basic equipment for production and processing of food under hygienic conditions from farm to fork. The measures, Investments in Physical Assets

of Agricultural Holdings and Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products will support such establishments to acquire relevant equipment.

4. Improvement of animal welfare in farms. Small and some medium scale farming establishments need better animal shelters for the improvement of animal welfare and for meeting basic standards of public health. Building new shelters or upgrading the existing ones will be supported under measure Investments in Physical Assets of Agricultural Holdings.
5. High post-harvest losses in fruits and vegetables. These are mostly due to low capacity of cold storage and in some regions the product losses are as high as 40% of production. The measure, Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products is aimed to address this issue.
6. Toxic material in dried fruit and vegetable products. Drying is used as an alternative method for preserving fruit and vegetables to minimise product losses. However, due to insufficient number and capacity of drying units, most of the drying is conducted as sun drying at open air. This results in formation of aflatoxins in dried products which imposes critical risks for human health. The issue will be addressed under Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products measure.
7. Prevention of excessive use of fertilisers, herbicides and pesticides in farming. Uncontrolled use of herbicides and pesticides cause residues to be detected on the products in market. With the Agri-Environment Climate and Organic Farming Measure awareness among the farmers will be increased and organic production will be supported.

Rural Economy

8. More employment opportunities in rural areas. Migration to urban areas cause deterioration of physical and social structures in the rural areas. The phenomenon has many negative consequences in the quality of life. While all measures under IPARD 2014-2020 directly or indirectly address this need. The measure Farm Diversification and Business Development aims to improve rural economy.

   It is intended to increase household incomes and create new jobs by supporting moderate investments in:

   - Diversified plant production, processing and marketing,
   - Manufacturing of crafts and artisanal added value products
   - Beekeeping, processing and marketing of bee products
   - Rural tourism
   - Machinery parks for the common use of farmers
   - Aquaculture

These investments will improve the rural economy and reduce the migration from rural to urban

Natural Resources

9. Preventing loss of biodiversity. Change of climate, soil erosion, use of chemicals, pesticides, herbicides, excessive grazing, illegal hunting, urbanisation, catastrophic events and other factors impose serious risks on biodiversity. Some endangered species will be preserved under the Agri-Environment Climate Change and Organic Farming measure and activities will be conducted to eliminate factors causing these risks.
10. Preventing loss of agricultural land. Erosion due to wind and rain and decreasing water resources impose serious risks in terms of reduction of agricultural land. The Measures Agri-Environment Climate and Organic Farming Implementation of Local Development Strategies - Leader Approach will support actions towards preventing this loss.
11. Preventing excessive use of water resources. Excessive use of water resources will be prevented and best practices for controlled use of water in irrigation will be supported under measure Agri-Environment Climate and Organic Farming. Furthermore, measures Improvement of Training and Implementation of Local Development Strategies - Leader Approach will also create awareness in local stakeholders about the issue.

Infrastructure

12. Proper management of manure in animal farms. Since most of the small farms have improper conditions, accumulation of manure cannot be prevented and it has to be removed manually which affects animal welfare and introduces risks in public health. With construction of animal shelters of improvement of the existing ones, the measure Investments in Physical Assets of Agricultural Holdings aims to address this problem.
13. Reducing the energy expenditures of rural infrastructure facilities. Due to tight budgets some local authorities cannot meet the operational costs of their facilities such as wastewater management systems and cease their operation. By supporting local renewable energy investments, the measure Investments in Rural Public Infrastructure will aim to support reducing operating costs of such facilities.

Horizontal Issues:

14. Improvement of local development capacity: Traditionally, all development strategies and actions have been initiated by the central government organisations with a top down approach. Turkey's history in regional development planning by the regional actors is quite short. Capacity should be further be enhanced to involve local actors in preparation of local rural development strategies and action plans. In order to ensure the sustainable rural development, rural people will be encouraged for their participation to decision –making process and new methods like LEADER Approach for rural development will be implemented.

Table 20. Summary Table Showing Main Rural Development Needs and Measures Currently Operating

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
Production				
1. Adaptation of farms and establishments to new regulations for EU compliance.	Measure: • Investments in Physical Assets of Agricultural Holdings • Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	None	Diyarbakır - Batman - Siirt Development Project (2007-2014) Financed by IFAD, UNDP and National Resources with a total Budget of 37 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables. Ardahan – Kars - Artvin Development Project (2010-2015) Financed by IFAD, UNDP and National Resources with a total Budget of 26.4 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables.	Rural Development Investments Support Programme (RDISP) is mainly intended for investment projects of processing business and machinery and equipment support of farmers. Up to 800,000 TL for legal entities and 100,000 TL for natural persons is provided as grant for the 50% of the investments. Starting 2015 these supports will not be given to IPARD provinces. Eastern Anatolia Project (DAP) supports investments mainly in cattle breeding. Renovation of buildings is not supported. Supports are given for milking equipment and cooling tanks. Regional Development Agencies provide 50% financial support to private businesses. Generally agriculture is not among the high priority sectors to be supported. Small and Medium Enterprises Development Organisation (KOSGEB) supports establishment of new enterprises and competitiveness improvement of the existing ones. Food processing industry is among the supported sectors. Support limits of KOSGEB are generally below the minimum thresholds of IPARD supports.

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
2. Improved competitiveness of the agri-food sector	Measure: • Investments in Physical Assets of Agricultural Holdings • Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products • Farm Diversification and Business Development	Competitive Sectors Programme. Some of the operations address food industry, a direct financial support to private sector is not provided in the OP.	Diyarbakır - Batman - Siirt Development Project (2007-2014) Financed by IFAD, UNDP and National Resources with a total Budget of 37 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables. Ardahan – Kars - Artvin Development Project (2010-2015) Financed by IFAD, UNDP and National Resources with a total Budget of 26.4 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables. Credit Line by AFD and EIB for Modernization of Agri-food processing SME's Low interest credit is provided for modernisation of food processing enterprises.	Rural Development Investments Support Programme (RDISP) is mainly intended for investment projects of processing business and machinery and equipment support of farmers. Up to 800,000 TL for legal entities and 100,000 TL for natural persons is provided as grant for the 50% of the investments. Starting 2015 these supports will not be given to IPARD provinces. Eastern Anatolia Project (DAP) supports investments mainly in cattle breeding. Renovation of buildings is not supported. Supports are given for milking equipment and cooling tanks. Regional Development Agencies provide 50% financial support to private businesses. Generally agriculture is not among the high priority sectors to be supported. Small and Medium Enterprises Development Organisation (KOSGEB) supports establishment of new enterprises and competitiveness improvement of the existing ones. Food processing industry is among the supported sectors. Support limits of KOSGEB are generally below the minimum thresholds of IPARD supports.

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
3. Improvement of cold chain, storage and hygienic conditions in food processing establishments	Measure: • Investments in Physical Assets of Agricultural Holdings • Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	None	Diyarbakır - Batman - Siirt Development Project (2007-2014) Financed by IFAD, UNDP and National Resources with a total Budget of 37 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables. Ardahan – Kars - Artvin Development Project (2010-2015) Financed by IFAD, UNDP and National Resources with a total Budget of 26.4 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables. Credit Line by AFD and EIB for Modernization of Agri-food processing SME's Low interest credit is provided for modernisation of food processing enterprises.	Rural Development Investments Support Programme (RDISP) is mainly intended for investment projects of processing business and machinery and equipment support of farmers. Up to 800,000 TL for legal entities and 100,000 TL for natural persons is provided as grant for the 50% of the investments. Starting 2015 these supports will not be given to IPARD provinces. Eastern Anatolia Project (DAP) supports investments mainly in cattle breeding. Renovation of buildings is not supported. Supports are given for milking equipment and cooling tanks. Regional Development Agencies provide 50% financial support to private businesses. Generally agriculture is not among the high priority sectors to be supported. Small and Medium Enterprises Development Organisation (KOSGEB) supports establishment of new enterprises and competitiveness improvement of the existing ones. Food processing industry is among the supported sectors. Support limits of KOSGEB are generally below the minimum thresholds of IPARD supports.

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
4. Improvement of animal welfare in farms.	Measure: • Investments in Physical Assets of Agricultural Holdings	None	Diyarbakır - Batman - Siirt Development Project (2007-2014) Financed by IFAD, UNDP and National Resources with a total Budget of 37 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables. Ardahan – Kars - Artvin Development Project (2010-2015) Financed by IFAD, UNDP and National Resources with a total Budget of 26.4 million USD. Provides supports up to 250,000 TL corresponding up to 85% of the investments in animal products and fruits and vegetables.	Rural Development Investments Support Programme (RDISP) is mainly intended for investment projects of processing business and machinery and equipment support of farmers. Up to 800,000 TL for legal entities and 100,000 TL for natural persons is provided as grant for the 50% of the investments. Starting 2015 these supports will not be given to IPARD provinces. Eastern Anatolia Project (DAP) supports investments mainly in cattle breeding. Renovation of buildings is not supported. Supports are given for milking equipment and cooling tanks.

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
5. High post-harvest losses in fruits and vegetables.	Measure: • Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	None	None	Programme (RDISP) is mainly intended for investment projects of processing business and machinery and equipment support of farmers. Up to 800,000 TL for legal entities and 100,000 TL for natural persons is provided as grant for the 50% of the investments. Starting 2015 these supports will not be given to IPARD provinces. Regional Development Agencies provide 50% financial support to private businesses. Generally agriculture is not among the high priority sectors to be supported. Small and Medium Enterprises Development Organisation (KOSGEB) supports establishment of new enterprises and competitiveness improvement of the existing ones. Food processing industry is among the supported sectors. Support limits of KOSGEB are generally below the minimum thresholds of IPARD supports.
6. Toxic material in dried fruit and vegetable products	Measure: • Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	None	None	

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
7. Prevention of excessive use of fertilisers, herbicides and pesticides in farming	Measure: • Agri-Environment Climate and Organic Farming	None	None	Protection of Agricultural Fields for Environment (CATAK) provides support to farmers for activities including sensible use of chemicals 135 TL/da is provided to adoption of environment friendly methods. Applicable in 30 provinces. In 2013 around 35 million TL was paid to 9,195 farmers for a total field area of 33,172 ha. Budget for 2014 is 50 million TL MoFAL supports biological and biotechnical combat in greenhouse farming. Subsidies per ha are provided to farmers conducting soil analysis and to farmers adopting organic farming techniques and Good Agriculturap Practices

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
Rural Economy				
8. More employment opportunities in rural areas.	Measure: • Investments in Physical Assets of Agricultural Holdings • Farm Diversification and Business Development • Implementation of Local Development Strategies - Leader Approach	Human Resources Operational Programme (HRD-OP) supports are given for building skills and increasing employability. The OP is covers all country and rural areas are not excluded.	IFAD (International Fund for Agricultural Development) supports activities implemented by producers' unions in selected provinces (Ardahan, Kars, Artvin, Diyarbakır, Batman, Siirt) up to 250,000 TL corresponding up to 85% of the investment.	Under Animal Husbandry Supports, direct payments are made per animal to the members of breeder/producer organisations. Bee-keeping, aquaculture and production of artisanal added value products are among the supported sectors. Entrepreneur support of KOSGEB provides grant up to 30,000 TL for each company established and low cost long term credit up to 70,000 TL for expansion of business. The programme covers all country and rural areas are not excluded. Under the programme a total of 164.5 million TL was paid to 11,158 recipients. Support for combatting poverty of the Ministry of Family and Social Policies. Microcredits are provided to individuals having low incomes for their involvement in income generating activities.

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
Natural Resources				
9. Preventing loss of biodiversity.	Measure: • Agri-Environment Climate and Organic Farming	None	None	None
10. Preventing loss of agricultural land	Measure: • Agri-Environment Climate and Organic Farming • Implementation of Local Development Strategies - Leader Approach.	None	None	Protection of Agricultural Fields for Environment (CATAK) provides support to farmers for activities including soil erosion and desertification and soil protection. 30TL/da is provided to agriculture with minimal cultivation, 60TL/da is provided to set-aside land and other activities aiming for preservation of soil and water structure and prevention of erosion.. The support is applicable in 30 provinces. In 2013 around 35 million TL was paid to 9,195 farmers for a total field area of 33,172 ha. Budget for 2014 is 50 million TL
11. Preventing excessive use of water resources	Measure: • Agri-Environment Climate and Organic Farming • Improvement of Training • Implementation of Local Development Strategies - Leader Approach	None	None	
Infrastructure				
12. Proper management of manure in animal farms	Measure: • Investments in Physical Assets of Agricultural Holdings	None	None	None

Need identified	IPARD	IPA II	Other donor – multilateral assistance	National
13. Reducing the energy expenditures of rural infrastructure facilities such as waste water management systems	Measure • Investments in Rural Public Infrastructure	None	None	Regional Development Agencies (RDA) provide financial assistance to public institutions to meet their infrastructure needs. Scope of the assistance is determined for each year depending on the priority axes identified in the regional development plan. Improving the infrastructure in rural areas is generally not among the priority areas of RDAs
Horizontal Issues				
14. Improvement of local development capacity	Measure • Implementation of Local Development Strategies - Leader Approach	None	None	None

In addition to national assistance items stated above, Regional Development Agencies provide support to public agencies and SMEs depending on the priorities of their regional development programmes. The support rate is usually 100% for public agencies and 50% for private entities.

6.3. Consistency Between Proposed IPARD Intervention and Country Strategy Paper (CSP)

In the Country Strategy Paper setting out the priorities in selected sectors for the Instrument for the Pre-Accession Assistance (IPA) for the years 2014-20 for Turkey, Agriculture and Rural Development is determined as one of the nine sectors that EU will concentrate its assistance in selected priority areas.

In the CSP, the main aim of IPA II for the Agriculture and Rural Development sector is identified as sustaining Turkey's efforts in the areas already covered by IPA related to the preparation of Turkey for future implementation of the Common Agriculture Policy (CAP) as well as alignment with the acquis in the area of food safety, veterinary and phytosanitary policy, and in the field of fisheries.

CSP defines agriculture and rural development as a key sector in Turkey in both social and economic terms but refers to key issues as,

i. Need for investment to bring the sector up to EU environmental and hygiene standards.
ii. Lower productivity compared to other sectors and low levels of income, contributing to migration from rural to urban centres.
iii. Challenge of social and economic development of rural ares.

The needs identified will be addressed in subsectors: (1) rural development programme and (2) institution and capacity building.

In the CSP, the main measures to be funded under the rural development programme are specified as; supporting investments in physical assets in agricultural holdings, establishments processing and marketing agricultural and fishery products, farm diversification and business development.

Support to complementary actives such as implementation of local development strategies in line with the LEADER approach, agri-environment measures and organic farming, technical assistance, and advisory services.

As for the financial assistance, the CSP states that “multi-annual sector support continues to be the main option for the rural development subsector in view of the recently accredited IPARD institutions.

The measures defined as part of the IPARD 2014-2020 intervention which are in line with the planned type of actions for the Agriculture and Rural Development sector are given below together with the share of EU contribution for each measure.

1) Investments in Physical Assets of Agricultural Holdings, 42%
2) Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products, 22%
3) Agri-Environment-Climate and Organic Farming, 2%
4) Implementation of Local Development Strategies – LEADER Approach, 3%
5) Investments in Rural Public Infrastructure, 10%
6) Farm Diversification and Business Development, 19%
7) Technical Assistance, 2%

The measures and their share in the programme budget were designed to establish an appropriate balance between activities targeting alignment with the acquis and a broader socio-economic development of the sector. Complementarity between the IPARD programme and the national rural development policies is ensured.

6.4. A Summary Table of the Intervention Logic Showing the Measures Selected for IPARD the Quantified Targets, Targets Should Be Expressed In Terms of Common Indicators

Table 21. Quantified Targets of the Programme

Measure	**Quantified target**	**Programme targets (total as combination of indicators at measure level)**
Investments in Physical Assets of Agricultural Holdings	Number of projects supported: 668 No of holdings performing modernisation projects: 609 Number of holdings progressively upgrading towards EU standards: 597 Number of holdings investing in renewable energy production: 80 Number of holdings investing in livestock management in view of reducing the N_20 and methane emissions (manure storage): 567 Total value of investment (Euro): 560,602,616	• Number of projects having received IPA support in agri-food and rural development: 8.163 • Total investment generated via IPA in agri-food sector and rural development (EUR): 1,630,063,381 Number of economic entities performing modernisation projects: 877 • Number of economic entities progressively upgrading towards EU standards: 840 • Number of jobs created (gross): 7,056 • Number of beneficiaries investing in promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors: 1,430

Support for the Setting up of Producer Groups		
Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	Number of projects supported: 296 Number of enterprises performing modernisation projects: 268 No of enterprises progressively upgrading towards EU standards: 243 Number of enterprises investing in renewable energy production: 63 Total investment in physical capital by enterprises supported (EUR): 411,277,378 Gross additional job created: 3,699	
Agri-Environment-Climate and Organic Farming	No of contracts: 144 Agricultural land (ha) under environmental contracts : 1,440 ha No of training sessions organised: 3 No of farmers participating in training courses: 129 Total area for management of inputs: 1,440ha Total area for cultivation practices: 1,440ha Total area for management of landscape, habitats, grassland: 300ha Total area for farm management integrated approaches: 1,440ha Total area for organic farming: 240ha Number of supported species of endangered breeds:1 Number of holdings supported under organic farming type of operation: 24 Improvement and preservation in groundwater quality: Ground water level will be preserved	
Implementation of Local Development Strategies – LEADER Approach	Number of information and publicity activities 3,003 Number of training of LAGs 751 Number of participants in information and publicity activities 60,060 Number of LAGs operating in rural areas 50 Population covered by LAGs 1,501,500	

	Number of projects recommended 501 Number of small projects 3.003 Gross number of jobs created 123 Number of supported cooperation projects 38 Number of supported inter-territorial cooperation projects 19 Number of supported transnational cooperation projects 19	
Investments in Rural Public Infrastructure	No of projects: - Number of recipients investing in renewable energy production: - Number of jobs created (gross): - Total investment in physical capital (EUR): - Installed renewable energy capacity: -	
Farm Diversification and Business Development	No of projects supported: 7.199 Number of agricultural holdings/enterprises developing additional or diversified sources of income in rural areas: 6.651 Number of recipients investing in renewable energy: 720 Total investment in physical capital by recipients supported (EUR): 658,183,387 Number of jobs created (gross): 3,234.	
Improvement of Training		
Technical Assistance	Number of meetings of the Monitoring Committee:14 Number of Programme evaluation reports: 4 Number of promotion materials for general information of all interested parties (leaflets / poster): 480,000 / 4,800 Number of potential LAGs to be established: 8 Number of publicity campaign: 528 Number of training of trainers activities: 1 Number of training activities:20	

	Number of participants in information and publicity activities: 52,800 Number of participants in training of trainers activities: 20 Number of participants in training activities: 1,008 Number of rural networking actions supported: 7	
Advisory Services		
Establishment and Protection of Forests	-	

7. AN OVERALL FINANCIAL TABLE

7.1 Maximum EU Contribution for IPARD Funds in EUR by Year*

Years	2014	2015	2016	2017	2018	2019	2020	2014-2020
Total	69,000,000	69,000,000	69,000,000	148,000,000	131,000,000	40,000,000	75,000,000	601,000,000

** The annual contributions are merely indicative as the actual amounts will be decided annually in the framework of EU budget".*

7.2 Financial Plan Per Measure in EUR, 2014-2020

	Total Public Aid	**EU Contribution**	**EU Contribution rate**	**National Contribution**	**National Contribution rate**
Investments in Physical Assets of Agricultural Holdings	177,801,356	133,351,017	75%	44,450,339	25%
Support for the Setting up of Producer Groups	-	-	-	-	-
Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	174,533,333	130,900,000	75%	43,633,333	25%
Agri-Environment-Climate and Organic Farming	1,304,686	1,108,983	85%	195,703	15%
Implementation of Local Development Strategies – LEADER Approach	11,511,111	10,360,000	90%	1,151,111	10%
Investments in Rural Public Infrastructure	0	0	85%	0	15%
Farm Diversification and Business Development	427,733,333	320,800,000	75%	106,933,333	25%
Improvement of Training	-	-	-	-	-
Technical Assistance	5,270,588	4,480,000	85%	790,588	15%
Advisory Services	-	-	-	-	-
Establishment and Protection of Forests	-	-	-	-	-
TOTAL	**798,154,407**	**601,000,000**	**75,30%**	**197,154,407**	**24,70%**

7.3. Budget Breakdown by Measure

	Total Public Aid (EUR)	**Private Contribution (EUR)**	**Total Expenditures (EUR)**
Investments in Physical Assets of Agricultural Holdings	177,801,356	118,534,237	296,335,593
Support for the Setting up of Producer Groups	-	-	-
Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	174,533,333	116,355,557	290,888,890
Agri-Environment-Climate and Organic Farming	1,304,686	-	1,304,686
Implementation of Local Development Strategies – LEADER Approach	11,511,111	-	11,511,111
Investments in Rural Public Infrastructure	0	-	-
Farm Diversification and Business Development	427,733,333	285,155,555	712,888,888
Improvement of Training	-	-	-
Technical Assistance	5,270,588		5,270,588
Advisory Services	-	-	-
Establishment and Protection of Forests	-	-	-

7.4 Budget of EU Contribution by Measure 2014-2020 in EUR for Monitoring (Euro)

	2014	2015	2016	2017	2018	2019	2020	2014-2020
Investments in Physical Assets of Agricultural Holdings	**35.880.000**	**35.880.000**	**37.490.000**	**3.811.017**	17.920.000	**2.370.000**	**0**	133.351.017
Support for the Setting up of Producer Groups	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	**20.010.000**	**20.010.000**	**16.790.000**	**47.560.000**	**24.930.000**	**1.600.000**	**0**	**130.900.000**
Agri-Environment-Climate and Organic Farming	**0**	**0**	**0**	**1.108.983**	**0**	**0**	**0**	**1.108.983**
Implementation of Local Development Strategies – LEADER Approach	**0**	**0**	**0**	**4.440.000**	**4.440.000**	**1.480.000**	**0**	**10.360.000**
Investments in Rural Public Infrastructure	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Farm Diversification and Business Development	**13.110.000**	**13.110.000**	**14.720.000**	**88.120.000**	82.190.000	**34.550.000**	**75.000.000**	320.800.000
Improvement of Training	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Technical Assistance	**0**	**0**	**0**	**2.960.000**	**1.520.000**	**0**	**0**	**4.480.000**
Advisory Services	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Establishment and Protection of Forests	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TOTAL	**69.000.000**	**69.000.000**	**69.000.000**	**148.000.000**	**131.000.000**	**40.000.000**	**75.000.000**	**601.000.000**

7.5 Percentage Contribution of EU by Measure

	2014 (%)	**2015 (%)**	**2016 (%)**	**2017 (%)**	**2018 (%)**	**2019 (%)**	**2020 (%)**	**2014-2020 (%)**
Investments in Physical Assets of Agricultural Holdings	52%	52%	54%	2.5%	13,7%	6%	0%	22.2%
Support for the Setting up of Producer Groups	0%	0%	0%	0%	0%	0%	0%	0%
Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products	29%	29%	24%	32%	19.1%	4%	0%	21.8%
Agri-Environment-Climate and Organic Farming	0%	0%	0%	0.7%	0%	0%	0%	0,2%
Implementation of Local Development Strategies – LEADER Approach	0%	0%	0%	3%	3%	4%	0%	1.7%
Investments in Rural Public Infrastructure	0%	0%	0%	0%	0%	0%	0%	0%
Farm Diversification and Business Development	19%	19%	21%	60%	63%	86%	100%	53.4%
Improvement of Training	0%	0%	0%	0%	0%	0%	0%	0%
Technical Assistance	0%	0%	0%	2%	1.2%	0%	0%	0.7%
Advisory Services	0%	0%	0%	0%	0%	0%	0%	0%
Establishment and Protection of Forests	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

8. DESCRIPTION OF EACH OF THE MEASURES SELECTED

8.1. Requirements Concerning All or Several Measures

- Applicants should be registered in the tax system. They should also not have outstanding tax and social security debts to the government at the moment of submitting an application (except for measure the Agri-Environment- Climate and Organic Farming). The outstanding social security rule does not apply to public administrations.
- Applicants should ensure that investment is maintained and does not undergo a substantial modification five years after the final payment by the operating structure.

- Applicants (in case of natural person himself/herself, in legal entities the person who has to authority to represent and bind the legal entity) shall not be older than 65 when the application is submitted. This rule does not apply to public institutions.

- Investments on a rented property shall be eligible. The rental period should not be shorter than five years from the date of completion of the investment.

- All supplies purchased shall originate from an eligible country. However, they may originate from any country when the amount of the supplies to be purchased is below the threshold for the use of the competitive negotiated procedure (currently €100,000). For the purposes of this measure, the term "origin" is defined in Articles 23 and 24 of the Council Regulation (EEC) No 2913/92 and other EU legislation governing non-preferential origin.

- In the programme a Mountainous Area is defined as an area located on an altitude of minimum 1000 m, or located on an altitude between 500 m. and 1000 m. and having a slope of minimum 17%. The list of mountainous areas is published on the official website of MoFAL.

The following expenditures *shall not be eligible* under the IPARD Programme:

(a) taxes, customs and import duties and levies and/or taxes of equivalent effect, as provided for in Article 28 of the Framework Agreement;

(b) purchase, rent or leasing of land and existing buildings, irrespective of whether the lease results in ownership being transferred to the lessee unless the provisions of the IPARD II programme provide for it;

(c) fines, financial penalties and expenses of litigation;

(d) operating costs, except where duly justified by the nature of the measure in the IPARD II programme;

(e) second hand machinery and equipment;

(f) bank charges, costs of guarantees and similar charges;

(g) conversion costs, charges and exchange losses associated with the IPARD Euro account, as well as other purely financial expenses;

(h) contributions in kind;

(i) the purchase of agricultural production rights, animals, annual plants and their planting;

(j) any maintenance, depreciation and rental costs, except where duly justified by the nature of the measure in the IPARD II programme;

(k) any cost incurred by public administration in managing and implementing assistance, namely those of the Operating Structure and, in particular, overheads, rentals and salaries of staff employed on activities of management, implementation, monitoring and control, except where duly justified by the nature of the measure in the IPARD II programme.

(l) Expenditure occurred prior to the selection and contracting of the project by the IPARD Agency (with the exception of general costs) is not eligible.

The controllability and verifiability of the measures will be ensured by following:

MA is responsible for controllability and verifiability of the measures, in cooperation with ARDSI. MA confirms that ARDSI has provided an opinion to the MA confirming that the measures in the programme are actually controllable and verifiable.

Definition and application of clear, transparent and non-discriminatory eligibility and selection criteria will be applied. Selection criteria shall aim to ensure equal treatment of applicants, efficient use of financial resources and targeting of measures in accordance with the set up priorities of the Programme.

Selection process based on the pre-defined and publicised criteria with transparent and well-documented procedures (audit trails) and administrative capacity, ensuring compliance with the principles of sound financial management, including selection of applications, administrative and on-the-spot control of eligibility of expenditure.

A suitable application assessment system is established.

The ex-post checks shall be carried out within 5 years of the date of final payment to the beneficiary. The ex-post checks will not apply to the minimum and maximum capacity limits of investments.

8.2. Description by Measure

8.2.1. Investments in Physical Assets of Agricultural Holdings

8.2.1.1. Title of the Measure

Investments in Physical Assets of Agricultural Holdings

8.2.1.2. Legal basis

- Article 3.1.d of IPA Council Regulation (EU) No: 231/2014
- Article 55.6 of IPA Commission Implementing Regulation (EU) No: 447/2014
- Relevant provisions of IPARD Sectoral Agreement

8.2.1.3. Rationale

The sectors having high priority in bringing agricultural production to EU standards are the milk, meat (including poultry meat), and egg production sectors. These three sectors in Turkey embrace agricultural holdings with a diversity of capabilities and competitiveness. However, a great majority of those are subsistence or semi-subsistence farms with limited chances of sustainability. This imposes considerable amount of risk for the welfare of the rural population which has agriculture as the only or main source of income. It is therefore essential to convert viable small scale farms into competitive agricultural holdings.

In general, the quality of raw milk is low. The sector analysis report indicates that holdings with fewer than 10 milking cows are generally at subsistence level. Those with at 10 – 120 milking cows rely on agricultural income, and are mostly operated by young farmers, have animal stocks above the viability level and are willing to specialise in the milk sector. These producers should be encouraged to improve their stable conditions of their holdings, and use of technology and mechanisation to comply with EU standards and increase their competitiveness. Same characteristics apply to sheep / goat farms with 50-500 animals, and those water buffalo farms with 5-50 animals. These medium size holdings are generally capable of improving their production techniques and sustaining their economic activities. Therefore, these producers constitute the target group of the IPARD programme aiming to improve the quality of life in rural areas in a sustainable manner, reduce regional disparities, and support agricultural holdings in upgrading to EU standards related to animal welfare and environmental protection. These holdings need support in terms of cooled storage, cold-chain transport of raw milk and proper buildings and equipment for production. Also IPARD Programme will further contribute to the achievement of EU standards on raw milk and that in the near future criteria will be adjusted accordingly, eg. by favouring producers/processors with price differentiation depending on hygienic quality or similar.

In Turkey, the supply of red meat is limited due to the inefficient production. Turkey is in a position to ensure the sustainability of red meat production in order to meet the growing domestic demand. New farms are needed to meet the demand. Farms having the minimum capacity of 30 cattle or 100 sheep/goats are able to sustain their operations by meeting the legislative requirements through investments in buildings, feeding systems and manure storage facilities. It is also aimed to support those small farms, which are willing to invest, in improving their sustainability and competitiveness to a size of 30-250 cattle or 100-500 sheep/goats.

Industrial production of poultry meat in Turkey is mainly carried out by contracted farming exposing farmers to need of investment for their facilities and equipment in order to comply

with animal welfare, environment protection and bio-security. The small and medium-scale farms are old and in need of maintenance to reduce the production costs and improve competitiveness. Considering the structure of poultry farms and the fact that poultry meat is more affordable for the population as compared to red meat, increasing the number of well-established farms and improving their capacities are required.

Egg production systems face two major threats in the short term. First, due to changing regulation they need to renew their cages and decrease their production density. This will reduce their animal stock therefore they need to renew their cages and expand them in order to continue to operate in the market. Second, as a result of increased population and urban expansion, some egg farms remained within residential areas. These farms are obliged to close by the end of the transition period. These enterprises need to close their facilities and establish new ones outside of urban areas. While establishing new cages and renovating existing ones, enterprises need to address biosecurity issues as well.

The purposes of Agricultural Development Cooperatives are to improve the production of the livestock and help their members for their economic and social development and to increase their economic power. The number of these cooperatives in scope of this measure is 6785 and the average number of the member is 109.

The purposes of the Breeders' Union are to raise highly productive animals, improving the genetic potential of both imported, domestic and domestic breed animals; to provide training to their members and supply their needs. The number of Breeders' Union in scope of this measure is around 197 and the average number of the members is 2500.

Therefore, special attention shall be given to these producer organisations via higher intensity rates for collective investments, which will have a spillover effect on their members who are farmers.

The needs stated above which are indicated in the SWOT analysis will be supported under this measure in line with the draft national rural development strategy.

8.2.1.4. General objectives, specific objectives

General Objectives

- To contribute to Turkey's preparation for the implementation of the acquis communautaire concerning the Common Agricultural Policy and related policies for the country's accession to the EU.
- To support economic, social and territorial development, with a view to a smart, sustainable and inclusive growth, through the development of physical capital.
- To promote the efficient use of resources and expansion of utilisation of renewable energy.

Specific Objectives

- To improve the overall performance of agricultural holdings in the production of primary agricultural products and increase their competitiveness including their marketing capabilities.
- To comply with the relevant EU standards as regards environmental protection and animal welfare.

8.2.1.5. Linkage to other IPARD measures in the programme and to national measures

This measure is linked with the measure on Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products since any improvement in

production will have multiplier effects on milk processing. The measure on Farm Diversification and Business Development will also affect this measure by providing funds to the building of machinery parks for the seasonal use of producers.

From the national budget, direct grants are provided for fodder production and artificial insemination. Subsidised credits are also available for purchase of pregnant heifers and any type of farm investments. These measures are complementary to IPARD funds in meeting the needs of the target group. As of 2015, national supports on rural development will be applicable in the 39 provinces not covered by the IPARD programme.

For poultry, among the supports mentioned above, only subsidised credits are available for investments including biosafety and renewable energy, easing the financing of the investments supported through IPARD.

8.2.1.6. Final recipients

Recipients of the measure are those natural persons and legal entities, with the exception of public legal entities, recognised by the national law who are registered at

- the National Farm Registry System or

- the National Animal Registry System.

8.2.1.7. Common eligibility criteria

- Applicants should be registered at the National Animal Registry System by the time of final payment claim.
- Investments should be in the production of one of the products defined in Annex I to the Treaty.
- Collective investments;

"Collective investments" mean investments by producer organisations (specified under the specific eligibility criteria) in sharing facilities, machines, equipment and other infrastructure for production of agricultural products up to the EU standards.

- The applicant should submit a business plan in accordance with the format to be developed by the IPARD Agency. For small investments, a simplified business plan will be submitted. The business plan should demonstrate the economic viability of the agricultural holding at the end of the realisation of the investment. The economic viability of the investment will be verified against the criteria listed in Annex IV.
- The applicant (in the case of a natural person himself/herself, in the case of legal entities the person who has the authority to represent and bind the legal entity) should prove his/her capability with an agricultural vocational school or college or university degree (including masters or doctorate) in agriculture, veterinary medicine or any other relevant speciality or with minimum three years of working experience in agriculture or any other relevant speciality as can be documented by the relevant national registration systems.
- By the time of the final payment claim, agricultural holdings should fulfil the minimum national requirements on environmental protection and animal welfare listed in Annex

III. At the end of the investment period, the investments supported shall achieve compliance with the relevant EU standards on animal welfare and environmental protection that apply to the scope of the investment. The certificates issued by the relevant national authorities will be used to verify the fulfilment of these conditions.

- The applicants who will have 30 points or above in accordance with the ranking criteria applying for this measure are considered to be eligible.

8.2.1.8. Specific eligibility criteria (per sector)

In addition to the common eligibility criteria, the investments shall be located in the eligible provinces and at the end of the investment shall attain the capacity limits stated below. The total capacity of the agricultural holdings owned by the applicant, which operate in the same sector with the investment and are located in the same district with the investment area, including the capacity of the investment should not exceed the capacity limits stated below at the end of the investment. Existing agricultural holdings as well as new ones (except laying hen holdings) are eligible under this measure.

Milk

- Minimum 10, maximum 120 milking cows, or
- Minimum 5, maximum 50 milking water buffaloes, or
- Minimum 50, maximum 500 milking sheep, or
- Minimum 50, maximum 500 milking goats.

Red Meat

- Minimum 30, maximum 250 cattle, or
- Minimum 10, maximum 50 water buffaloes, or
- Minimum 100, maximum 500 sheep, or
- Minimum 100, maximum 500 goats.

Poultry Meat

- (For broiler sector, only active existing agricultural holdings without increasing their capacity are eligible) Minimum 5,000, maximum 50,000 broiler, Establishment of new agricultural holdings are supported for the following provinces: Erzincan, Sivas, Elazığ or
- Minimum 1,000, maximum 8,000 turkey or
- Minimum 350, maximum 3,000 geese

Eggs

- Minimum 20,000, maximum 100,000 laying hens
- Only existing agricultural holdings active in egg production who are;
    - in need for renovation of facilities and equipment or
    - moving their agricultural holdings away from the settlement areas

  without increasing their capacity are eligible.

In order to meet the animal welfare requirements, existing agricultural holdings may expand their buildings for laying hens without increasing their capacity.
In case of moving agricultural holding, the agricultural holding should be owned by the applicant.

a) For all sectors the agricultural holding should prove that the manure is stored and managed in compliance with the relevant EU standards at the end of the investment.

b) For poultry and egg sectors should prove that waste is treated according to the relevant EU standards at the end of the investment.

c) In scope of the collective investments, Agricultural Development Cooperatives established in accordance with the Cooperatives Law No. 1163 (whose establishment / supervision is under the responsibility of the Ministry of Agriculture and Forestry) can apply for milk and meat sector under this measure. In accordance with the law, each cooperative has to be established with a minimum of 7 farmers. Distribution of income to the members of the cooperative is stated in its main contract.

d) In scope of the collective investments, Breeders Unions for Breeding Purposes established in accordance with the relevant articles of the Law No. 5996 can apply for milk, meat and egg sector under this measure. In accordance with the law, each breeder union must be established with a minimum 7 farmers. Distribution of income of the breeder's union is stated in its main contract.

8.2.1.9. Eligible expenditure

- Construction or improvement (but not acquisition) of immovable property (details for each sector are given below)
- Purchase of new machinery and equipment (details for each sector are given below)
- Investments in biogas and solar energy facilities for farm activities. The capacity of the renewable energy installation cannot exceed the energy requirements of the agricultural holding at the end of the investment.
- General costs linked to expenditures referred in previous points, such as architects', engineers' and other consultation fees, feasibility studies, the acquisition of patent rights and licences up to a ceiling of 12% of the costs referred to under the previous points, and of which the costs for business plan preparation are at maximum 4% of the eligible expenditure value, not exceeding 6,000 Euro.

In addition to the above mentioned general expenditures, the following expenditures for each sector shall be eligible:

<u>Milk</u>

- Construction/extension/modernisation of closed, open and semi-open stables/ barns,
- Construction and/or renovation of other agricultural buildings, limited to storage buildings, machine sheds, milking room, milk storage room
- Silage handling equipment and machinery, on-farm animal feed preparation, handling, distribution systems and storage,

- Milking room facilities, milk cooling and storage as well as on-farm milk transportation equipment,
- Expenditures on waste and wastewater processing facilities for farms using water for cleaning their milking systems
- Investments made for manure handling, storage and treatment facilities,
- Animal handling equipment and facilities (e.g. weighing, disinfection),
- Watering systems,
- Purchase of specialised technological equipment including IT and software (herd management, milk registry, general farm management)

Red Meat

- Construction/extension/modernisation of stables/ barns
- Construction and/or renovation of storage buildings and machine sheds,
- Silage handling equipment and machinery, on-farm animal feed preparation, handling, distribution systems and storage,
- Investments for manure handling, storage and treatment facilities,
- Animal handling equipment and facilities (e.g. weighing, disinfection),
- Transportation equipment compatible with EU standards on animal welfare, excluding motorised vehicle itself
- Watering systems
- Fences and gates for pasture management only,
- Purchase of specialised technological equipment including IT and software (herd management, animal registry, general farm management).

Poultry and Egg

- Construction/extension/modernisation of poultry houses (broiler, laying hens, geese and turkey) and animal shelters,
- Construction and/or renovation of storage buildings and machine sheds,
- Fences and gates for physical bio-safety of birds (avian influenza control),
- Automatic feeding and drinking equipment, watering, heating and ventilation, automating environmental control systems including energy-saving equipment that is authorised and defined under Directive 2007/43/EC.
- Investments for manure and waste handling, storage and treatment facilities,
- Special equipment for weighing, health control,
- Transportation equipment compatible with EU standards on animal welfare excluding motorised vehicles,
- Purchase of specialised technological equipment including IT and software (herd management, animal registry, general farm management)
- Cage systems for laying hens
- Equipment for picking, sorting, transport and packaging of eggs except vehicles.

8.2.1.10. Aid intensity and EU contribution rate

The minimum and maximum limits of total value of eligible investments per project are 5,000 EUR and 500,000 EUR (the upper limit for poultry is 250,000 EUR, the upper limit for geese farms is 125,000 EUR)

A maximum of four eligible investments per recipient are allowed within the timeframe of IPARD 2014-2020.

The recipient can only submit a new application for IPARD support, when the previous investment has been finalised (final payment)

The maximum total value of eligible investments per recipient is limited to 1,000,000 Euro (500,000 EUR for poultry and 250,000 EUR for geese)

for this measure within the timeframe of IPARD I and IPARD II.

The basic rate of public aid under this measure shall be 60% of the total eligible cost of the investment.

Extra 5% public aid will be given to natural person or producer organization (the person who has to authority to represent and bind the PO) if he/she is under 40 years of age at the time of submitting the application. Extra 5% public aid will be given if the investment is on a mountainous area as defined in Section 8.1.

Public expenditure shall be 70% of the total eligible cost of the investment for producer organizations in case of collective investments.

To have support with the higher intensity rate in collective investments:

Cooperatives, breeders' unions shall apply to the sectors related to the production of the product, which is mentioned in the actual contract of the cooperative / breeders unions.

The EU co-financing rate is 75% of the public aid.

8.2.1.11. Indicators and targets

Indicator	**Target**
Projects Supported	Red Meat: 157 Poultry meat: 157 Milk: 275 Laying hens: 79
Number of holdings performing modernisation projects;	Red Meat: 142 Poultry meat: 142 Milk: 251 Laying hens: 74
Number of holdings progressively upgrading towards EU standards	Red Meat: 142 Poultry meat: 149Milk: 236 Laying hens: 70
Number of holdings investing in renewable energy production;	Red Meat: 8 Poultry meat: 40

	Milk: 28 Laying hens: 4
Number of holdings investing in livestock management in view of reducing the N_20 and methane emissions (manure storage)	Red Meat: 142 Poultry Meat: 142 Milk: 220 Laying hens: 63
Number of producer organizations supported in scope of collective investments	10
Number of members of producer organizations benefited in scope of collective investments	1020
Total value of investment (Euro)	560,602,616

8.2.1.12. Administrative procedure

Applicants shall submit their application to the Provincial Coordination Units (PCU) of ARDSI within the specified time period. Administrative checks and on-the-spot controls of the project shall be performed by ARDSI. Business plans of applications which passed the administrative checks and on-the-spot controls will be evaluated. The applications which are determined as viable after the business plan evaluation shall be scored on the basis of the "Ranking Criteria for Project Selection" as stated in the IPARD programme. Contracts will be signed with selected applicants.

Payments will be made to recipients upon completion of a project or part of it. The payments can be made in instalments upon the request of the recipient in the application form and shall be reflected accordingly in the business plan. The contract and/or its annexes shall define all related details including the identification at which stage in the implementation of the project the instalments are to be paid. The request for payment in instalments shall be made according to the eligible investments as below:

- Investments of which the total value of eligible expenditures is up to and including 500,000 TL: 1 instalment

-Investments of which the total value of eligible expenditures is more than 500,000 TL : 2 instalments. If the investment includes construction works and can be divided into instalments according to the amounts of eligible expenditures as mentioned above, construction work expenditures regarding each individual building/structure must be requested in a single instalment.

8.2.1.13. Geographical scope of the measure

This measure is applicable in all provinces covered by the IPARD programme

8.2.1.14. Other information specific to the measure (as defined in the measure fiche)

Following ranking criteria will be used under this measure.

Small agricultural holdings whose final capacity at the end of the investment is lower than the threshold values defined below: The total amount of eligible expenditure;		Point
- For milk, red meat and egg sector;	more than 400.000 EUR:	0
	between 300.000 and 400.000 (included) EUR	10
	between 200.000 and 300.000 (included) EUR:	20
	equal or less than 200.000 EUR:	30
- For broiler and turkey in poultry sector:	more than 200.000 EUR:	0
	between 150.000 and 200.000 (included) EUR	10
	between 100.000 and 150.000 (included) EUR:	20
	equal or less than 100.000 EUR:	30
- For the geese in poultry sector:	more than 100.000 EUR:	0
	between 60.000 and 100.000 (included) EUR	10
	between 25.000 and 60.000 (included) EUR:	20
	equal or less than 25.000 EUR:	30
If the application includes modernization of active existing agricultural holdings		20
If the applicant is the owner of investment implementation area.		10
If the applicant has not signed a contract under IPARD Programme.		10
If the applicant or its legal representative (for legal entities) is woman.		10
If the applicant is a natural person or producer organization or the legal entities whose majority shareholder is a producer organization.		20

8.2.1.15. Indicative Budget

Years	Total Eligible Investment	Total Public Aid		Public Expenditures				Investor's Share	
				EU Contribution		National Budget			
	Euro	Euro	60%	Euro	75%	Euro	25%	Euro	40%
2014	79,733,333	47,840, 000	60	35,880,000	75	11,960,000	25	31,893,333	40
2015	79,733,333	47,840, 000	60	35,880,000	75	11,960,000	25	31,893,333	40
2016	83,311,112	49,986,667	60	37,490,000	75	12,496,667	25	33,324,445	40
2017	8,468,927	5,081,356	60	3,811,017	75	1,270,339	25	3,387,571	40
2018	39,822,221	23,893,333	60	17,920,000	75	5,973,333	25	15,928,888	40
2019	5,266,666	3,160,000	60	2,370,000	75	790,000	25	2,106,666	40
2020	0	0	60	0	75	0	25	0	40
Total	296,335,593	177,801,356	60	133,351,017	75	44,450,339	25	118,534,237	40

8.2.2 Support for the Setting up of Producer Groups

This measure will be introduced after the completion of technical and regulatory studies.

8.2.3 Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products

8.2.3.1. Title of the Measure

Investments in Physical Assets Concerning Processing and Marketing of Agricultural and Fishery Products

8.2.3.2. Legal basis

- Article 3.1.d of IPA Council Regulation No: 231/2014
- Article 55.6 of IPA Commission Implementing Regulation (EU) No: 447/2014
- Relevant provisions of IPARD Sectoral Agreement

8.2.3.3. Rationale

Turkey has achieved progress in the alignment of national legislation with the EU acquis falling under Chapter 12. New regulations on veterinary services, plant health and food safety were enforced in late 2011. Pursuant to these regulations, all food processing enterprises are required to meet national standards, which are in parallel with EU regulations. An adjustment period is granted for the existing enterprises to comply with the new regulation. As indicated in the sector analysis reports, this obligation imposes an economic burden on existing enterprises. This may jeopardise the continuation of the operation of some of them and result in socio-economic problems. Of the establishments already complying with the national standards, some small and medium scale enterprises are in need of increasing their capacity to improve their competitiveness. Therefore, under the IPARD 2014-2020 programme, food processing enterprises operating in the sectors defined in the following paragraphs will be supported complementarily to the National Rural Development Strategy:

- The milk collection and processing sectors needs to be supported for the increase of capacity and productivity for strengthened competitiveness on the market as well as compliance to EU standards. Milk collection centres need to be increased in both size and number to meet the increasing internal demand for milk and milk products. Milk processing enterprises, with capacities ranging between 10 and 70 tonnes per day need to invest in capacity increase, product diversification, and productivity increase. This will be achieved through the utilisation of more energy efficient equipment and the generation of renewable energy for their own consumption. These milk processing establishments also need to make investments in environmental protection. These investments in environmental protection should be achieved by processing whey, which is released from the milk when cheese is produced. When whey is discharged to the environment, it causes considerable environmental pollution. Whereas, whey is an important part of the dairy sector. Nowadays, whey is powdered and used as an additive in food industry. Supporting processing of whey in Turkey will make a significant contribution to the realization of investing in environmental protection, incorporating whey into the economy as a dairy product.
- The red meat processing sector for mainly supporting medium scale slaughterhouses to comply with EU standards. The closing down of small slaughterhouses and inadequate number of slaughterhouses in some regions require the establishment of new ones with proper infrastructure and equipment. However, as the capacities are still underutilised in the meat processing sector, support in this sector will be limited to facilitate their

compliance with the hygiene and environmental standards and meeting energy needs, without creating excess capacity. Similarly, poultry slaughtering and processing will be supported for compliance to EU standards and for utilisation of alternative energy sources with the condition of keeping current capacities.

- Fruit & Vegetable processing sector to minimise post-harvest losses and to be compliant with EU standards by being more environmentally friendly and provide higher food safety standards. This will be achieved by enabling producers to adopt Good Manufacturing Practices and establishment of HACCP monitoring mechanisms. Cold storage facilities, drying units and sorting, grading and packaging units will be supported in order to improve conditions for longer-term preservation of fruits and vegetables as well as for the adoption of food safety standards.
- Fish processing sector for developing new enterprises to improve sectoral capacity and to meet demand in inland regions close to freshwater aquaculture farms, for improving product diversity and supporting their compliance with relevant EU regulations

Through IPARD supports, it is aimed to increase the capacity and productivity of existing establishments, to ensure their compliance to EU standards, to improve their competitiveness and to construct new establishments in selected sectors.

In addition, high energy costs negatively affect the competitiveness of food processing establishments. The use of renewable energy therefore needs to be promoted in both new establishments and existing establishments renovating their facilities and restructuring their operations.

The overall objective of cooperatives and producer unions are to help their members for their economic and social development, to increase their economic power, to meet their needs related to their professional activities and protecting their economic interests.

Producer unions which are highly active in milk collection sector will have a positive impact on the quality of the raw milk with IPARD supports in this sector. The number of these cooperatives and producer unions in scope of this measure is 9906 and the average number of the member is 166.

The purposes of the Breeders' Union are to provide training to their members and supply their needs. The number of Breeders' Union in scope of this measure is around 191 and the average number of the members is 2600.

Therefore, special attention shall be given to these producer organisations via higher intensity rates for collective investments, which will have a spillover effect on their members.

The background details of the needs for the implementation of this measure are presented in the SWOT analysis provided in Section 4 and also under Section 6.2

8.2.3.4. General objectives, specific objectives

General Objectives

- To contribute to Turkey's preparation for the implementation of the acquis communautaire concerning the Common Agricultural Policy and related policies for Turkey's accession to the EU.

- To contribute to the sustainable adaptation of the food processing sector and facilitate the competition in the internal market by;
  - opening new market opportunities for agricultural products
  - introducing new technologies and innovation
  - putting emphasis on alignment to EU standards

Specific Objectives

- Treatment of waste, incorporating of waste into economy by processing waste, utilisation of renewable energies and supporting environmentally friendly investments.
- Contribution to employment by creating new jobs.

Specific to the sectors;

- Improving cold chain for milk collection and processing, whey processing, increasing production capacities and improving quality of milk products of small and medium size milk collection centres and milk processing establishments. Improving the competitiveness of medium scale milk or whey processing establishments and enabling their compliance with environmental standards are also among the specific objectives of this measure. Increasing the economic value of whey by evaluating whey as a dairy product instead of waste, preventing environmental pollution caused from whey.
- Setting up slaughterhouses for cattle, water buffalo, sheep and goat. Renovation of existing slaughterhouses and meat processing enterprises for cattle, water buffalo, sheep, goat and poultry.
- For fish processing, enabling the cold chain to reach EU standards and minimising post-harvest waste. Small and medium sized processing businesses will be supported in terms of increasing capacities and modernisation of their processes. It is also intended to improve product range and processing technology in order to reduce the operating costs of fish processing businesses.
- For fruit and vegetable; reducing post-harvest losses, improving capacities for cold storage and drying enterprises and enabling them to be compliant to EU standards; eliminating production processes contaminating the environment.

8.2.3.5. Linkage to other IPARD measures in the programme and to national measures

The measure Investments in Physical Assets of Agricultural Holdings is complementary to this measure in terms of contributing to the improved quality of raw products. The measure Farm Diversification and Business Development supports micro enterprises which are not within the scope of this measure for the diversification of the rural economy.

National support for the processing industry is generally at very low levels to meet marginal costs. Supports provided by Regional Development Agencies are designed on the basis of regional development plans and the listing of the food industry among high priority sectors in regional development programmes. Furthermore, Regional Development Agencies determine the sectors to be supported on a yearly basis and the number of investments supported is very limited.

As of 2015, support provided by MoFAL will be geographically demarcated from IPARD measures.

8.2.3.6. Final recipients

The investments supported under this measure are defined in the eligibility criteria given in the following paragraphs.

This measure will be open for;

- All legal entities and natural persons defined as small and medium enterprises[7] in Regulation 2012/3834 and its future amendments.

8.2.3.7. Common eligibility criteria

  - At the time of application, with the exception of new enterprises, applicants are expected to be in line with the mentioned laws and regulation below:Law 5996 on Veterinary Services, Plant Health, Food and Feed.
  - Law 6331 on Occupational Health and Safety.
  - Law 2872 on Environment[8]
  - Regulation on Business and Working Permit Licence published in the Official Journal no 25902 dated 10.08.2005.

- For the sub-sectors, the linked secondary legislation of these laws and regulations, and future amendments of these laws and regulations shall be respected.

- At the end of the investment period, the investment shall meet the relevant EU standards applicable to it.

- "Collective investments" mean investments by producer organisations in sharing facilities, machines, equipment, and other infrastructure for processing of agricultural and fishery products up to the EU standards.

- In case of the setting up of a new enterprise, the recipient should provide the certificates required pursuant to the above mentioned laws at the end of the investment.

- Applicants should submit a business plan in accordance with the requested format by the IPARD Agency. The business plan should demonstrate the economic viability of the enterprise at the end of the realization of the investment. The economic viability of the investment will be verified against the criteria listed in Annex III. For smaller investments a simplified business plan will be submitted.

- The establishments listed on the website of the EU (DG SANCO) as an EU approved third country establishment for the specific category of food of animal origin, are not eligible to support for only the relevant applied sub sectors.

[7] An enterprise can consist of one or more establishments.

[8] This regulation does not apply to milk collection centres

- Existing enterprises, which have a built-in daily capacity below the minimum capacity limit indicated under the specific eligibility criteria for the applied sub-sector, but which prove that they will have at least the minimum capacity indicated under the specific eligibility criteria for the applied sub-sector after the completion of the investment, shall be eligible.

- The setting up of a new enterprise is eligible in milk processing, whey processing, milk collection, red meat slaughterhouses, red meat cutting plants, poultry slaughterhouses (in Kastamonu, Mersin, Çankırı), poultry cutting plants (in Kastamonu, Mersin, Çankırı), fruit and vegetable processing and fish processing with the condition that there is no overcapacity in the province at the application stage.

- In case of a new enterprise, the new enterprise should respect the relevant capacity criteria given below for each sector at the end of the investment.

8.2.3.8. Specific eligibility criteria (per sector)

The total capacity of the enterprises owned by the applicant which are operating in the same sector with the investment and are located in the same province with the investment area should not exceed (including the capacity of the investment) the capacity limits stated below at the end of the investment.

Milk and milk products

- Milk processing enterprises should have minimum 10 tonnes of built-in daily processing capacity at the end of the investment.
- In scope of the collective investments, Agricultural Development Cooperatives* and Breeders Unions for Breeding Purposes** can apply for milk and milk products sector. In scope of collective investments, Agricultural Producer Unions*** can only apply for milk collection sector
- Whey processing enterprises should have minimum 10 tonnes of built-in daily processing capacity at the end of the investment.
- At the end of the investment period, the investment should meet occupational safety, EU hygiene (with the exception of raw milk) and structural standards (referring to EC 852/2004, EC 853/2004) and EU environmental standards.

Meat and meat products including poultry

In scope of the collective investments, Agricultural Development Cooperatives* and Breeders Unions for Breeding Purposes** can apply for meat and meat products sector.

Enterprises should have the capacities indicated below:

- In the case of red meat slaughterhouses:
  - If only slaughtering cattle and water buffalo, a minimum of 30 and maximum 500 heads per day,
  - If only slaughtering sheep and goats, a minimum of 50 and a maximum of 4,000 heads per day,
  - In case slaughtering cattle, water buffalo, and sheep/goat in the slaughterhouse, maximum and minimum limits stated for cattle, water buffalo and sheep/got should be met.

- In the case of poultry slaughterhouses:

  - A capacity of minimum 1000 broiler and maximum 5000 broiler chickens per hour
  - Or a capacity of minimum 100 and maximum 1000 turkeys or geese per hour

  Investments for capacity increase of enterprises are not eligible and establishment of new poultry slaughterhouses is not supported.

- In the case of meat processing:
  - Minimum 0.5 tonnes, maximum 5 tonnes of built-in daily processing capacity. For processing of red meat and poultry meat, investments for capacity increase of enterprises are not eligible and establishment of new processing enterprises are not supported.

- In the case of cutting plants:
  - They should have a total built-in daily cutting capacity of minimum 0.5 and maximum 5 tonnes.

- In cases where an investment includes both meat processing and slaughterhouse facilities, it should meet all of the criteria required, as listed above for both slaughterhouses and meat processing enterprises.

- In cases where an investment includes meat processing and/or slaughterhouse and/or cutting plant facilities or all three, it should meet all of the criteria required as listed above for slaughterhouses, cutting plants and meat processing enterprises.

- In the case of meat processing, the enterprise should perform processing as defined in Article 2 m of Regulation (EC) 852/2004 and marketing.

- At the end of the investment period, the investment should meet occupational safety, EU hygiene and structural standards (referring to EC 852/2004, EC 853/2004) and EU environmental standards.

<u>Fishery Products</u>

- Enterprise should have the production capacity of minimum 100 tonnes/year, maximum 2000 tonnes/year of fishery products, fish oil, molluscs, bivalves and crustaceans.
- In scope of the collective investments, Aquaculture Cooperatives* can apply for fishery products sector.

- The investments under this sub-sector shall be on services to be provided on land.

- Investments regarding fisheries and aquaculture products intended to be used for purposes other than human consumption are not eligible. But the investments for the processing and marketing of waste which arises from fisheries and aquaculture production (intended to be used for human consumption) process are eligible.

- At the end of the investment period, the investment should meet occupational safety, EU hygiene and structural standards (referring to EC 852/2004, EC 853/2004) and EU environmental standards.

Fruit and Vegetable

- Enterprise should meet the conditions foreseen by the Law No: 5957 "Regulating the Trade of Fruit and Vegetables and Other Products with Sufficient Supply and Demand Depth" and its subsequent modifications (except for the investments related to only drying and/or freezing).
- Producer organisations (recognised by the Cooperative Law No 1163, Agricultural Credit Cooperatives Law No 1581, Agricultural Producer Unions Law No 5200, Agriculture and Marketing Cooperatives and Unions Law No 4572) should comply with the definitions given in Law 5957.
- In scope of the collective investments, Agricultural Development Cooperatives* and Agricultural Sales Cooperatives**** can apply for fruit and vegetable sector.
- Investments should be in line with storage, grading, processing, drying, roasting, freezing and packing of fruits and vegetables identified in Annex I, Part IX of Council Regulation 1308/2013.
- Total capacity of the cold store(s) should be maximum 10,000 m^3. For producer organizations and the legal entities whose majority shareholder is a producer organization, this capacity control will not be applied.

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* Agricultural Development Cooperatives and Aquaculture Cooperatives established in accordance with the Cooperatives Law No. 1163 (whose establishment / supervision is under the responsibility of the Ministry of Agriculture and Forestry). In accordance with the law, each cooperative has to be established with a minimum of 7 farmers. Distribution of income to the members of the cooperative is stated in its main contract.

** Breeders Unions for Breeding Purposes established in accordance with the relevant articles of the Law No. 5996. According to their legal documents, each breeder union must be established by a minimum 7 farmers. Distribution of income of the breeder's union is stated in its main contract.

*** Agricultural Producer Unions Established according to Law No. 5200. According to the law, each agricultural producer union has to be established by a minimum 16 farmers. Distribution of income of the producer union is stated in its actual contract.

****Agricultural Sales Cooperatives established according to Law No. 4572: According to the law, each cooperative must be established by a minimum 30 farmers. Distribution of income to the members of the agricultural sales cooperative is stated in its main contract.

- At the end of the investment period, the investment should meet occupational safety, EU hygiene and structural standards (referring to EC 852/2004) and EU environmental standards.

8.2.3.9. Eligible expenditure

Eligible expenditure in accordance with Article 172(2) of Regulation (EC) 718/2007, is limited to:

- the construction or improvement (but not acquisition) of immovable property;
- Construction of new slaughterhouses and cutting plants for red meat
- the purchase of new machinery and equipment including computer software up to the market value of the asset;
- general costs linked to expenditure referred to under the previous points, such as architects', engineers' and other consultation fees, feasibility studies, the acquisition of patent rights and licences up to a ceiling of 12% of the costs referred to under the previous points, and of which the costs for business plan preparation are at maximum 4% of the eligible expenditure value, not exceeding 6,000 Euro.

Investments at retail level are not eligible.

Common to all sectors

- Equipment for improvement of hygiene and product quality, in full compliance with EU standards
- Investment necessary to introduce procedures based on HACCP principles investment for environmental protection, equipment and facilities for reprocessing of intermediate products and treatable waste; treatment and elimination of waste,
- Purchase of machinery/ equipment and construction works for renewable energy production for self-consumption
- Purchase of equipment for packaging,
- IT hardware and software for product and process management,

Specific to sectors

Milk

- Modernisation and/or extension of milk collection centres or milk processing enterprises or whey processing enterprises,
- Construction of new milk collection centres and milk processing enterprises, whey processing enterprises
- Investments for homogenisation, pasteurisation, packaging, cooling, and storing of milk and milk products,
- Test equipment to distinguish between poor and good quality milk,

- Laboratory equipment for testing whey and whey products
- Investments for pasteurisation, concentrating, demineralization of whey, separating lactose from whey, drying, packaging, cooling and storing of whey and whey products
- Investments for establishment of food safety management systems,
- Refrigerated trucks and cooling equipment.

Meat

- Modernisation and/or extension of slaughterhouses and cutting plants for red meat
- Modernisation of poultry slaughterhouses and cutting plants, and meat processing enterprises
- Construction of slaughter houses and cutting plants for poultry meat,
- Laboratories and equipment to improve the control of the product quality and hygiene
- Investment for slaughtering bovine and sheep/goat in conditions compatible with animal welfare,
- Cold storage equipment,
- Software and tracking system to implement traceability of carcass and meat inside the processing establishment,
- Refrigerated trucks and cooling equipment for processing and/or cutting plants

Fruit and Vegetable

- Cleaning, sorting, grading, packaging lines
- Markings and traceability systems
- Modified atmosphere cold stores and packing lines under modified atmosphere
- Drying machinery, equipment and packing lines
- Building and/or modernisation of pre-cooling, cooling units and cold stores, drying cleaning, sorting, grading, packaging units modified atmosphere cold stores and packaging units under modified atmosphere.
- Storage for raw material, storage for packaging,
- Handling equipment,
- Purchasing of machinery and equipment for freezing and drying of fruits and vegetables. (Council Regulation No.1308/2013 Annex I, Part IX: Fruit and vegetables list.),
- Purchasing of machinery and equipment for drying and roasting of nuts (Council Regulation No.1308/2013 Annex I, Part IX: Fruit and vegetables list.)

- Refrigerated trucks and cooling equipment.

Fish Processing

- Modernisation and/or extension of enterprises processing fishery and aquaculture products,
- Construction of new enterprises processing fishery and aquaculture products,
- Machinery or equipment for cooling, processing, packaging and marketing of fishery products,
- Equipment and facilities for upgrading to Community standards as regards human health, occupational conditions, protection of environment and waste treatment,
- Refrigerated trucks and cooling equipment.

8.2.3.10. Aid intensity and EU contribution rate

Public expenditure shall be 50% of the total eligible cost of the investment. Public expenditure shall be 60% of the total eligible cost of the investment for producer organizations in case of collective investments.

For investments relating to the treatment of the effluents and waste management, the maximum aid intensity will be increased by an additional %10 grant.

In addition to this, to have support with the higher intensity rate in collective investments:

Cooperatives, breeders' unions shall apply to the sectors related to the processing and marketing of the product, which is mentioned in the actual contract of the cooperative / breeders unions.

For the agricultural producer unions, the union shall apply to the sectors related to the processing and marketing of the product, which is mentioned in the actual contract and the name of the union.

The minimum and maximum limits of the total value of eligible investments per project are:

- 30,000 Euro and 3,000,000 Euro for the milk (including whey) and meat sectors,
- 30,000 Euro and 1,000,000 Euro for milk collection centres
- 30,000 Euro and 1,250,000 Euro for fruit and vegetables.
- 30,000 Euro and 1,500,000 Euro for fish processing
  for this measure within the timeframe of IPARD I and II.

A recipient may receive support for a maximum of four eligible investments during the IPARD 2014-2020 implementation period.

A recipient may not apply for funding before completing an on-going investment. New applications can be made after the final payment of the contract.

The maximum total value of eligible investments per recipient is limited to 3,000,000 Euro for this measures within the timeframe of IPARD I and IPARD II.

As exception, applicable only for milk collection centres, an applicant may submit a proposal under a single call, for setting up to five milk collection centres in the same province provided that the total eligible investments value does not exceed 1,000,000 Euro.

The EU co-financing rate is 75% of the public aid.

8.2.3.11. Indicators and targets

Indicator	**Target**
Projects Supported	296 (milk: 1 137, meat: 48, fruits and vegetables: 86, fishery products: 25)
Number of enterprises performing modernisation projects	268 (milk: 128, meat: 44, fruits and vegetables: 76, fishery products 20)
Number of enterprises progressively upgrading towards EU standards	243 (milk: 111, meat: 40, fruits and vegetables: 72, fishery products:20)
Number of enterprises investing in renewable energy production	63
Total investment in physical capital by enterprises supported (EUR)	411.277.378 €
Number of producer organizations and legal entities whose majority shareholder is a producer organization supported in scope of collective investments	31
Number of members of producer organizations benefited in scope of the collective investments	3,066
Gross additional job created	3,699 (milk: 1,508; meat: 956; fruits and vegetables: 956; fishery products: 279)

8.2.3.12. Administrative procedure

Applicants shall submit their application to the Provincial Coordination Units (PCU) of ARDSI within the specified time period. Administrative checks and on-the-spot controls of the project shall be performed by ARDSI. Business plans of applications which passed the administrative checks and on-the-spot controls will be evaluated. The applications which are determined as viable after the business plan evaluation shall be scored on the basis of the “Ranking Criteria

for Project Selection" as stated in the IPARD programme. Contracts will be signed with selected applicants.

Payments will be made to recipients upon completion of a project or part of it. The payments can be made in instalments upon the request of the recipient in the application form and shall be reflected accordingly in the business plan. The contract and/or its annexes shall define all related details including the identification at which stage in the implementation of the project the instalments are to be paid. The request for payment in instalments shall be made according to the eligible investments as below:

- Investments of which the total value of eligible expenditures is up to and including 500,000 TL: 1 instalment

-Investments of which the total value of eligible expenditures is more than 500,000 and up to (including) 2,500,000 TL: 2 instalments

- Investments of which the total value of eligible expenditures is more than 2,500,000 :3 instalments

If the investment includes construction works and can be divided into instalments according to the amounts of eligible expenditures as mentioned above, expenditures regarding each individual building/structure must be requested in a single instalment.

8.2.3.13. Geographical scope of the measure

This measure is applicable in all provinces covered by the IPARD programme.

8.2.3.14. Other information specific to the measure (as defined in the measure fiche)

The following ranking criteria will be used under this measure.

If the applicant is an existing enterprise	*40*
If the applicant is a producer organisation or the legal entities whose majority shareholder is a producer organization	*25*
If the investment is less than 500.000 EUR	*20*
If the investment includes generation of renewable energy	*10*
If the applicant (in case of natural person himself/herself, in legal entities the person who has the authority to represent and bind the legal person) is woman:	*5*

8.2.3.15. Indicative Budget

Years	Total Eligible Investment	Total Public Aid		Public Expenditures				Investor's Share	
				EU Contribution		National Budget			
	Euro	Euro	50%	Euro	75%	Euro	25%	Euro	50%
2014	53,360, 000	26,680, 000	50	20.010.000	75	6,670, 000	25	26,680, 000	50
2015	53,360, 000	26,680, 000	50	20.010.000	75	6,670, 000	25	26,680, 000	50
2016	44,773,334	22,386,667	50	16,790,000	75	5,596,667	25	22,386,667	50
2017	126,826,666	63,413,333	50	47,560,000	75	15,853,333	25	63,413,333	50
2018	66,480.000	33,240,000	50	24,930,000	75	8,310,000	25	33,240,000	50
2019	4,266,666	2,133,333	50	1,600,000	75	533,333	25	2,133,333	50
2020	0	0	50	0	75	0	25	0	50
Total	349,066,666	174,533,333	50	130,900,000	75	43,633,333	25	174,533,333	50

8.2.4 Agri-Environment- Climate and Organic Farming Measure

8.2.4.1. Title of the Measure

Agri-Environment, Climate and Organic Farming

8.2.4.2. Legal basis

- Article 3.1.d of IPA Council Regulation No: 231/2014
- Related provisions of IPA Commission Implementing Regulation (EU) No: 447/2014
- Articles 28 and 29 of European Parliament and Council Regulation (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005
- Relevant provisions of IPARD Sectoral Agreement

Relevant provisions of the Framework Agreement

8.2.4.3. Rationale

SWOT analysis presented in Section 4 indicates the following deficiencies.

Soil degradation is one of the key problems identified in Turkey as a result of recent studies. These are due to water and wind erosion, salinization and alkalisation, soil structure destruction and compaction and soil pollution. Due to climatic and topographic conditions and lack of knowledge and skills of farmers in terms of soil preservation methods, soil erosion is one of the biggest environmental problems in Turkey. Approximately 86% of land is suffering from some degree of erosion.

The immensely rich biological diversity in Turkey is not only to be found in protected areas or forests but it is also largely dependent on so-called High Nature Value farming areas, which cover large parts of Turkey. The measure will include the Great Bustard, a flagship species dependent on extensively used agricultural landscapes. This action should also have a beneficial effect on other types of biodiversity, and serve as an example and trial for biodiversity measures in the future.

As for utilisation of water, the most important problems with regard to irrigation in Turkey are related to over pumping of ground water, waste of irrigation water, presence of fertilisers and chemicals in water due to inadequate drainage systems. Irrigation is a threat to groundwater balance, since almost three quarters of the total freshwater extracted is used for agricultural purposes. Agriculture's pressure on groundwater is expected to increase in the future, to meet the expanded needs of the growing population.

Turkey has eligible conditions for organic farming in terms of climate, soil, water resources, product range and labour force. Currently, 2.2% of total agricultural production area in Turkey is used for organic farming and the aim is to increase this share as well as to provide the integration of organic farming with rural development policies, tourism and health sector.

Current farming methods such as stubble burning, livestock, fertilization are effective on climate change. Agri-environment measure will help to cope with climate change as the commitments include some requirements for climate change mitigation and/or adaptation.

This measure will raise awareness among farmers as a result of training on climate change. Agri-environment measure is a way to decrease the effects of climate change on water used in agriculture, water quality, biodiversity and ecology. The commitments will provide some

solutions to prevent the deterioration of agricultural ecosystems and pastures. They will also help for the change to form sustainable agricultural production patterns.

For example via agri-environment measure **farmers** can:

- Change their **crop rotation** to make the best use of available water,
- Adjust **sowing dates** according to temperature and rainfall patterns,
- Use **crop varieties** better suited to new weather conditions.
- Reduce soil pollution via organic farming

Due to reasons stated above, and in line with the draft National Rural Development Strategy, this measure is a good opportunity to: improve the awareness on agri-environment issues; support farmers in reaching EU standards; to improve monitoring and marketing possibilities; compensate the income forgone of the farmers voluntarily undertaking commitments going beyond the relevant mandatory standards.

Dissemination of results and experiences will be achieved as follows. The Ministry of Food, Agriculture and Livestock (MoFAL) will organise at least four publicity events in the pilot area: one to announce the opening of the measure, two during the contract period, and one at the end of the contract period. These events will involve the potential applicants and organisations representing them (cooperatives, unions, chambers of the agriculture etc.), as well as agricultural extension services.

The events will be accompanied by appropriate communication activities, such as announcements and reports on rural radio or local TV and through other appropriate channels.

Training to advisory services also will be provided. The periods for these training sessions will be given in the training plan to be prepared by MA.

8.2.4.4. General objectives, specific objectives

General objectives of the measure is to prepare Turkey for the future implementation of agri-environment, climate and organic farming measures for Member States and to contribute to the sustainable management of natural resources and mitigation by the application of agricultural production methods compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity, going beyond relevant mandatory standards.

Specific objectives are:

- To decrease soil erosion;
- To maintain soil quality in terms of fertility, organic matter content, soil structure, and soil biodiversity;
- To raise awareness about environmentally-friendly farming practices.
- To decrease the amount of water used for irrigation;
- To improve groundwater quality and quantity.
- To protect the local species with a special emphasis on establishing stability and sustainability of Great Bustard population by improving their habitats;
- To raise awareness on the value of biodiversity and particularly the Great Bustard population;

• To decrease the damage given to the environment during the agricultural activities to the minimum level,

• To extend organic farming practices.

8.2.4.5. Linkage to other IPARD measures in the programme and to national measures

The Measure is linked with measures on production and processing of food products with emphasis on improvement of environment, biodiversity and pastures for meat and dairy herds as well as protection of natural resources. The measure is also linked with the development of the competitiveness pressure on resources as well as with LEADER approach for the development of local development strategies.

The measure is also linked with Environmental Law No 2872, Soil Conservation and Land Use Law No 5403, Organic Farming Law No: 5262.

8.2.4.6. Final Recipients

Support will be available for natural and legal persons who are registered under the Farmer Registry System and who on a voluntarily basis make the agri-environmental commitments for the land management for 5 years.

The recipient should follow GAEC standards on his area which is under the commitment in the selected pilot area. GAEC means Good Agricultural and Environmental Condition and consists of a set of required rules for agricultural practices which are **legally binding** and constitute a baseline for the farmers to be respected as an **entry condition** for AE commitment. These GAEC standards will be checked by ARDSI during the on-the spot controls.

Table 22. Relevant mandatory standards for the pilot agri-environment measure in Turkey

Issue	**Relevant GAEC Standards**	**Relevant legislation, source**
Soil organic matter	Stubble burning is prohibited in arable land under Environmental Law No 2872	Environmental Law No 2872
Soil erosion	Terraces and other physical structures (wind curtains, terraces, flood coves and prevention structures) should not be destroyed.	Soil Conservation and Land Use Law No 5403

8.2.4.7. Common eligibility criteria

- Agri-environmental payments are given to the applicants who voluntarily agree to take up for 5 years environmentally-friendly commitments which go beyond the compulsory legislation or the baseline.
- Minimum size of the agricultural parcel in respect of which an application may be made is 0,2 ha and the minimum size of the land applied for the support is 1 ha.

- Applicant should hold the land cadastre ownership or a proof of lease at least for 5 years.
- The applicant must comply with the GAEC standards specified above.
- The applicant must keep the farm record book in line with the format provided by ARDSI during the whole 5-years commitment period. Farm records are documents containing information on all the agricultural activities performed on the farm relevant to the commitment.
- The applicant can use advisors for getting information on the sub-measure such as application rules, the slope of his land, contract to be signed, etc.The applicant must participate in to 4 hours of compulsory training about AE measures in the first year of the commitment.

8.2.4.8. Specific eligibility criteria (per sector)

Management of soil cover and soil erosion control:

- Land eligible for the support should be non-irrigated arable land located in Beypazari district of Ankara.
- Commitments cover recipients who apply for non-irrigated arable land.

Water conservation:

- Support will be provided for arable land in Sereflikochisar district of Ankara which is approved as irrigated land based on the records and maps of public institutions.
- Only those applicants who are using licenced groundwater wells for their arable agricultural lands that are recognized as irrigated land in Şereflikoçhisar district can apply for this intervention area.

Biodiversity:

- Land eligible for support is the arable lands in Polatli district of Ankara.

Organic Farming:

- Registration on Organic Farming Information System and having contracts with Control and Certification Bodies authorised by MoFAL will be required.
- The selection of products will be done after the analysis on the pilot districts.

8.2.4.9. Eligible expenditure

The payment that will be made under this measure is the compensation of the farmer caused by the income forgone and extra costs and also the transaction costs based on the amount of working hours the farmer has to spend on the obliged activities below: Participating in compulsory training, farm labour costs

- Participating in compulsory training, farm labour costs
- Advisors costs
- Preparing farm records, farm labour costs

Methodology for calculating the payment levels is given in the Annex V.

8.2.4.10. Aid intensity and EU contribution rate

Aid intensity (public aid) will be at the level of 100% of the total eligible costs.

The EU contribution shall not exceed a ceiling of 85 % of public expenditure.

Payments per ha will be decided during the implementation phase.

8.2.4.11. Indicators and targets

Indicators	**Target Value**
Number of contracts	Management of soil cover and soil erosion control: 75 Water resource conservation: 15 Biodiversity: 30 Organic farming: 24
Agricultural land (ha) under environmental contracts	Management of soil cover and soil erosion control: 750 ha Water resource conservation: 150ha Biodiversity: 300ha Organic farming: 240ha
Number of training sessions organised	3 training sessions with duration of 4 hours
Number of farmers participating in training courses	129
Number of type of operations supported	4
Total area per type of operation	(a) management of inputs: 1,440ha (Soil: 750ha, Biodiveristy:300ha, Organic: 240ha, Water: 150ha) (b) cultivation practices: 1,440 ha (Soil: 750ha, Biodiveristy:300ha, Organic: 240ha, Water: 150ha) (c) management of landscape, habitats, grassland: 300 ha (d) farm management integrated approaches: 1,440 ha (Soil: 750ha, Biodiveristy:300ha, Organic: 240ha, Water: 150ha) (e) organic farming: 240 ha
Number of supported species of endangered breeds:	1
Number of holdings supported under organic farming type of operation	24
Improvement and preservation in groundwater quality	Ground water level will be preserved

8.2.4.12. Administrative procedure

Applicants submit their application to Provincial Coordination Units (PCU) within the specified period of time. Administrative checks are performed by PCUs over the TBS (Agriculture Information System). All parcels are covered by this parcel based system. Data of the agricultural land parcels such as the parcel size, irrigation conditions (irrigated or non-irrigated), type of agricultural production (arable or pasture), slope, yield, other applications of the farmer, etc. can be seen through this system. Contracts are signed with eligible applicants. Control of the commitments will be performed by ARDSI following the procedures given in Annex VI

In comparison with the primary commitment, when the financial budget allows, the applicant may increase the area of agricultural land subject to the commitment up to a specific percentage to be determined by ARDSI. Thus, the duration of the commitment period will remain the same.

The applicant may decrease the area of agricultural land subject to the commitment under the support up to a specific percentage to be determined by ARDSI without any recovery of the support already paid for this land. If the commitment decreases beyond the level referred to above, the support paid for agricultural land concerning the amount exceeding the mentioned level will be recovered.

In order to prevent instances of non-compliance, a system of sanctions will be developed in line with the principles of proportionality.

According to article 47 of Commission Regulation (EC) No 1974/2006, the support will not be recovered in case of force majeure or some exceptional circumstances, in particular:

- Death of the recipient;
- Long-term professional incapacity of the recipient;
- Expropriation of a large part of the holding if that could not have been anticipated on the day on which the commitment was given;
- A severe natural disaster seriously affecting land on the holding;
- The accidental destruction of livestock buildings on the holding;
- An epizootic disease affecting all or part of the applicant's livestock.

8.2.4.13. Geographical scope of the measure

<u>Management of soil cover and soil erosion control:</u>

Beypazarı district of Ankara province due to its proximity to the Managing Authority and adequate infrastructure for monitoring impact.

<u>Water conservation:</u>

Sereflikochisar district of Ankara province due to its proximity to the Managing Authority and intensity of problems related to decrease in groundwater levels.

<u>Biodiversity:</u>

Polatli district in Ankara province.

Organic Farming:

Selection of the districts will be done in the further studies.

8.2.4.14. Other information specific to the measure (as defined in the measure fiche)

The measure is new to Turkey and should really be seen in a pilot scale. The measure is innovative in the Turkish context as it encourages farmers to protect, maintain and enhance the environmental quality of their farmland. This implementation should be considered as pilot, which means that the measure might need to be further revised in the light of experience gathered to reflect the complex realities of Turkey (such as extreme climate, etc.). In case the measure fiche needs revisions, these revisions regarding contract issues will also be reflected to the contracts to be signed by the farmers.

Selection criteria for the measure will be carried out as "first come, first served" methodology. Under this scope, ARDSI will give priority to the recipients who apply earlier than the others and make a ranking according to the timing.

In the beginning the commitments specified for "Management of soil cover and soil erosion control" sub-measure in IPARD I (2007-2013) will be valid for IPARD II to counteract soil erosion (other commitments can be developed in the course of implementation in case of needs). These commitments have been prepared within two packages as below:

Management of soil cover and soil erosion control:

General description of the pilot area

Beypazarı is a district of Ankara Province in the Central Anatolia region of Turkey, approximately 100 km west of the city of Ankara. Beypazarı, on the historic Silk Road, is a place with full of cultural richness and natural beauties. Beypazarı is famous for its carrots (producing nearly 60% of Turkey's carrots) and high quality natural mineral water.

Beypazarı has much natural beautys such as plateaus, valleys, hills ornamented with biological diversity and rare plant species. The wetlands, arable lands, meadows, also forests and steppes are important as breeding, food and wintering areas for many water birds and raptors.

(Nature-friendly Farming Booklet for Turkey /Türkiye için Doğa Dostu Tarım Kitapçığı, 2008)

In certain regions of this rich land combining greenery and steppe, there are several endemic species existing only in this steppe area in the world. For example, "Beypazarı Geveni" (wild liquorice) is one of the rarest species.

Thanks to the natural water springs, fertile agricultural lands and variety of species, this district not only appeals to the eye but also offers an opportunity to observe this fascinating environment.

Values to protect with the sub-measure

The values to protect with the sub-measure are the high quality of soil with high content of soil organic matter, favourable soil structure – more resistance to the erosion, high soil biodiversity, etc. Soil with good properties and fertility is the greatest resource for agricultural production. An adequate and balanced supply of the elements necessary for plant growth is provided through the processes of nutrient cycling. These processes underpin all other ecosystem services:

- soil is a habitat for several living organisms – both animals and plants;

- soil is a very effective water filtration system;
- carbon cycle in soil which plays an important role in both climate change and global warming as the majority of carbon in the atmosphere comes from biological reactions within the soil;
- soil organisms decompose many organic compounds, such as manure, remains of plants, fertilisers and pesticides, preventing them from entering water and becoming pollutants; etc.

Description of the agricultural sector in the pilot area

The 67% of the district population is engaged in agriculture. 70% of farmers are registered in Farmers Register System administrated by MoFAL. Total agricultural land is 87.829 ha.

In irrigated lands 2 or 3 crops can be harvested per year (Beypazarı report for Commercialization of Local Products, 2012/ Beypazarı Yöresel Ürünleri Ticarileştirme Stratejisi Raporu, 2012).

According to the data of 2013 taken from Beypazarı Agricultural District Directorate;

The main crops grown in the region are wheat, barley, lettuce, carrot, sunflowers and spinach. Wheat, barley, sunflower (for snack) and fallows are present in non-irrigated fields. Sunflower is also grown in irrigated field for oil.

The fields with size less than 0.2 ha are mainly vineyards and orchards and market gardens Area of fields with size 0.2-0.99 ha is 640 ha in total, field size between 1-10 ha is 22 000 ha in total, 11-50 ha field size in total is 39 300 ha, 51-100 ha is 2 260 ha and there are no fields larger than 100 ha.

Non-irrigated fields of wheat, barley, sunflower and fallow, generally have an average size of 1.5 ha. Around 1800 farmers are cultivating non-irrigated crops (often combined with irrigated crops in smaller areas).

Average non-irrigated grain yields are 2 800-3 000 kg/ha for barley, and 2 000 – 3 500 kg/ha for *wheat.* Due to extreme climate conditions (in particular variable rainfall), yield can differ very significantly between years.

Fallow land is used for grazing animals (mainly sheep).

The market prices for wheat and barley are stable at around 0.72 TL/kg for bread wheat and 0.58 TL/kg for fodder barley.

According to the data of 2014 taken from Beypazarı Agricultural District Directorate;

In the selected area (the whole area of Beypazarı district), there are approximately 2209 farmers and 16 farmer cooperatives.

Table 23. Distribution of land in Beypazarı

Type of land	**Area (ha)**	**Share (%)**	**Irrigated area (ha)**
Agricultural land (arable)	63.645	34,00	9500
Forest	41.931	22,00	
Pasture-grassland	24.184	13,00	
Non-agricultural lands	57.040	31,00	
Total	186.800	% 100	

In the district, cereals are cultivated in most of the arable lands. The area covered by field crops is 55,000 ha including fallow lands. 9500 ha of arable lands can be irrigated corresponding to 15% of total agricultural land.

Table 24. Distribution of the agricultural land in Beypazarı

Type of the land	Cultivated land (ha)	Fallow (ha)	Land (ha)	Share (%)
Field (cereal)	42.818	10.268	53.086	85,00
Vegetables			8.005	13,00
Vineyards			600	1,00
Orchards			754	1,00
Fields not used			1.200	
Total			**63.645**	**100**

The figures given by the district to the Province Directorate and the Statistical Unit are above. The total agricultural land is 63.645 ha. Except from the lands for vegetables, vineyards, orchards and the fields not used, approximately 53.086 ha land includes 10.268 ha fallow. This fallow land covers 20-25% of the total arable land.

14534,59 ha of the total arable land lies on slopes with more than 12 degrees gradient.

Agri-environmental problems in the selected pilot area

Soil problems in the selected pilot area are mainly connected to wind and water erosion, especially on non-irrigated arable land which is used for cereal production combined with traditional fallow. The erosion and slope maps of the district have been given in Annex VII These maps have been elaborated according to the recommendations of the soil experts from The Directorate of Soil, Fertiliser and Water Resources Research Institute. The tables in the Annex VII show the classification of erosion and slope of the district.

Loss of organic matter due to erosion processes, inappropriate management of soil like deep ploughing and using traditional fallow without vegetation in the summer months, when the soil is most prone to wind erosion are leading to the degradation of soils.

These soil problems are also very closely related to the loss of biodiversity, both above and under the ground.

Objectives of the sub-measure

- To decrease soil erosion;
- To maintain the existing values of soil such as soil fertility, organic matter content in soil, soil structure, and soil biodiversity;
- To test the effectiveness of these sub-measure packages
- To raise awareness about environmentally-friendly farming practices.

Definition of final beneficiaries

Support is available for natural and legal persons who are registered under the Farmer Registry System and who on a voluntary basis make the agri-environmental commitments for the land management for 5 years.

The beneficiary should follow the relevant GAEC standards as identified above on the area under the commitment in the selected pilot area.

Eligibility criteria

Eligible land

Land eligible for the support depends on a package but should in any case be non-irrigated arable land situated in Beypazarı district.

Minimum size of the agricultural parcel in respect of which an application may be made is 0,2 ha and the minimum size of the land applied by the applicant for the support is 1 ha.

Other eligibility criteria

Land cadastre ownership or a proof of lease (at least for 5 years) should be submitted.

AE sub-measure requirements

Erosion sub-measure encourages farmers to apply agricultural methods which comply with the protection and improvement of the soil.

Within the packages, as seen, the crop rotation has taken into consideration and the crops to be used for this aim have been chosen from the leguminous species. The most suitable plants as green fertilisers are leguminous (trefoil, common vetch and clover) and graminae species (barley, rye and oat). Legumes provide adequate ground cover to protect against soil erosion, either over winter, as in the case of an under seeded perennial, or in the late spring, as in the use of early seeded annual, have a high rate of nitrogen fixation and good biomass production,

If a legume can readily obtain nitrogen from the soil, such as after a nitrogen fertiliser application, the atmospheric nitrogen fixation process will be inhibited. As a result, the incorporated legume will not add "new" nitrogen to the soil but rather recycle nitrogen that was already in the soil.

In the areas under erosion, it has been determined that the soil is poor in terms of organic matter and phosphor. Because organic matter connects the soil fragments (clay, silt, sand) together and provides a strong clustered structure. Via organic matter, the structure of soil improves and this prevents erosion. The most suitable plants for soil to gain organic matter are leguminous plants.

All the selected activities below contribute to combat erosion. Another example is the stubble. Stubble covers the soil and prevents erosion.

General description of the sub-measure

Both packages aim to prevent erosion. The farmers who voluntarily apply for erosion sub-measure commit to combat with erosion in their field by implementing the requirements below according to the package they choose.

This sub-measure consists of 2 packages for only non-irrigated arable lands:

1) Package including green fallow requirements;

2) Package including perennial green cover;

Package including green fallow requirements

Applicant has to uptake 5-years commitment on non-irrigated arable land with less than 12 degree slope gradient for fulfilling following requirements:

- The farmer should keep 100% of his committed land under green fallow cover every second year. (During the commitment period, cereal and green cover are sown respectively).
- On the committed area: annual common vetch or cereal should be sown in March or April. The cereal should be sown in autumn by the end of October the latest.
- The stubble of the preceding cereal crop should be left on the field until the green fallow is sown.
- The green fallow vegetation shall be ploughed and mixed with soil between May-June; green fallow shall be left on the field till the wheat is sown.
- The crop of green fallow should be mixed to the soil and left on the field (not harvested/mowed).
- Grazing is not allowed.
- Applicant should keep the farm record book during the whole 5-years commitment period at the level of a plot.
- The applicant must participate to 4 hours compulsory training on this sub-measure in the first year of commitment period (training on agri-environment, crop rotation, green cover maintenance, etc.).

Package including perennial green cover

Applicant has to uptake 5-years commitment for arable non irrigated land with a slope of 12 or more degrees per cent for fulfilling following requirements:

- Support is paid for the slopes with more than 12% which is kept under green cover by permanent plant during the whole commitment period.
- The farmer should keep 100% of his committed land under green fallow
- Green cover land should be covered with perennial trefoil and the maintenance of trefoil (especially partial re-seeding depending on the plant density on the area) shall be ensured.
- The crop should be sown in March or April.
- The crop of green cover should be left on the field (not harvested) through the commitment period (five years). The crop of green cover can be mowed from top after the third year.
- Grazing is not allowed.
- Applicant should keep the farm record book during the whole 5-years commitment period.
- The applicant must participate to 4 hours compulsory training on this sub-measure in the first year of commitment period, (training on agri-environment, crop rotation, green cover maintenance, etc.).

Payments

Level of support

For package 1: Annual payments of 1117,38 TL /ha + transaction costs of 10,5 TL/year (plus 300TL advisory service only in the first year if advisory is used)

For package 2: Annual payment of 1286,75 TL /ha + transaction costs of 10,5 TL/year (plus 300TL advisory service only in the first year if advisory is used)

These figures were valid for February 2014. Due to delays on implementation, these figures will be updated every year according to the TURKSTAT inflation rate in December of the year before the starting date of the annual application period.

From second year, every year a price will be indexed based on official inflation rate as published in the links below:

http://www.tcmb.gov.tr/yeni/eng/
http://www.turkstat.gov.tr/UstMenu.do?metod=temelist

Methodology and calculations

Calculations for the packages have been done by the Field Crops Central Research Institute and Agricultural Economics and Policy Research Department of General Directorate of Agricultural Research and Policy under MoFAL and also have been confirmed by the Department of Agricultural Economics in the Faculty of Agriculture of Ankara University.

Calculating income forgone and additional costs

The starting point of the payment calculation is a reference crop rotation for the pilot area. In the area without irrigation, rainfall determines the crop rotation.

The payment calculation is based on the income forgone and extra costs. The income forgone is expressed as gross margin (return minus direct costs) and calculated by comparing the reference gross margin to the gross margin under the requirement. Extra costs include planting of green cover, labour, seeds etc.

Major agronomic assumptions for calculations:

- Baseline crop pattern in the area assumed is wheat/wheat/fallow/wheat/wheat; other patterns particularly with sunflowers are present as well;

- Yield – 2.9 tonnes / ha (average) – yield is highly changeable due to extreme weather conditions, in particular rainfall. (Source: www.tuikapp.tuik.gov.tr/bitkiselapp/bitkisel.zul)

- Standard gross margin from 1 ha for non-irrigated arable land is thus 1207,19 TL/per year calculated by experts based on statistical data (see the methodology of calculation and sources of data listed in Annex V) in absence of full FADN data.

- Common vetch expense of 1057 TL per ha per year – experts' calculation (in absence of full FADN data using public statistics (see the methodology of calculation and sources of data listed in Annex V).

- Trefoil expenses of 1605 TL (for the period) experts' calculation (in absence of full FADN data using public statistics (see the methodology of calculation and sources of data listed in Annex V).

Table 25. Payments for the package including green fallow requirements

REFERENCE CROP ROTATION	AE CROP ROTATION	YEARS	INCOME LOSS from wheat production (TL/ha) (1)	COMMON VETCH EXPENSES (TL/ha) (2))	**Income loss+Common vetch expenses) (1) + (2) (TL/ha)**	**Annual amount to be paid for 1 ha (Euro/ha) (indicative*)**
Wheat	Common vetch	1	x	x	**x**	
Wheat	Wheat	2	0		**0**	
Fallow	Common vetch	3	0	x	**x**	
Wheat	Wheat	4	0		**0**	
Wheat	Common vetch	5	x	x	**x**	
	TOTAL for 5 years				**5586,9**	**1897,72**
	Annual payment				**1117,38 TL**	**379,54**

(*Exchange rate on 17.02.2014: 1 Euro=2,944 TL/Central Bank of Turkish Republic)

Table 26. Payments for the package including perennial green cover

REFERENCE CROP ROTATION	CROP ROTATION	YEARS		INCOME LOSS (TL/ha) (1)	TREFOIL EXPENSES (TL/ha) (2)	**Income loss + expenses (1) + (2) (TL/ha)**	**Annual amount to be paid for 1 ha (Euro/ha) Indicative*)**
Wheat	Trefoil	1		x	x	x	
Wheat	Trefoil	2		x		x	
Fallow	Fallow	3		0		0	
Wheat	Trefoil	4		x		x	
Wheat	Trefoil	5		x		x	
	TOTAL for 5 years					**6433,76**	**2185,38**
	Annual payment					**1286,75**	**437,07**

(*Exchange rate on 17.02.2014: 1 Euro=2,944 TL/Central Bank of Turkish Republic)

More details on the methodology of calculations are found in Annex V of this programme.

Calculating transaction costs

Transaction costs are the costs which the applicant has to make related to the agreement. Transaction costs are the costs that are not directly related to the implementation costs of the agreement. The transaction costs are calculated per farm and they are based on the amount of working hours the applicant has to spend on the obliged activities and also these costs are related to hiring an expert (advisor) to assist farmer. These advisors will be employed by Agricultural Chamber of Beypazarı.

The size of the farm doesn't have an effect on transaction costs. Beneficiaries will receive 352.5 TL - transaction costs (see Table 27). They have been shown in the table below (with the payment schedule).

In order to prevent overcompensation, transaction cost also cannot exceed more than 20 % of the calculated income forgone and additional costs.

Table 27: Calculation of transaction costs for the AE

	Hours	**Total costs per farm, TL**	**Costs per year, TL** **Source: TURKSTAT**	**Related description**
Participation of applicant to compulsory training (farm labour costs)	4	17.5	35 TL/day	Training is free for farmers but the farmers will be compensated for time spent away from farm work
Preparing farm records book (farm labour costs)	8	35	35 TL/day	
Advisory costs	4	300	600 TL/day	(75 TL/hour) (source: Department of Training and Extension Services of MoFAL)
Total		**352.5 TL**	**10.5 TL/year**	**300 TL for advisory services payable in the 1st year.**

The calculations have been done according to the 2012 figures taken from http://www.tuik.gov.tr

Table 28. Indicators and target levels

Type of the indicator	Indicator	Target
Output indicator	Number of farm holdings and holdings of other land managers receiving support	60
	Area under the sub-measure, ha	420
	The number of contracts	60
Additional output indicator	Number of training sessions organised	For each applicant, 4 hours of training
Result indicator	Areas completed the commitment period contributing to improvement of soil quality	360
Additional result indicator	Number of farmers participating successfully in training courses	60
Impact indicator	Soil loss due to wind and water erosion has been decreased	Soil loss (t/ha) is decreased
	Improvement and preservation of soil fertility	Changes in organic matter, soil structure

The current general points such as methodology or baseline etc. refer to erosion sub-measure. Documents for the other parts of the measure have templates. These templates will be revised by Managing Authority and the related experts (e.g. clear definition of the commitments, specific calculation of payments for the intervention areas, controllability of commitments, relevant baselines etc.). However there are some indicative commitments for the intervention areas, they are shown below:

Water conservation:

As mentioned above the requirements will be confirmed in the further studies.

Biodiversity:

- No stubble burning;
- No harvesting of legumes during the night;
- No chemical fertilisers, herbicides and fungicides on legumes between 1 March and 1 July;
- No using of insecticides during the 5-years commitment for any crops;
- No new drainage;
- No new fences.

Organic farming:

As mentioned above the requirements will be confirmed in the further studies.

8.2.4.15. Indicative Budget

Years	Total Eligible Investment	Total		Public Expenditures				Investor's Share	
				EU Contribution		National Budget			
	Euro	Euro	%	Euro	%	Euro	%	Euro	%
2014	-	-	100	-	85	-	15	-	0
2015	-	-	100	-	85	-	15	-	0
2016	-	-	100	-	85	-	15	-	0
2017	1,304,686	1,304,686	100	1,108,983	85	195,703	15	-	0
2018	0	0	100	0	85	0	15	-	0
2019	-	-	100	-	85	-	15	-	0
2020	-	-	100	-	85	-	15	-	0
Total	1,304,686	1,304,686	100	1,108,983	85	195,703	15	-	0

8.2.5 IMPLEMENTATION OF LOCAL DEVELOPMENT STRATEGIES – LEADER APPROACH

8.2.5.1. Title of the Measure

Implementation of Local Development Strategies – LEADER Approach

8.2.5.2. Legal basis

- Article 3.1.d of IPA Council Regulation No: 231/2014
- Relevant provisions of IPARD Sectoral Agreement

8.2.5.3. Rationale

Culture, identity and geography of a rural area are identified by that area's specific characteristics. Thus, the rural area can also be defined as a common territory with a particular identity. Moreover, each rural area has its own historical and geographical background, socio-economic challenges, specific local and traditional products and common needs.

LEADER is an approach proven to be a very valuable resource for developing rural policies by encouraging local participation and partnership in preparation and implementation of sustainable development strategies for rural areas. This approach was included in the 2007- 2013 Programme for Turkey to implement European Union Common Agricultural Policy and Rural Development Policy within the scope of measure "202- Preparation and Implementation of Local Rural Development Strategies (LDS)". Taking into account the preparatory works for the LEADER measure, the Managing Authority carried out a "Twinning Project for Support to the Implementation of LEADER Measure under IPARD" between 02 November 2010 and 12 May 2011. This project enhanced the capacity of MA and ARDSI for the preparation and implementation of LDSs. Technical and legal background for the implementation was established. In this scope, potential LAGs were formed and selected as pilot LAGs. The priorities of the LDS were identified. The LEADER approach is also included in Turkey's draft National Rural Development Strategy under priority axis 5. Enhancing local development capacities by establishing district level governance structures, developing new methods for improving services are also covered.

In Turkey, two pilot LAGs were established in Birecik district of Şanlıurfa province and Iskilip district of Çorum province. These rural areas of Northern and Southern Turkey were selected due to their particular range of local products and tourism potential. These pilot LAGs found it very useful for elaborating a local strategy based on local partnership. In this scope, there is a clear need for the elaboration of LDS under the LEADER measure for building partnerships and capacity for the economic, social and cultural development in these rural areas.

Experiences in EU countries show that the LEADER approach brings significant changes to the lives of rural people. This approach encourages innovative solutions for rural problems and assumes an important mission to meet the needs of local communities.

This approach means that local actors participate in decision-making process related to the strategy and the projects to be conducted in their local area.

The partnerships are based on the private and public spheres in LEADER territories. At the decision-making level, the economic and social partners as well as the other representatives of civil society such as farmers, rural woman, young people and their associations shall build a partnership. The public-private partnership and

implementation of LDS can reinforce territorial coherence and contribute to the long term sustainable development of an area.

8.2.5.4. General objectives, specific objectives

General objectives:

The overall objective of the measure is to implement bottom up local rural development strategies elaborated by Local Action Groups based on the LEADER methodology.

The specific objectives (thematic priorities) of the Local Development Strategies include:

- Development of short supply chains and added value products including. quality products, crafts, and other activities for economic diversification of rural economy;
- Development of rural tourism products based on the use of local, natural, and cultural resources;
- Boosting the cultural and social life of the community and supporting collective local organisations, associations and NGOs (incl. women's groups);
- Improvement of public spaces in villages;
- Improvement of environmental standards in the area and promotion of renewable energy use by community;
- Networking of Local Action Groups, best practice exchange, dissemination of IPARD programme and learning new approaches to rural development.

8.2.5.5. Features of LEADER approach

The LEADER approach is built on Area-based local development strategies intended for well-identified sub- regional rural territories elaborated by Local public- private partnerships (local action groups) in a bottom up way. This means that a decision-making power concerning the elaboration and implementation of local development strategies lies with the Local Action Groups. These strategies cover many sectors and are based on the interaction between actors and projects of different sectors of the local economy. The LAGs are involved in networking and will use innovative approaches.

8.2.5.6. Eligibility criteria for the application of LAGs

- A LAG shall be an officially registered legal person only in the form of an association based on valid relevant legal acts.
- The total population of the LAG area must be between 10,000 and 150,000; and the maximum population of any settlement included in a LAG and LDS must be 25,000. The maximum settlement population shall be 50,000 for Birecik and İskilip which are the pilot LAGs for Turkey.
- No overlapping may occur between Local Action Groups. Any settlement may belong to only one Local Action Group area.
- At the decision-making level, the economic and social partners as well as other representatives of the civil society, such as farmers, rural women,

young people and their associations must form more than 50%. Moreover, at least 20% members of the management board shall be representatives of the local authorities. However, public authorities as defined in accordance with the national rules, or any single interest group, shall represent less than 50% of the voting rights.

- The management board of the LAGs must ensure correct age diversity and gender equality: At least one woman and at least one young person equal to or below the age of 25 should be part of the management board.
- A LAG must propose a Local Development Strategy for their area using the Guidelines prepared by the Managing Authority.

8.2.5.7. Selection criteria for LDSs

- Quality of the partnership;
- Coherence of the LAGs territory and sufficient critical mass in terms of human, financial and economic resources;
- Quality of the SWOT analysis;
- Evaluation of proposed priorities and activities and their coherence with SWOT and with the LAG's human and financial resources
- Stakeholder involvement;
- Ability of the LAG to the implement the LDS;
- Mobilisation of additional resources for the LDS implementation such as national funding, voluntary work etc (double funding should be avoided);

The LAGs and their LDSs will be evaluated by an Evaluation Committee according to the criteria above. The evaluation Committee will be composed of experts from the Managing Authority and rural development organisations and institutions. Members of the Evaluation Committee will be appointed by the Minister or another high-level official, upon the proposal of the Managing Authority.

The total maximum score is 100 (for details see Annex 10). The minimum score to ensure sufficient quality of the Local Development Strategy and the LAG itself is at least 40 points. The list of selected and non-selected applicants based on the ranking above and in line with the financial resources available will be prepared by the Managing Authority.

8.2.5.8. Linkage to other IPARD measures in the programme and to national measures

Complementarity to the other IPARD measures:

This measure enforces links between the planned measures, promotes the rational use of resources potentially available for rural development, and supports the preparation of LEADER LAG-based policy delivery.

The Technical Assistance measure will cover the activities for the "acquisition of skills and, animating the inhabitants of rural territories" to support the establishment of LAGs and preparation of LDS; Networking activities of LAGs also will be organised via National Rural Network under Technical Assistance measures

Complementarity to other national programmes:

The local development strategies elaborated within the scope of the measure should be in line with the existing national programmes, and create connections amongst projects planned within the scope of other national programmes. For instance, LEADER activities encourage rural communities not only to access LEADER funds but also to other national resources, and develop their capabilities to use them. Within this framework, the aim is to activate local resources by supporting projects. under the LEADER measure, other IPA components and other funds in order to help sectors and beneficiary groups in rural activities such as cultural activities, protection and improvement of the environment, restoration of historical buildings, rural tourism activities and strengthening the relationship between producers and consumers.

The 10th National Development Plan foresees district based development programmes to meet the needs of rural settlements. Enhancing local ownership in identifying local needs and monitoring of investments are among the priorities of the plan.

8.2.5.9. Final Recipients

LAGs selected through a national selection procedure.

8.2.5.10. Eligible activities

"Implementation of local development strategies – the LEADER approach" – for selected LAGs will cover the following activities:

- Acquisition of skills, animating the inhabitants of LAG territories;
- Running costs of the selected LAGs
- Implementation of small projects

"Cooperation projects" for inter territorial or transnational projects will be launched in the next programming period when LAGs are sufficiently experienced.

All the activities must be linked to one or more of the following six thematic priorities:

1. Development of short supply chains and added value products including. quality products, crafts, and other activities for economic diversification of the rural economy;
2. Development of rural tourism products based on the use of local, natural, and cultural resources;
3. Boosting the cultural and social life of the community and supporting collective local organisations, associations and NGOs (incl. women's groups);
4. Improvement of public spaces in villages;
5. Improvement of environmental standards in the area and promotion of renewable energy use by the local community;
6. Networking of Local Action Groups, best practice exchange, dissemination of IPARD programme and learning new approaches to rural development.

Eligible activities for "Acquisition of skills, animating the inhabitants of LAG territories:

- Training of the local inhabitants including LAG members and staff;
- Organisation of information, animation and publicity activities in the LAG area;
- Participation of local inhabitants including LAG members and staff in national and international seminars, workshops, meetings and study visits and in National

Rural Development Network and EU networking events;
- Preparation of social, economic, marketing and similar studies.

Eligible activities for small projects:

Small projects are of a collective nature for the benefit of the community, organisations and groups.

Small projects cover activities relating to the above six thematic priorities such as:

- Events (such as village festivals, contests, participations in fairs, and similar actions);
- Purchase of materials and equipment (such as computers, packing and marketing equipment, publicity and marketing materials, tourism information boards, signs, solar panels, composters, materials for cultural and youth groups, furniture and equipment for community rooms and similar items);
- Small scale refurbishing of community buildings, improvements of public spaces and tourist trails and small scale infrastructure and similar actions;
- Design plans for the restoration of historic buildings.

Maximum 5.000 EURO support shall be provided for each project listed above.

Maximum 15 000 EURO will be applied in the provinces affected by the earthquakes

8.2.5.11. Eligible expenditures

Acquisition of skills, animating the inhabitants of LAG territories

- Experts' services;
- Translation and interpretation services;
- Travel expenses including domestic and foreign accommodation/travel and daily allowances;
- Fees for participation in training, seminars, workshops and fairs,
- Rental costs of facilities / meeting rooms;
- Catering costs;
- Preparation, printing and distribution costs of publicity materials.

For running costs:

- salaries of the LAG manager and/or other LAG staff;
- office rental and general expenses (electricity, heating, phone, internet provision etc);
- office materials (stationary etc.);
- transport costs (incl. fuel);
- insurance;
- costs linked to visibility;
- service expenses (IT expertise, accounting etc.);
- office equipment incl. IT;
- office furniture;

- car (up to 10,000 EUR).

For the implementation of small projects:

- Costs of events, fairs, festivals and contests;
- Costs of equipment (including furniture and IT) and small machinery;
- Costs of publicity and marketing;
- Costs of works and materials;
- Cost of experts.

8.2.5.12. Aid levels, intensity and EU contribution rate

Share of public aid within eligible expenditures is up to 100% where the EU contribution rate is 90%.

The budget allocations for LDS according to LAG category[11] are as below:

Maximum total annual amount to be allocated for all LAGs for the first year 120.000 €

Maximum total annual amount to be allocated for the following years;

- For small LAGs 100.000 €
- For medium LAGs 120.000 €
- For Large LAGs 140.000 €

Of which:

Maximum annual amount to be allocated for recurring costs for the first year for all LAGs 35.000 €

Maximum annual amount allocated for recurring cost for small LAGs 35.000 €

Maximum annual amount allocated for recurring cost for medium LAGs 40.000 €

Maximum annual amount allocated for recurring cost for Large LAGs 45.000 €

(For the LAGs that have signed a contract with ARDSI within the scope of the 7th call for application, maximum total annual amount to be allocated are as follows:

For 2022:

-For small LAGs; 200,000 €

[11]The LAGs are devided into three different cathegories.

Small LAGs are composed of only one district and has less than 30000 population.

Medium LAGS are;

- composed of only one district which have 30000 population or more;
- .composed of two/three districts and less than 30000 population.

Large LAGs are;

- composed of two/three districts and have 30000 population or amore.
- composed of more than three districts.

-For medium LAGs; 240,000 €

-For large LAGs; 280,000 €

Of which:

Maximum annual amount allocated for recurring cost for small LAGs; 50,000 €

Maximum annual amount allocated for recurring cost for medium LAGs; 55,000 €

Maximum annual amount allocated for recurring cost for Large LAGs; 60,000 €)

and 2023

-For small LAGs; 300,000 €

-For medium LAGs; 360,000 €

-For large LAGs; 420,000 €

Of which:

Maximum annual amount allocated for recurring cost for small LAGs; 100,000 €

Maximum annual amount allocated for recurring cost for medium LAGs; 110,000 €

Maximum annual amount allocated for recurring cost for large LAGs; 120,000 €

and 2024;

-For small LAGs; 405,000 €

-For medium LAGs; 474,000 €

-For large LAGs; 540,000 €

Of which:

Maximum annual amount allocated for recurring cost for small LAGs; 210,000 €

Maximum annual amount allocated for recurring cost for medium LAGs; 231,000 €

Maximum annual amount allocated for recurring cost for Large LAGs; 252,000 €.

For the LAGs that have signed a contract with ARDSI within the scope of the 12th call for application, maximum total annual amount to be allocated for 2023 and 2024 as follows:

-For small LAGs; 150,000 €

-For medium LAGs; 180,000 €

-For large LAGs; 210,000 €

Of which:

For 2023;

Maximum annual amount allocated for recurring cost for small LAGs; 48,000 €

Maximum annual amount allocated for recurring cost for medium LAGs; 55,000 €

Maximum annual amount allocated for recurring cost for large LAGs; 61,500 €

for 2024;

Maximum annual amount allocated for recurring cost for small LAGs; 64,000 €

Maximum annual amount allocated for recurring cost for medium LAGs; 70,400 €

Maximum annual amount allocated for recurring cost for large LAGs; 76,800 €

Maximum amount to be allocated for the purchase of assets for all LAGs for the whole period of LDS. 22000 €

Minimum amount to be allocated for animation/capacity building cannot be less than the amount allocated for recurring costs of the same year.

LAGs with which a contract is signed can receive pre-payment from the national budget of up to 10 % of the contracted amount in order to start their activities. However, no reimbursement will be requested from the Commission for this pre-payment.

8.2.5.13.Indicators and targets

Indicator	**Target**
Acquisition of skills and animating the inhabitants of LAG territories	
Number of information and publicity activities	3003
Number of trainings of LAGs	751
Number of participants attending information and publicity activities	60060
Number of participants who have undergone training activities	7508
Implementation of LDS	
Number of LAGs operating in rural areas	50
Population covered by LAGs	1,501,500
Number of projects recommended	501
Number of small projects	3003
Gross number of jobs created	123

8.2.5.14.Administrative procedure

- The LAG shall prepare the LDS based on the Guidelines issued by the Managing Authority.
- ARDSI will launch the call for applications.
- ARDSI shall assess the eligibility of application and will transmit the eligible applications (incl. their Local Development Strategies) to the MA via an official letter.
- MA shall transmit all eligible applications to the Evaluation Committee.
- The Evaluation Committee score the applications according the selection criteria (Annex 10). MA fulfills the task as the secretariat of Evaluation Committee.
- Based on the list of selected and non-selected LAGs prepared by the Evaluation Committee, ARDSI shall sign contracts with selected LAGs

(the contract defines the rights and commitments of the LAG).

- The LAG shall submit its Annual Implementation Plan to ARDSI and MA.
- The LAG shall carry out animation, capacity building and execute small projects in accordance of their Local Development Strategy and the Annual Implementation Plan.
- The LAG prepares letters of recommendation to ARDSI for projects under the relevant IPARD measure to confirm their compliance with the Local Development Strategy.
- The LAG shall submit a payment claim to ARDSI for the reimbursement of capacity building costs, running costs and costs of small projects implemented by the LAG.
- ARDSI shall check the LAG in accordance with contract commitments (administrative and on-the-spot checks).
- ARDSI shall make payments to the LAG based on payment claims which are checked and approved.

8.2.5.15. Geographical scope of the measure

LEADER measure shall be implemented in the 42 IPARD provinces of Turkey. Implementation areas shall be opened gradually.

8.2.5.16. Indicative Budget

Years	Total Eligible Investment	Total		Public Expenditures			
				EU Contribution		National Budget	
	Euro	Euro	%	Euro	%	Euro	%
2014	-	-	100	-	90	-	10
2015	-	-	100	-	90	-	10
2016	-	-	100	-	90	-	10
2017	4,933,333	4,933,333	100	4,440,000	90	493,333	10
2018	4,933,333	4,933,333	100	4,440,000	90	493,333	10
2019	1,644,445	1,644,445	100	1,480,000	90	164,445	10
2020	0	0	100	0	90	0	10
Total	11,511,111	11,511,111	100	10,360,000	90	1,151,111	10

8.2.6. Investments in Rural Public Infrastructure

8.2.6.1. Title of the Measure

Investments in Rural Public Infrastructure

8.2.6.2. Legal basis

- Article 2 (a)-(vi) Regulation (EU) No 231/2014 of the European Parliament and of the Council
- Article 55 of IPA Commission Implementing Regulation (EU) No: 447/2014
- Relevant provisions of IPARD Sectoral Agreements

8.2.6.3. Rationale

Turkey's potential for generating renewable energy is enormous for solar, wind, geo-thermal and hydropower. An increase in the share of renewable energy production in total electric production is a key target presented in Turkey's Action Plan of Climate Change which covers the period between 2011 and 2023. The government plans to meet 30% of electricity demand from renewable energy sources by 2023.

It is known that some local administrations have difficulties in paying electricity bills of their water and sewerage treatment plants and sometimes cannot operate them. This fact justifies the provision of 100% grant for small scale renewable energy to the proposed eligible institutions. This is since these investments are essential to reduce the costs of providing basic services, to achieve a reduction in greenhouse gas emissions and to meet energy demands. The renewable energy sector is developing fast, and is necessary to be open and flexible in recommending eligible investments and applicants. At the current rate of investments in renewable energy it will take decades to increase the share of clean energy to significant amounts in total energy production. In this framework, supporting these local administrations for their renewable energy installations will be a contribution both to their operations and preservation of nature.

8.2.6.4. General objectives

- To harness the environment friendly renewable energy sources and to enhance their contribution to the socio-economic development.
- To meet and supplement rural energy needs through sustainable renewable energy projects.
- To mitigate migration from rural areas to urban areas
- To contribute towards the improvement of living standards for rural population;

8.2.6.4.1. Specific objectives

The measure targets;

- To cut operational costs regarding energy consumption of basic infrastructure of local administrations
- To increase the share of environmentally friendly energy in total electric production to contribute efforts for prevention of climate change

- To increase public awareness towards renewable energy sources.

8.2.6.5. Linkage to other IPARD measures in the programme and to national measures

This measure does not have direct linkage to other IPARD measures. On the contrary to other IPARD measures, eligible applicants are mostly local administrations. Energy is a key factor for growing of economy, Availability of energy infrastructure is an important factor for entrepreneurs who are willing to invest in rural areas.

Government introduced tariff incentives and purchasing guarantee for 10 years to increase attractiveness of renewable energy investments both for local administrations and private entrepreneurs. This guarantee covers investments done prior to 2020.

In Turkey, International and national institutions (World Bank, EBRD, Japan Bank for International Cooperation, Development Bank (national) ILBank (national) finance sustainable renewable energy investments by providing credits. Those investments cover goods services and works. Borrowers of these credits are mostly private entrepreneurs and sometimes local administrations. There is no serious government financial support in the form of grants for investments in renewable energy production specific to local administrations. Only Government-supported Regional Development agencies, which are located in 26 regions, provide grant support to renewable energy projects for SMEs and some local public administration. But the amount provided to these projects remained very limited.

8.2.6.6. Final Recipients

The public authorities listed below are eligible to apply for this measure;

- Village administrations
- County municipalities
- District municipalities
- Province municipalities
- Local Government Associations under the Law No. 5355 (Unions of Village Service Delivery, Unions for Solid Waste Management, Unions for Tourism Infrastructure Service etc.).
- Special Provincial Administrations

8.2.6.7. Common eligibility criteria

- The maintenance of the project must be provided by the final recipient until at least five years after the final payment of the project. However, maintenance costs are not eligible for EU co-financing.
- All projects must be procured in accordance with the rules for external aid of the Commission contained in the Financial Regulation. Public procurement (according to PRAG rules) shall be done by the final recipient.
- Each project must comply with the relevant national legal requirements and the relevant Union standards in force before final payment of the investment by the IPARD Agency.

- All the investments that shall be supported under this measure must be implemented in areas defined in Section 8.2.6.15.
- Where local rural development strategies have been established, the project supported must be in line with those strategies.

8.2.6.8. Specific eligibility criteria

- Renewable energy investment with a capacity up to 1 MW (for micro-cogeneration investments up to 100 kWe) shall be supported
- If the investment aims to produce electricity from renewable energy sources, connection to the national grid is compulsory and the following requirements should be met:
    - The applicant shall submit a document / certificate given by authorised institution (electricity distribution companies, organised industrial zones, Turkish Electricity Transmission Company, etc.) confirming availability of connection to grid before the IPARD contract has been signed.
    - The applicant shall submit the acceptance certificate given by relevant authorities with the final payment claim package.

8.2.6.9. Eligible expenditure

Eligible renewable energy activities are; photovoltaic solar power system, concentrated solar power system, wind power system, geothermal, bio-mass, micro-cogeneration for generation of electricity and/or heat.

8.2.6.9.1 Eligible investments shall be limited to

- Construction or improvement (but not acquisition) of renewable energy investments
- Purchase of new machinery and equipment
- IT hardware / software, including data recording and monitoring systems, for operating renewable energy installations.
- General costs linked to expenditures referred in previous points, such as architects', engineers' and other consultation fees, feasibility studies, the acquisition of patent rights and licences up to a ceiling of 12% of the costs referred to under the previous points.
- General costs although eligible retroactively (since they may occur before contract conclusion) can only be considered eligible if the project to which they relate is actually selected and contracted by the IPARD Agency.

8.2.6.9.2 Demarcation of Assistance

Turkey has no specific EU-assisted grant support scheme for installation of renewable energy investments. From national budget: Regional Development Agencies have been giving grant support to non-profit organisations (governorships, district governorships, universities, NGOs, municipalities, etc.) and profit-oriented organisations (real persons, legal entities, etc.) So far only 14 renewable energy projects have been supported until 2013 thus a significant territorial impact cannot be mentioned. On the other hand, the budget of these supports is considerably limited both as a total and per project. These funds are dispersed without focusing on rural areas.

8.2.6.10. Selection criteria

No	**Selection Criteria**	**Scoring Points**
1	If the applicant is a village administration/county municipality/local government association	30 points
2	If the renewable energy is used specific needs of basic infrastructure (waste water treatment facility, providing of clean water etc.)	50 points
3	If the investment concerns biomass plant	20 points

8.2.6.11. Aid intensity and EU contribution rate

Maximum amount of public aid shall be up to 100% (75% EU, 25% national funds) of total eligible expenditure per investments not of a nature to generate substantial net revenue; for other investments in rural infrastructure it shall be up to 50%.

Maximum eligible expenditure amount per investment is limited to 1,2 million €.

The recipient can only submit a new application for IPARD support, when the previous investment has been finalized (final payment).

8.2.6.12. Indicative Budget

Years	**Total Eligible Investment**	**Total**		**Public Expenditures**			
				EU Contribution		**National Budget**	
	Euro	Euro	%	Euro	%	Euro	%
2014	0	0	100	0	85	0	15
2015	0	0	100	0	85	0	15
2016	0	0	100	0	85	0	15
2017	0	0	100	0	85	0	15
2018	0	0	100	0	85	0	15
2019	0	0	100	0	85	0	15
2020	0	0	100	0	85	0	15
Total	0	0	100	0	85	0	15

8.2.6.13. Indicators and targets

Indicator	**Target**
Number of projects	-
Number of recipients investing in renewable energy production	-
Number of jobs created(gross)	-
Total investment in physical capital (EUR)	-
Amount of installed capacity (MW)	-

8.2.6.14. Administrative procedure

a) Applicant shall submit application package to ARDSI. ARDSI shall check completeness and correctness of application package. If these checks are positive, ARDSI shall select the applicants according to selection criteria and allocated budget and a memorandum of understanding (MoU) shall be signed between ARDSI and selected applicants. After MoU, selected applicants are requested to submit tender call dossier to ARDSI. ARDSI shall check completeness and correctness of tender call dossier.

b) Applicant shall starts to implement tendering procedure and receives offers from tenderers. Applicant shall form an evaluation committee and send it to ARDSI for approval. After approval, tender dossiers shall be opened and evaluated by evaluation committee. ARDSI shall participate in this stage as an observer.

c) Applicant shall submit all tender dossiers and evaluation documents and list of eligible expenditures to ARDSI. ARDSI shall perform administrative and on the spot controls. If these checks are positive, list of eligible expenditures is approved and decision on allocation of funds is made by ARDSI. IPARD contract shall be signed between ARDSI and applicant.

d) PRAG Contract is signed between recipient and tenderer. Project shall be realized by tenderer. During realization of project all payments shall be done by the recipient.

e) After implementation of project, recipient shall submit payment claim package to ARDSI. ARDSI shall perform administrative and on the spot control checks, if these checks are positive, ARDSI shall make payment to the recipient.

8.2.6.15. Geographical scope of the measure

As the IPARD implementation area is defined in Section 3.1 this measure shall be implemented in rural areas that have population less than 10,000 inhabitants[12] of the provinces under the IPARD 2014-2020 programme.

[12] The list of rural settlements having up to 10,000 inhabitants based on TurkStat data as of 31.12.2012 shall be used to determine eligible settlements for this measure.

8.2.7. Farm Diversification and Business Development

8.2.7.1. Title of the Measure

Farm Diversification and Business Development

8.2.7.2. Legal basis

- Article 3.1.d of IPA Council Regulation No: 231/2014
- Related provisions of IPA Commission Implementing Regulation (EU) No: 447/2014
- Relevant provisions of IPARD Sectoral Agreement

8.2.7.3. Rationale

In terms of production and employment, agriculture is the backbone of the rural economy in Turkey. Research on the field indicates that income levels in rural areas are very low, the number of subsistence or semi-subsistence farms is high (more than 65%) and income generating activities other than agriculture are very limited. Women's participation to workforce is also not at the desired level. All these factors need to be addressed in order to improve the economy in rural areas.

By identifying and supporting alternative agricultural or non-agricultural economic activities in regions it is possible to increase the incomes of the households in order to ensure their economic sustainability in the increasingly competitive market. The main interventions required for diversification of rural economic activities are summarised below.

Diversification of plant production, processing and marketing will allow farmers to concentrate more on value added jobs, create new employment opportunities due to their labour intensive nature. These activities can be performed in addition to the routine agricultural activities and provide additional income.

Supporting crafts and artisanal added value products based on agricultural products will not only improve their manufacturing capacities, but also their publicity and marketing capabilities. Consequently they will be able to produce at a quality level demanded by the market, enhance their packaging capabilities and improve their branding.

Developing rural tourism by establishing accommodation, catering and recreational facilities and improving the conditions and capacities of the existing ones will improve the quality of living conditions in rural areas, create new jobs and contribute to the in promotion and protection of cultural and natural assets.

Beekeeping is an economic activity which does not require much investment and has a rapid economic return. Income levels can be increased and seasonal jobs created by supporting beekeeping (and encouraging women to become beekeepers, in particular) and providing tools and equipment for more efficient production and marketing of honey and other bee products.

Encouraging freshwater aquaculture farms to modernise, while at the same time promoting the development of freshwater aquaculture in the regions where the potential is not sufficiently utilised. Compliance to environmental protection and efficient waste management standards will be essential. Priority will be given to investments to produce alternative fish species.

Establishment and expansion of machinery parks that will serve the needs of farmers will be supported as an alternative economic activity. It will not only create additional jobs but also have indirect economic effect on the small scattered farms to improve their productivity. These farms experience difficulties in accessing such machinery or keeping them in working order.

Renewable energy generation offers large potential, not only for energy production but also for cost cutting in rural settlements and in diversifying rural enterprises. With changes in legislation it is now possible for small producers to not only use for their own consumption but to sell or deduct from their own consumption. This presents a very strong incentive and the sector is likely to develop considerably.

In supporting the above mentioned activities, preference will be given to any activity in alignment with the LEADER approach and with the Local Development Strategies if there is one in the area of application.

8.2.7.4. General objectives, specific objectives

The overall objective of this measure is fostering employment by creation of new jobs and maintaining the existing jobs through the development of business activities, thus raising the economic activity level in rural areas and reversing rural depopulation. Economic and farm diversification is necessary for growth, employment and sustainable development in rural areas. It contributes to a better territorial balance, both in economic and social terms, increasing directly the household income in rural areas.

Specifically, this measure shall aim at creation, diversification and development of rural activities, through support for modernisation, establishment, extension and reconstruction of investments in farm diversification and development of agricultural and non-agricultural in the following:

- Diversification of plant production, processing and packaging of plant products including ornamental plants, medicinal and aromatic plants, mushroom, seedling and sapling, bulb, micelle, etc.
- Beekeeping and production, processing and packaging of bee products.
- Crafts and Artisanal Added Value Product enterprises investing in traditional handcrafts, processing and marketing of local agricultural (food – non-food) products. Products licenced under the Geographical Indication scheme of Turkish Patent Institute will have a higher priority in evaluation process.
- Rural Tourism and Recreational Activities including accommodation, catering and recreational facilities.
- Aquaculture in inland waters and restaurants that serve products.
- Machinery Parks that will serve the common needs of local agriculture sector.
- Renewable Energy Investments for generating of electricity, heat, light, gas etc. Eligible recipients can invest in renewable energy sources in order to produce energy for their energy needs independent from other farm diversification and business development activities under this Measure.

8.2.7.5. Linkage to other IPARD measures in the programme and to national measures

The measure is complementary to other measures in IPARD Programme especially with measure investments in processing and marketing of agricultural and fishery products by supporting micro level establishments in the production of artisanal added value products.

The measure is also closely related with the LEADER approach. Preference will be given to projects developed based on LEADER approach and built on local rural development strategies.

Support from national budget is provided to beekeepers per bee colony complementing the investments to be supported in beekeeping under this measure.

8.2.7.6. Final Recipients

- Farmers or members of the farm household diversifying on or off farm activities: These are natural persons as defined in Article 3 of Law 5488. Farmers and/or their household members are eligible beneficiaries in rural areas and in urban areas in some cases specified per sector.
- Natural persons in rural areas: Natural persons, running an economic activity, who are beneficiaries under the measure should be living in a rural area which could be proven.
- Private legal entities in rural areas: Private legal entities established or operating in rural areas shall include micro (including craft enterprises) and small-sized enterprises which have the potential for carrying out the project as well as any type of legal person established by rural population in rural areas. Legal entities established outside of rural areas, can be also eligible if supported investments/activities are located in rural areas.

8.2.7.7. Common eligibility criteria

The applicant should;

- at the time of application, with the exception of new enterprises, comply with the respective national standards defined in Annex III for a given diversification activity,
- submit a business plan in accordance with the format to be developed by the IPARD Agency. For small investments, a simplified business plan will be submitted. The business plan should demonstrate the economic viability of the enterprise at the end of the realisation of the investment. The economic viability of the investment will be verified against the criteria listed in Annex IV,
- (for farmers or members of the farm household) prove their status with an official document issued by an authorised representative of MoFAL at the time of application.
- Only legal entities should be micro/small scale as defined in Regulation 2012/3834 and its future amendments [13],

[13] In compliance with regulation on definition and classification of small and medium scale enterprises (2012/3834 published in Official Gazette no: 28457 dated 4 November 2012).

- (for natural persons living in rural area) be registered to be residing in a rural area on the Address Based Population Registration System.
- Location of the investments have to be in a rural area with the exception of;
    - farmers as natural persons with no other economic activities or members of their households who are investing in diversification of plant production, processing and marketing of plant products; or beekeeping and production, processing and marketing of honey; or crafts and artisanal added value products; or aquaculture
    - natural persons living in rural areas who are willing to establish restaurants as an extension of their investment in aquaculture or who are willing to establish selling points (outlets) as an extension of their investments in crafts and artisanal added value products.
- The applicants who will have 30 points or above in accordance with the ranking criteria for this measure is considered as eligible for application.

Furthermore, the establishments should be within the range of capacities for each sector as defined below.

8.2.7.8. Specific eligibility criteria (per sector)

Diversification of plant production, processing and marketing of plant products

- Investment must be in rural areas unless the applicant is a farmer as natural persons who do not have economic activity other than agriculture or a member of a farm household.
- The size of the open area should be maximum 4 ha (except medicinal and aromatic plants), and the greenhouse size and mushroom/micelle production area should be maximum 2 ha. For new establishments these criteria should be met by the time of final payment claim.
- For processing and/or packaging of plants, the recipient must be recognised and hold the necessary production and registration certificates at the time of application. For new enterprises, this procedure has to be completed by the time of final payment claim.

Beekeeping and production, processing and packaging of bee products.

- Investment must be in rural areas unless the applicant is a farmer or a member of a farm household.
- Beekeepers should be registered in the beekeepers database
- For honey and other bee products, the number of hives covered by the investment is limited to minimum 30 and maximum 500 per recipient to be achieved by the time of final payment claim.
- For processing and packaging of honey and other bee products and for production of hives, limitation on number of hives will not be taken into account.

- For queen bee production, recipient must hold a valid breeding licence by the time of final payment claim.
- For processing and packaging of honey, recipient must be recognised and hold the necessary production and registration certificates according to Food Law No 5996 at the time of application. For new enterprises, this procedure has to be completed by the time of final payment claim.

Crafts and Artisanal Added Value Products

- Investment must be in rural areas unless the applicant is a farmer as natural persons who do not have economic activity other than agriculture or a member of a farm household.
- (for investments in crafts and artisanal added value products) The Legal entities shall be micro scale enterprises.
- If the applicant is a natural person living in a rural area, the investment shall be in a rural area while the promotion stands or sales points can be in either rural or non-rural areas of the province where the investment is located.
- Crafts to be supported are defined in Annex VIII.
- Microenterprises producing artisanal added value food or non-food products based on agricultural produce will be supported. Primary production of agricultural products is not within the scope of this measure.
- The final capacity of the investments in milk processing shall be maximum10 tonnes/day at the end of the investment.
- The final capacity of the investments in meat processing shall be maximum 0.5 tonnes/day at the end of the investment.
- For production of and/or packaging of local food products, the recipient should hold the necessary production and registration certificates in accordance with the provisions of Food Law No. 5996 at the time of application. For new enterprises, this procedure has to be completed by the time of final payment claim.

Rural Tourism and Recreational Activities

- Investments under this activity have to be in a rural area regardless of the status of the applicant.
- Accommodation facilities should be certified as required by the Regulation on Certification and Specifications of Accommodation Facilities by the time of the final payment claim.
- The capacity of the establishment at the time of final payment claim should be maximum 25 rooms.
- For catering facilities, the applicant must be recognised and hold the necessary production and registration certificates according to Food Law No 5996 at the time of application. For new enterprises, this procedure has to be completed by the time of final payment claim.

Aquaculture

- Investment must be in rural areas unless the applicant is a farmer as natural persons who do not have economic activity other than agriculture or a member of a farm household.
- If the applicant is a natural person living in a rural area, the investment shall be in a rural area while the restaurant or the sales point could be in a non-rural area located in the same province.
- If the investment includes a restaurant or a sales point, the applicant shall be an aquaculture farmer as defined by Law on Fishery Products 1380. For new enterprises, this procedure has to be completed by the time of final payment claim.
- The capacity of the investment should be between 10 and 200 tonnes / year by the time of final payment claim.
- The aquaculture holding should be certified as defined by Law on Fishery Products 1380 at the time of application. For new enterprises, this procedure has to be completed by the time of final payment claim.
- In case of new investments certification should be completed at the end of the investment.
- Species to be supported are: Trout, Carp, Wels, Crayfish, Frog, Algae, Pike-perch, Perch, Pike, Tilapia, Sturgeon, European Eel, African Catfish (*Clarias Lazera*), American Catfish (*Ictalurus Sp.*).

Machinery Parks

- Investments under this activity have to be in a rural area regardless of the status of the applicant.
- The applicant should be a producer organisation.

Renewable Energy Plants

- Investments under this activity have to be in a rural area regardless of the status of the applicant.
- Eligible renewable energy activities are; photovoltaic solar power system, concentrated solar power system, wind power system, geothermal, bio-mass, micro-cogeneration, for generation of electricity and/or heat.
- Renewable energy investment with a capacity up to 5 MW (for micro-cogeneration investments up to 100 kWe) shall be supported
- If the investment aims to produce electricity from renewable energy sources, connection to the national grid is compulsory and the following requirements should be met:
    - The applicant shall submit a document / certificate given by authorised institution (electricity distribution companies, organised industrial zones, Turkish Electricity Transmission Company, etc.) confirming availability of connection to grid with the application package.

- The applicant shall submit the acceptance certificate given by relevant authorities with the final payment claim package.

8.2.7.9. Eligible expenditure

Common to all sectors:

- Purchase of new machinery and equipment as defined for each sector including computer software up to the market value of the asset;
- Purchase of machinery/ equipment and construction works for energy production using biomass, wind, solar and geothermal to meet energy need of farm diversification and business development activities and also to sell surplus energy
- Expenditures for electricity grid connections including transformers, energy transmission lines, circuit breakers and so on
- Investments for environmental protection, equipment and facilities for reprocessing of intermediate products and treatable waste; treatment and elimination of waste
- ICT equipment including software, if it is an integrated part of the project,
- General costs linked to expenditure referred to under the previous points, such as architects', engineers' and other consultation fees, and feasibility studies up to a ceiling of 12% of the costs referred to under the previous points.

<u>Diversification of plant production, processing and marketing of plant products</u>

- Construction or modernisation of storage buildings, machine sheds
- Purchase of horticultural and farming equipment for the cultivation
- Purchase of crop production equipment, machinery (harvester, fertilising machinery, ploughs, and the like) and post-harvest supplies (precooling equipment, crates, bins, etc).
- Construction, modernisation or extension of facilities and purchase of equipment for production, storage/conditioning, drying, processing and marketing of plants
- Construction and/or reconstruction of greenhouses (exclusively installations of glass, rigid long lifespan plastic or any other material excluding short lifespan plastic) and/or mushroom/micelle production units and/or purchase of necessary machinery and equipment
- Purchasing of machinery/equipment and construction works for renewable energy production for self-consumption

<u>Beekeeping and production processing and marketing of bee products</u>

- Construction of sheds and outhouses, either for storage or processing of honey and bee products

- Purchase of working equipment for production, management and maintenance of hives
- Purchase of processing and packaging lines or modernisation of existing ones for on-farm honey processing and packaging,
- Setting up and equipping breeding stations for production of queen bees by licenced breeders
- Purchasing of machinery/equipment and construction works for renewable energy production for self-consumption

Crafts and Artisanal Added Value Products

- Construction and/or modernisation, establishment, extension and reconstruction of operational buildings and production facilities.
- Purchase of equipment specific for the production and packaging of the local food and agricultural products as well as handicraft activities,
- Physical investments in packaging facilities, equipment,
- Promotion and marketing related investments for artisanal added value products or handicrafts, including establishment of stores and stands, located in the same province.
- Purchasing of machinery/equipment and construction works for renewable energy production for self-consumption

Rural Tourism and Recreational Activities

- Establishment or refurbishing of pensions or micro/small-scale accommodation facilities, renovation of rooms for B&B in existing houses, or construction of premises and facilities for accommodation in farms and in outdoor areas (i.e. camping sites, sports and recreation bases)
- Creation of catering facilities or on-farm produce promotional stands
- Productive infrastructure investments directly linked to the organisation of touristic outdoor activities like horse-riding, sport or recreation fishing on inland waters exclusively, mountain biking, rafting, eco-paths
- Purchase of necessary IT equipment and software, if it is an integrated part of the project,
- Purchasing of machinery/equipment and construction works for renewable energy production for self-consumption
- Eligible equipment:
    - Lighting and appliances, air conditioning equipment, filtering and purifying equipment, telecommunications, furniture, sanitary installations, audio-video equipment for entertainment,
    - Kitchen equipment for catering facilities

Aquaculture

- Construction and purchasing of equipment for hatchery
- Purchase of equipment and machinery for, increasing the efficiency of farm activities, waste water treatment systems, fish selection, closed circuit systems particularly for hatcheries.
- Purchase of equipment subject to establishing aquaculture restaurants.
- Improvement of ponds and reservoirs,
- Equipment for improving the efficiency of the production process, optimisation of feeding, fish feeder or feeding automation equipment, equipment for water re-circulation systems
- Construction and purchasing of equipment for egg and fry production,
- Equipment for improving the quality and hygiene conditions of the production and harvesting
- Equipment for diminishing the environmental impact of the aquaculture holdings, in accordance with EU standards in this field: waste management systems, equipment for purification of waters released from ponds and reservoirs and for monitoring the characteristics of the water quality parameters
- Installation of small cold stores for storing of product post harvesting
- Modernisation, construction and extension of aquaculture holdings and aquaculture restaurants and selling points that are placed in the same province with the aquaculture holding.
- Purchasing of machinery/equipment and construction works for renewable energy production for self-consumption

Machinery Parks

- Construction, renovation or expansion of buildings for storage of machinery and equipment.
- Purchase of agricultural machinery, tools and equipment including self propelled vehicles
- Purchasing of machinery/equipment and construction works for renewable energy production for self-consumption

Renewable Energy Plants (Investment in renewable energy –except hydro- production to generate income independent from farm diversification and business development activities)

- The construction/modernisation/extension of renewable energy plants.

- Fixed machinery and equipment of renewable energy plants.
- IT hardware and software for operating renewable energy installations.

8.2.7.10. Aid intensity and EU contribution rate

- In Karaman, Hatay, Erzincan, Diyarbakır, Ardahan, Çankırı, Mersin, Yozgat, Muş, Ağrı, Isparta, Tokat, Erzurum, Balıkesir, Kars provinces, the amount of public aid is up to 65% of the total eligible cost.

  In other 27 IPARD provinces, the amount of public aid is up to 55% of the total eligible cost.
- For producer organizations and the legal entities whose majority shareholder is a producer organization; the amount of public aid is up to %65 of the total eligible cost.
- The EU co-financing rate is 75% of the public aid.
- The minimum and maximum limits of total value of eligible investments per project are 5,000 and 500,000 Euro.
- A maximum of four eligible investments per recipient are allowed within the timeframe of IPARD 2014-2020.
- The maximum total value of eligible investments per recipient is limited to 500,000 Euro for this measure within the timeframe of IPARD I and IPARD II.
- The recipient can only submit a new application for IPARD support, when the previous investment has been finalised (final payment).

8.2.7.11. Indicators and targets

Indicator	Target
Number of projects supported	7,199
Number of economic entities developing additional or diversified sources of income in rural areas	6,651
Number of recipients investing in renewable energy	720
Total investment in physical capital by recipients supported (EUR)	658,183,387
Number of jobs created (gross)	3,234

8.2.7.12. Administrative procedure

Applicants shall submit their application to the Provincial Coordination Units (PCU) of ARDSI within the specified time period. Administrative checks and on-the-spot controls of the project shall be performed by ARDSI. All applications that pass the administrative checks and on-the-spot controls will be scored on the basis of the "Ranking Criteria for Project Selection" as stated in the IPARD programme. Contracts will be signed with selected applicants.

Payments will be made to recipients upon completion of a project or part of it. The payments can be made in instalments upon the request of the recipient in the application form and shall be reflected accordingly in the business plan. The contract and/or its annexes shall define all related details including the identification at which stage in the implementation of the project the instalments are to be paid. The request for payment in instalments shall be made according to the eligible investments as below:

- Investments of which the total value of eligible expenditures is up to and including 500,000 TL: 1 instalment
- Investments of which the total value of eligible expenditures is more than 500,000 TL: 2 instalments
- If investment includes construction works and can be divided into instalments according to the amounts of eligible expenditures as mentioned above, expenditures regarding each individual building/structure must be requested in a single instalment.

8.2.7.13. Geographical scope of the measure

This measure is applicable in all provinces covered by the IPARD programme.

8.2.7.14. Other information specific to the measure (as defined in the measure fiche)

Selection criteria and scoring table is given below:

General Selection Criteria	Points
Applicant (in case of natural person himself/herself, in legal entities the person who has the authority to represent and bind the legal person) is below 40 years of age when the application is submitted.	15
Investment is located in mountainous area or forestry villages.	10
Investment is implemented by a women entrepreneur or the owner of the project is women	15
Applicant has a vocational certificate, diploma or 3 years of experience in the economic activity area	15
Investment is based on an accepted Local Development Strategy and built around this strategy	10
Applicant is natural person or producer organisation or the legal entities whose majority shareholder is a producer organization	15
If the applicant have not signed a contract under IPARD Programme:	20
TOTAL	100

8.2.7.15. Indicative Budget

Years	Total Eligible Investment	Total		Public Expenditures				Investor's Share	
				EU Contribution		National Budget			
	Euro	Euro	%	Euro	%	Euro	%	Euro	%
2014	26,892,308	17,480,000	65	13,110,000	75	4,370,000	25	9,412,308	35
2015	26,892,308	17,480,000	65	13,110,000	75	4,370,000	25	9,412,308	35
2016	30,194,871	19,626,666	65	14,720,000	75	4,906,666	25	10,568,205	35
2017	180,758,974	117,493,333	65	88,120,000	75	29,373,333	25	63,265,641	35
2018	168,594,872	109,586,667	65	82,190,000	75	27,396,667	25	59,008,205	35
2019	70,871,795	46,066,667	65	34,550,000	75	11,516,667	25	24,805,128	35
2020	153,846,154	100,000,000	65	75,000,000	75	25,000,000	25	53,846,154	35
Total	658,051,282	427,733,333	65	320,800,000	75	106,933,333	25	230,317,949	35

8.2.8. Improvement of Training

This measure will be introduced after the completion of technical and regulatory studies.

8.2.9. Technical Assistance

8.2.9.1. Title of the Measure

Technical Assistance for the Management of the IPARDII Programme

8.2.9.2. Legal basis

- Article 3.1.d of IPA Council Regulation No: 231/2014
- Related provisions of IPA Commission Implementing Regulation (EU) No: 447/2014
- Relevant provisions of IPARD Sectoral Agreement

8.2.9.3. Rationale

During the implementation of the IPARDII Programme, the Managing Authority will require assistance to cover some costs incurred by as a result of performance of its responsibilities and also for increasing its capacity as defined in eligible expenditures below.

Costs to be incurred for the implementation of the LEADER approach will be covered under this measure.

8.2.9.4. General objectives, specific objectives

The aim of this measure is to assist in particular in implementation and monitoring of the programme and its possible subsequent modifications. In support of this aim, the objectives include:

- providing support for monitoring of the programme;
- ensuring an adequate flow of information and publicity;
- supporting studies, visits and seminars;
- providing support for external expertise;
- providing support for the evaluation of the programme;
- providing support for the future implementation of a national rural development network;
- to provide support for acquisition of skills and animating the inhabitants of rural territories for capacity building to implementation of LEADER measure.

8.2.9.5. Linkage to other IPARD measures in the programme and to national measures

Technical assistance measure is linked to all IPARD measures in the programme and national measures relevant to the support of rural development. The activities for acquisition of skills and animating inhabitants of rural territories will be financed under Technical Assistance measure. Firstly, the activities will be implemented to encourage the establishment of potential LAGs and set up infrastructure for preparing the LDSs. For this purpose; training, seminars and workshops will be organised to raise the awareness of local inhabitants on LEADER approach. After establishing potential LAGs, the expertise service will be provided for the preparation of LDSs. Thus, potential LAGs will be ready to get support under the "Implementation of Local Development Strategies" measure.

8.2.9.6. Final Recipients

The recipient of activities under this measure is the Managing Authority,

8.2.9.7. Common eligibility criteria

Eligible expenditure shall be reported in the context of the annual report. The expenditure may be based also on flat rate amounts (such as per diem), in accordance with the terms and rates applied in the public sector of the beneficiary country concerned for similar actions where no EU co-finance is involved. All expenditure as regards experts and other participants will be limited to those from and going to beneficiary countries and the Member States.

For this measure actions financed or foreseen to be financed within twinning covenants or other projects supported under other IPA components will not be eligible.

Technical assistance to support the setting up of management and control systems is eligible prior to the initial "entrustment of budget implementation tasks" for expenditure incurred after 1 January 2014.

Eligible expenditure is based on real costs which are linked to the implementation of the co-financed operation and must relate to payments effected by the recipient, supported by receipted invoices or accounting documents of equivalent probative value.

All projects must be procured in accordance with the rules for external aid of the Commission contained in the Financial Regulation. For this purpose the application of PRAG shall be adapted to the specificities of the beneficiary country. However, public procurement may be done on behalf of the recipient by a centralized competent public authority

8.2.9.8. Specific eligibility criteria

N/A

8.2.9.9. Eligible expenditure

Under this measure, the following actions are eligible provided they are covered by the provisional indicative technical assistance action plan:

a) Cost of consultancy and other relevant services for the preparation, management, monitoring, evaluation activities of the programme and information dissemination services including those that may be required during the adaptation of the programme to future revisions.

b) Expenditures on meetings of the Monitoring Committee, including cost of all experts and other participants, where their presence is considered to be necessary to ensure the effective work of the committee.

c) Other expenditure necessary to discharge responsibilities of the Monitoring Committee which falls under the following categories:

    - expert assistance to consider and review programme baselines and indicators;
    - experts to assist or advise the Monitoring Committee concerning implementation and functioning of the monitoring arrangements;
    - expenditure associated with meetings and ancillary tasks of working groups;

- seminars.

d) Expenditure on information and publicity campaigns, including costs of printing and distribution.

e) Cost of translation and interpretation.

f) Expenditure associated with visits and seminars. Each visit and seminar shall require the submission of a timely written report to the Monitoring Committee.

g) Expenditure associated with "acquisition of skills" to prepare potential LAGs for the implementation of the measure "Preparation and implementation of local rural development strategies – Leader approach". Under this item, following costs will be eligible:

- Experts services,
- Renting facilities and equipment for events such as organisations, meetings, seminars, training etc. and food-beverage expenses,
- Expert fees, transport and accommodation costs of preparing and training of local participants,
- Travel expenses, including accommodation and daily allowances,
- Preparation, printing, announcement and distribution of information materials (including web sites, brochures etc.),
- Preparation of call for application guidelines and other necessary documents,
- Translation and interpretation costs.
- Activities to support, regional works, socio-economic analysis etc.;
- Activities to support preparation of local development strategies;
- Training of staff involved in the preparation of LDS;
- Workshops and information activities to encourage active participation of population in local development process;
- Training and skills acquisition of staff/team and local inhabitants in the scope of preparation of LDS;
- Training local leaders;
- Preparation, printing, announcement and distribution of information materials (including web sites, brochures etc.);

h) Expenditure associated with the preparation or streamlining of implementation of measures in the programme to ensure their effectiveness including those measures where application is foreseen at a later stage.

i) Expenditure for evaluations of the programme.

j) Expenditure associated with the establishment and operation of a national network supporting the coordination of activities. This can also cover expenditure linked to participation in the European Network for Rural Development.

Under this item, following costs will be eligible:

- Training sessions
- Collection and dissemination of good project samples
- Seminars, workshops, information meetings,
- Preparation and dissemination of publicity materials,
- Representation of Turkey in ENRD events,

- Facilitation of co-operation among local action groups

k) Expenditure associated with the streamlining of specific parts of the management and control system, with the objective to increase effectiveness and efficiency through short-term specific activities.

8.2.9.10. Aid intensity and EU contribution rate

Aid intensity, expressed as the share of public support in the eligible expenditures is up to 100%, where the EU contribution rate is 85%.

Pre-financing may be provided from the national contribution, but is in no case considered as costs incurred to be reimbursed by the Commission.

8.2.9.11. Indicators and targets

Indicator	**Target**
Number of meetings of the Monitoring Committee	14
Number of Programme evaluation reports;	4
Number of promotion materials for general information of all interested parties (leaflets / poster);	480,000 / 4,800
Number of potential LAGs to be established	20
Number of publicity campaigns	528
Number of training of trainers activities	1
Number of training activities	20
Number of participants in information and publicity activities	52,800
Number of participants in training of trainers activities	20
Number of participants in training activities	1,008
Number of rural networking actions supported	7

8.2.9.12. Administrative procedure

The Managing Authority shall each year draw up a provisional action plan for the operations envisaged under the Technical Assistance measure which shall be submitted to the IPARD Monitoring Committee for agreement.

The contracts will be granted after following the appropriate external aid public procurement procedures and should in that way respect the main Treaty principle such as: transparency, proportionality, equal treatment, non-discrimination and should ensure sound financial management (value for money).,

8.2.9.13. Geographical scope of the measure

N/A

8.2.9.14. Other information specific to the measure (as defined in the measure fiche)

8.2.9.15. Indicative Budget

Years	Total Eligible Investment	Total		Public Expenditures			
				EU Contribution		National Budget	
	Euro	Euro	100%	Euro	85%	Euro	15%
2014	-	-	100	-	85	-	15
2015	-	-	100	-	85	-	15
2016	-	-	100	-	85	-	15
2017	3,482,353	3,482,353	100	2,960,000	85	522,353	15
2018	1,788,235	1,788,235	100	1,520,000	85	268,235	15
2019	-	-	100	-	85	-	15
2020	0	0	100	0	85	0	15
Total	5,270,588	5,270,588	100	4,480,000	85	790,588	15

8.2.10. Advisory Services

This measure will be introduced after the completion of technical and regulatory studies.

9. NATIONAL RURAL DEVELOPMENT NETWORK

In the programming period 2007-2013 Turkey did not establish the National Rural Network. In general Turkey has not established previously institutional network dealing and related with rural development issues. A number of NGOs and foundations are active in different fields related to rural development in Turkey. Some of the NGOs initiated a non-institutional network. Some regional or local level seminars and training sessions have been organised by this initiative.

Plenty of activities for raising awareness, informing and training of potential recipients, intermediary organisations and also advisors have been organised in IPARD Programme (2007-2013) implementation period. After implementation interviews have been made with recipients to define the problems and best practise project examples. These examples have been shared in conducted seminars and meetings to encourage the potential recipients.

In the Programming period 2014-2020 after the approval of the rural development programme, Turkey is planning to establish the National Rural Network in Ankara within the implementation period.

The established National Rural Network will be composed of the organisations and administrations involved in rural development. So, it will be ensured that representatives of all relevant public institutions, chambers, universities, municipalities, NGOs, farmers and rural entrepreneurs will take part in NRN. Access to the Network will be open to all stakeholders.

<u>The aim of the Network:</u>

- to encourage and facilitate the implementation of the rural development programmes
- increase the involvement of stakeholders in the implementation of rural development;
- improve the quality of implementation of rural development programme;
- inform the broader public and potential recipients on rural development policy and funding opportunities;

<u>Eligible activities of the National Network Unit will be:</u>

- Tranings
- Collection and dissemination of good project samples
- Seminars, workshops, information meetings,
- Preparation and dissemination of publicity materials,
- Representation of Turkey in ENRD events.

Facilitation of co-operation among local action groups

Funding of the National Network activities:

The national network is funded by the technical assistance of rural development programme.

10. INFORMATION ON COMPLEMENTARITY OF IPARD WITH THE MEASURES FINANCED BY OTHER (NATIONAL OR INTERNATIONAL) SOURCES

10.1. Demarcation Criteria of IPARD With Support Under Other IPA Policy Areas

The IPARD 2014-2020 will interact with some of the IPA II programmes in other sectors. Overlapping avoidance and complementarities of interventions between the IPARD and other Operational Programmes are essential in ensuring coherence and efficiency in the management of financial assistance to be given under the IPARD. In this context, IPARD foresees some cooperation and complementarity areas especially with the Competitiveness and Innovation Sector OP, OP for Human Resources and with other OP's on Environment and Energy. Within this scope, coordination mechanisms will be established among the aforementioned OPs and the OPs will be steered to impress and support each other mutually both in the programming and implementation periods.

Creating a synergy and ensuring close coordination with the Human Resources Development OP (HRD OP) and Competitiveness and Innovation Sector OP (CISOP) particularly in the areas of skills training and business support and with the Energy OP (EOP) especially in the field of energy efficiency will be crucial in order to increase the effectiveness of the interventions of the IPARD.

During the programming phase of the OPs, regular dialogue and exchange of information on the interventions of the Programmes is ensured through ad-hoc committees. Moreover in the project generation process, joint operations will be developed and its different phases will be financed under several programmes in order to increase the impact of the EU assistance in relevant sectors.

During the implementation phase of the OPs, coordination among different OPs will be ensured through the Sectoral Monitoring Committees to establish regular dialogue mechanisms. Sectoral Monitoring Committee for the IPARD will include representation from the Operating Structures responsible for the Human Resources Development, Energy and Regional Development. IPA Monitoring Committees covering all the actors of IPA policy areas will be also used as another coordination tool.

Sectors under IPA II components and their complementarity with IPARD 2014-2020 are summarised below.

1. Governance and public administration reform
   a. Civil Society: No complementarity or conflict is foreseen.
2. Justice, Home Affairs and Fundamental Rights
   a. Judiciary and Fundamental Rights: No complementarity or conflict is foreseen.
   b. Internal Affairs: No complementarity or conflict is foreseen.
3. Environment: Water quality, waste management, and nature protection are among the planned actions under this sector which are complementary to IPARD measures. Grants will be provided for infrastructure investments. The lead institution (MoEU) will be represented in the IPARD Monitoring Committee.
4. Transport: A direct link with the IPARD is not foreseen. There may be some indirect consequences regarding actions on urban mobility or transport infrastructure. The lead institution (MoTMC) will be represented in the IPARD Monitoring Committee.

5. Energy: Promotion of renewable energy and energy efficiency is among the planned actions. In this respect a complementarity of IPARD is foreseen for supporting small scale investment in the rural areas. No direct grants by the programme to IPARD potential recipients are foreseen under this sector.
6. Competitiveness and Innovation: Private sector development and capacity building are among the planned type of actions. Targeted sectors include food industry and tourism which are also within the scope of IPARD. ARDSI will implement controls to avoid double funding.
7. Education, Employment and Social Policies: Promoting formal employment, improving vocational education and supporting vocational qualifications are among the actions foreseen under this programme. In this respect a complementarity is foreseen with the IPARD measures. The lead institution (MoLSS) will be represented in the Monitoring Committee.
8. Agriculture and Rural Development: Agriculture and rural development sectors consist of two sub sectors; 1. Rural development Programme, 2. Institution and capacity building. Under second sub-sector, in the area of ***agriculture and rural development***, the actions will aim mainly at the alignment and implementation of the Common Agricultural Policy (CAP). In this scope, actions will include the preparation of EU-aligned agricultural support schemes and mechanisms, the extension of the Farm Accountancy Data Network to the whole country, the improvement of agricultural statistics, organic farming control and certification systems. In the area of ***food safety, veterinary and phytosanitary policy***, the actions will aim at improvement of official controls for food and feed and in terms of technical capacity (including risk assessment and risk communication) and infrastructure (including laboratories) as well as improvement of veterinary and phytosanitary import control systems. The assistance will target capacity building in the area of animal health, animal welfare, animal by-products and zoonotic diseases; improvement of the diagnostic and surveillance capacity for animal diseases, particularly for transmissible spongiform encephalopathy (TSEs) and further development of animal identification and registration systems. In the area of ***fisheries***, assistance will help in the preparation of a strategy aiming at alignment with the Common Fisheries Policy (CFP) and in strengthening institutional capacity and legal alignment for fisheries management to meet requirements of the reformed CFP. Actions will contribute to increased capacity for conservation and sustainability of fisheries resources, including resource and fleet management; eco-system based fisheries management and strengthening enforcement. IPA will aim at increasing the awareness and participation of stakeholders to the EU alignment process to ensure smoother transition period.
9. Cross-border cooperation and regional cooperation: A direct link with the IPARD is not foreseen. There may be some indirect consequences regarding actions for participation in Black Sea Region Programme or other actions on border regions with Bulgaria and Greece.

10.2. Complementarity of IPARD with Other Financial Instruments

Current regional development projects financed by multilateral assistance (please see Section 5.4) are implemented in selected number of provinces and supports mainly agricultural activities, improvement of rural infrastructure and protection of natural resources. The activities mainly target increase in agricultural productivity and level of income, prevention of rural migration, provision of sustainable management of natural resources, decreasing the pressure on natural resources, embracing environmental friendly agriculture and forestry

activities, policy development related to water and nutrients during EU compliance process, diversification of income generating activities for agricultural and non-agricultural areas, development of capacities for participative planning.

By contributing positively to sustainable development of rural areas and prevention of rural migration, these projects are increasing the capacities of prospect IPARD recipients in terms of awareness, capability of developing project proposals as well as economical capacities to implement larger scale projects. Therefore these projects have complementing nature as far as the implementation of the IPARD Programme is concerned.

As mentioned in Section 3.2 subsidised low interest credits with longer pay back periods are provided for investment of farmers as well as for purchase of animals. These are complementary to IPARD measures since they are alternative financial resources to finance investments which are not eligible under IPARD.

10.3. Demarcation Criteria and Complementarity of IPARD Measures with National Policy

The draft National Rural Development Strategy (NRDS) forms the basis of the national policy. The document was prepared in line with national policies set in the 10th national development plan. IPARD priorities and measures were taken into account while drafting NRDS. NRDS will form a general framework for rural development activities and to be financed by national and international resources.

Strategic objectives of the draft NRDS are given below:

1. Development of the Rural Economy and Increasing Employment Opportunities: There are two priorities under this objective. Under the "Priority 1.1 Enhancing Competitiveness of the Agri-Food Sector", establishment and capacity development of producer groups, improvement of processing and marketing capabilities for agri-food business, training and advisory services to be delivered to farmers, improvement of agricultural holdings, enhancing food safety are addressed. Under "Priority 1.2 Diversification of Rural Economy", development of rural tourism, increasing value added in agricultural and non-agricultural artisanal added value products, and improvement of aquaculture is addressed. The priority also covers measures complementary to IPARD such as improvement of commercial holdings in non-agriculture sectors, and encouraging entrepreneurship at micro level enterprises.
2. Improvement of Rural Environment and Sustainable Use of Natural Resources. Under "Priority 2.1 Sustainability of Soil and Water Resources", expansion of environment friendly agricultural practices, improvement of organic agriculture, prevention of pollution from agricultural activities and improvement of pasture lands are addressed. "Priority 2.2 Effective Use of Agricultural Fields" addresses improvement of irrigation infrastructure and expansion of land consolidation. Priority 2.3 is on "Sustainability of Forests"
3. Social and Physical Infrastructure Development of Rural Settlements. Under this objective, "Priority 3.1 Improvement of Physical Infrastructure addresses problems such as improvement of road network, potable water, waste management, use of information technologies, expansion of renewable energies, encouraging local architectural elements, improvement of safety of settlements in against natural disasters. The "Priority 3.2 Improvement of Social Infrastructure" addresses preservation of local cultural heritage, improvement of infrastructure for sports and artisanal activities, utilisation of unused public buildings for social development.

4. Human Capital Development in Rural Society and Poverty Alleviation strategic objective has two priorities. “Priority 4.1 Improvement of Human Capital” addresses facilitating access to formal and open education and reaching preventive health services. “Priority 4.2 Enhancing Combatting with Poverty” foresees support for services for seasonal mobile agriculture workers and improvement of social services and supports as well as improving social inclusion for disadvantaged persons.
5. Institutional Capacity Enhancement for Local Development. The priorities under this objective aims to improve services of administrative bodies, adoption of innovative models, development and implementation of local development strategies with collaboration of public and civil stakeholders, technical capacity building and establishing of national rural network.

As it can be seen in above paragraphs, the national policy is fully in line with the IPARD measures and includes actions complementary to IPARD programme. The Rural Development Action Plan 2014-2020 to be developed under the strategy will define the demarcation criteria of IPARD measures and the measures of the NRDS.

The national rural development support programme will cease to exist in 2015 and a new one will be defined in alignment with the NRDS. In the preparation of implementation procedures, demarcation (geographical scope, eligibility criteria) between the national programme and the IPARD will be defined.

A- Agricultural subsidies.

Agricultural subsidies provided by MoFAL is applicable in all provinces while the rural development supports started in 16 provinces and extended to cover all 81 provinces in Turkey. Complementarity of each type of support with the IPARD programme is given below.

Area based subsidies do not directly coincide with IPARD supports. The subsidies given for organic agriculture and good agriculture practices (CATAK) is applied only in limited regions. These regions will be avoided in the Agri-Environment, Climate and Organic Farming measure.

Product based subsidies are provided for products which are not within the scope of IPARD therefore, there is no overlap between the two supports.

Animal husbandry supports are given for growing feed plants, purchase of machinery and equipment, purchase of calves, artificial insemination, vaccination, bee keeping, disease free farming, and specific production of angora goat, silk worms, etc. This type of support is complementary to IPARD in terms of improving quality of beef and milking cows, establishment of modern farms, improving efficiency of farming activities. Milk supports provided improves the quality of raw milk and complementary to IPARD in terms of encouraging unregistered producers to be registered.

Agricultural subsidies are major tools for subsidising animal farming in Turkey by supporting feed production and purchase of livestock. These supports provides basis for viability of farms which are potential recipients of the IPARD programme. Different lines of support provided under agricultural subsidies are described below in detail.

A.1. Direct Income Support (DGD)

Direct Income Supports are given to farmers on the basis of area of their agricultural land. The payment amount per hectare is determined for each year. DGD payments are given to the farmers who are registered in the National Farmer Registration System (FRS). The payments

are made for land between 0.1 and 50 ha. The farmers can apply for additional DGD payment for organic farming activities and for soil analysis of their land of up to 6 ha. As the scheme increases the income of the farmers and assisting to the improvement of rural economy, it is complementary to IPARD Programme in terms of economic development of rural areas.

A.2. Deficiency Payments

Deficiency payments are provided for the products which have domestic supply deficit. The payments are done once for each production period. For determination of the support budget, domestic and foreign market prices, producer costs are taken into consideration. Scope and amount of support is adjusted every year. As of 2014, support is provided to cotton, sunflower for oil production, soy bean, canola, sweet corn, olive oil, wheat, barley, rye, triticale, oat, paddy, dry bean, chick pea and lentil. Although a direct link with the IPARD programme does not exist, deficiency payments are complementary in nature since they increase the income level of farmers and assist the improvements in rural economy.

A.3. Animal Husbandry Supports

Direct payments are made to the members of breeder/producer organisations. The support scheme shows variations depending on the species bred.

i. Supports for Rootstock cattle and buffalo breeding

   Breeders, members of breeder/producer organisations having minimum 5 rootstock cattle can benefit from the supports per animal once a year. This support is complementary with IPARD Programme in terms of improving the production levels of agricultural holdings.

ii. Supports for Calves

   Calves registered in e-improvement and TÜRKVET data base and fulfilling other conditions in notification can benefit from the support. The calves supported under regional development programmes cannot benefit from this support. This support is complementary with IPARD Programme in terms of improving the production levels of agricultural holdings.

iii. Support for the Production of Fattening Material (rootstock cattle)

   Farmers located in the provinces covered by regional development programmes are eligible for this support. They can benefit from this support per animal once a year. This support is complementary with IPARD Programme in terms of improving the production levels of agricultural holdings.

iv. Supports for rootstock sheep and goat

   Farmers breeding sheep and/or goat breeding, and members of sheep-goat breeding unions can benefit from this support once a year for per rootstock as long as their animals are registered in the Sheep and Goat Registration System (KKKS) and Sheep-Goat Information System (KKBS). This support is complementary with IPARD Programme in terms of improving the production levels of agricultural holdings.

v. Support for Angora goat breeding and Angora production

   In order to encourage breeding of Angora goat and increasing Angora production, the producers selling their Angora to Angora and Wool Sales Cooperative Union (Tiftik Birlik) or Cooperatives receive subsidy payment per kilogramme of the produced Angora. This support does not have a relation with IPARD Programme.

vi. Support for the production of raw milk

Farmers selling their raw milk to milk processing enterprises receive payment for each kg of raw milk delivered. This support does not cover investments and there is no possibility of overlapping with the IPARD Programme.

vii. Supports for the determination of milk content for improvement purposes

Support is provided to farms having at least ten pure race milking cows fulfilling analysis criteria for their raw milk. This support is eligible only in Ankara, İzmir, Balıkesir, Bursa and Tekirdağ provinces. Support is given once a year for each milking cow.

viii. Supports for bee hives

Beekepers who are members of breeder/producer organisations, registered in the Beekeeping Registration System (AKS), and having minimum 30 maximum 1, 000 hives with bees receive support payments per hive. Since beehives are not eligible expenditures in the IPARD programme this measure is complementary in nature.

ix. Bumble bee support

Greenhouse producers receive direct support per colony in case they purchase bumble bee colony for pollination purposes. This support complements the greenhouse investments supported under the IPARD programme.

x. Supports for silkworm cultivation (sericulture)

Bursa Cocoon Agricultural Sales Cooperative Union (KozaBirlik), providing silkworm seed to silkworm producers free of charge receive payment per seed box. Support per kilogram also given to breeders selling fresh silkworm cocoon to Kozabirlik or to enterprises performing silk reeling with flator.

xi. Supports for steer slaughtering,

Breeders who slaughter their minimum 1 year old steer (including buffalo) receive support payment per animal. As this support is an income generating activity, it is complementary to the IPARD Programme.

xii. Support for the employment of herd keeper

Support for the employment of herd keeper is provided to enterprises having minimum 500 sheep or goat.

xiii. Supports for the animal disease compensation

In case of discovery of an animal disease, compensation payments are made to farmers for the obligatory slaughter or annihilation of the animal. This support is complementary with IPARD Programme in terms of protection of animal health.

xiv. Support for disease free farms

In disease free milk farms, direct payments are made for each steer below six years of age. Support level is reduced for farms having more than 500 cattle. This support is complementary with IPARD Programme in terms of supporting animals free from diseases.

xv. Support for protection and improvement of animal genetic resources on location

Breeders or breeder unions pure breed a registered species receive support per animal for sheep, goat, cattle and water buffalo, and per colony for the Caucasian bee. This support helps farmers to raise high yield breeds thus increasing productivity of the agricultural holdings. Therefore it is complementary to IPARD.

xvi. Aquaculture Supports

For selected aquaculture products, direct payments are made to intensive aquaculture farming establishments per kilogramme of fish sold. As an income support for the farmer, this support is complementary to IPARD.

xvii. Support for the production of fodder crops

Direct payment is made to farmers producing perennial or annual fodder crops. Payments are made per hectare. This support is complementary with the objectives of IPARD Programme in terms of increasing the productivity of agricultural holdings.

A.4. Agricultural Insurance Support

50% of the insurance policy covering plant, animal and aquaculture production is paid from the budget of MoFAL.

A.5 Rural Finance and Credit

The main suppliers of the agricultural credits are Ziraat Bank and Agricultural Credit Cooperatives. They provide low interest investment and business loans for agricultural production.

B- Rural Development Supports

Rural Development Investments Support Programme (RDISP) which is mainly intended for investment projects of processing business and machinery and equipment support of farmers. It has been applicable in 81 provinces, however starting 2015 these supports will not be given to sectors covered by the IPARD programme in the 42 IPARD provinces. 50% grant is given to investors investing in new establishments or renovating existing ones. The investments covered and upper limits for investments are given below.

a) For processing, packaging and storing the plant products; 3,000,000 TL for investments on grading, packaging and storing of fresh fruit and vegetables, 1,000,000 TL for the remaining investments,
b) 3,000,000 TL for investments on processing, packaging and storing the animal products,
c) 3,000,000 TL for investments on processing, packaging and storing the aquaculture products,
d) 1,000,000 TL for investments on processing, packaging and storing of animal origin manure*,
e) 1,000,000 TL for investment on the establishment of new greenhouses utilising alternative energy sources*,
f) 1,000,000 TL for investments on construction of cold storage**,
g) 1,000,000 TL for new investments on construction of steel silo*,

h) 1,000,000 TL for generating heat or electricity to be used for agricultural purposes using alternative energy sources, geothermal, biogas, solar and wind*.

i) Building construction supports, 1,000,000 TL for mushroom production and culture fishing, 1,500,000 TL for cattle breeding, 1,000,000 TL for sheep and goat breeding and poultry farming.

*Applicable in all provinces

**Applicable in all provinces except for storage of fruit and vegetables

The machinery and equipment support programme which is under the rural development supports will cease at the end of 2014. The support scheme covers add- hoc machinery needs of farmers. 50% grant is given to expenditures up to 50,000 TL for real persons and 100,000 TL for legal entities.

Regional Development Projects

South-eastern Anatolia Project (GAP) mainly targets improvement of soil and water resources as well as socio-economic development and integrated sustainable development of human resources. 3 IPARD provinces are located in the GAP region. Actions of GAP establishes a basis for the implementation of IPARD measures.

Eastern Anatolia Project (DAP) covers 14 provinces where 9 are IPARD provinces. Investments mainly in cattle breeding are supported for meat and milk production. Renovation of buildings is not supported. Supports are given for pregnant heifers and in terms of equipment only milking equipment and cooling tanks are supported. Considering that IPARD supports to milk producers are provided based on an integrated investment plan, a conflict with the IPARD is not foreseen.

Regional Development Agencies provide financial assistance to public institutions, NGOs as well as to the private sector. Scope of the assistance is determined for each year depending on the priority axes identified in the regional development plan. Amount of grant per beneficiary changes depending on the sectoral priorities but it is usually at the order of few hundred thousand Turkish Lira. Support rate is 50%. Generally agriculture is not among the high priority sectors identified by the Regional Development Agencies therefore a potential conflict with the IPARD programme does not exist.

Small and Medium Enterprises Development Organisation (KOSGEB) supports establishment of new enterprises and competitiveness improvement of the existing ones. Food processing industry and tourism establishments are among the supported sectors. New enterprises receive up to 30,000 TL grant and 70,000 TL no-interest credit. Although there is some overlap with the IPARD programme, support limits of KOSGEB are generally below the minimum thresholds of IPARD supports. The programme have capacity to initiate new establishments which could be potential IPARD beneficiaries.

Rural Infrastructure Support Programme (KOYDES), aims to improve the living conditions in the rural areas by supporting investments in rural infrastructure. Water systems and roads are the priorities of the programme. The budget of the programme for 2014 is 346,000,000 TL. Renewable energy investments are not supported by KOYDES therefore there is no conflict with the IPARD programme.

Social Support Programme (SODES) aims to improve the human resources in underdeveloped regions. Employment, social integration, culture, art and sports are among the priority areas of SODES. The programme contributes prevention of migration therefore is complementary to IPARD.

Support for Infrastructure of Municipalities (BELDES) is for the infrastructure of the municipal establishments with less than 10,000 population. The programme finances investments in potable water, roads, renovation of facilities, supply of construction materials such as cement, iron bars and pipes. Since the programme intends to improve the living conditions in rural areas it is complementary to IPARD.

Sectors under other IPA components improves the capacities of the relevant units in MoFAL as well as in farmers. All these contribute to the abilities for implementation, programming and monitoring of IPARD.

C. Infrastructure Supports

Protection of Agricultural Fields for Environment Programme (CATAK) scheme aims to protect the quality of soil and water, to improve sustainability of natural resources, to prevent erosion and to reduce adverse effects of agricultural practices on environment. Within the scope of CATAK, direct payments are made in the following categories for 3 years.

Category 1: 30 TL/da for agricultural practices with minimum soil tillage,

Category 2: 60 TL/da for agricultural practices aiming at conserving soil and water structure and preventing erosion,

Category 3: 35 TL/da for environment friendly agricultural techniques and cultural implementations.

The programme is applied in 27 provinces out of which 23 are IPARD provinces. Although the activities supported are mostly in Agri-Environment, type of supports and eligibility conditions are different.

11. DESCRIPTION OF THE OPERATING STRUCTURE, INCLUDING MONITORING AND EVALUATION

11.1. Description of the operating structure (Managing Authority and IPARD Agency) and their main functions

Managing Authority (MA)

The activities of MA are carried out by the "Department of Managing Authority for EU Structural Adjustment" in GDAR of MoFAL. MA carries out the activities in line with the "Regulation on the Responsibilities, Procedures and Principles of the Managing Authority of the Rural Development Programme" published in the OJ numbered 28331 dated 22 June 2012.

The duties and responsibilities of the MA are:

a) Preparation of the programme and carrying out the studies related to the Programme adjustments needed as a result of the implementations,.

b) Observing the realization of the Programme implementations in accordance with the Programme criteria, and observing compatibility of the transactions within the Programme to the agreements made with the European Union, relavent EU and and national legislation,

c) Ensuringe setting up, maintaining and updating of an information and reporting system for monitoring and evaluation of the implementation process of the Programme in an efficient way,

d) Conducting studies for monitoring and evaluation of the programme implementation

e) Assisting monitoring committee in its activities and assumes the coordinating roles

f) Conducting studies for preparation of annual and final implementation reports in collaboration with ARDSI

g) Conducting planned communication and publicity activities for the programme

h) Implementing activities planned under the technical assistance measure

i) Implementing activities planned under implementation of Local Development Strategies / LEADER Approach

j) Ensuring controllability and verifiability of the measures, defined in the Programme in cooperation with ARDSI

k) selection of measures under each call for applications under the Programme and the financial allocation per measure, per call, The decision on the financial allocation per measure, per call will be made in agreement with ARDSI;

l) ensuring that the appropriate national legal basis for IPARD implementation is in place and updated as necessary

The MA is also responsible for conducting all activities that emerge from the bilateral agreements between Turkey and the European Union and other relevant national legislation.

IPARD Agency (Agriculture And Rural Development Support Institution-ARDSI)

The Agriculture and Rural Development Support Institution (ARDSI) was established by Law No 5648/2007 (OJ dated 18/05/2007 No 26526) as IPARD Agency.

The duties and responsibilities of the Agriculture and Rural Development Support Institution (ARDSI) are:

a) Execution of publicity activities with the Managing Authority,

b) Making calls for applications and publicizing terms and conditions for eligibility with prior notification to the Managing Authority;

c) Receiving application packages,

d) Checking applications for approval of projects against terms and eligibility conditions in accordance with the administrative checks, and compliance with the Agreements including, where appropriate, public procurement provisions,

e) Execution of on-the-spot checks to establish eligibility both prior to and following signing of the contract,

f) Evaluation of the applications in accordance with the selection criteria and assessment of the submitted business plan,

g) Laying down contractual obligations in writing between ARDSI and the final beneficiaries including information on possible sanctions in the event of non-compliance with those obligations and, where necessary, the issue of contract date,

h) Carrying out authorization of payment, payment and accounting procedures regarding the projects,

i) Follow-up actions to ensure progress of projects being implemented,

j) Reporting progress of measures being implemented against indicators,

k) Ensuring that the final beneficiary is made aware of the Community contribution to the project,

l) Monitoring the implementation of the projects and activities, following whether the beneficiaries fulfill the provisions and obligations of the contract and conducting necessary controls in this respect,

m) Notifying the relevant authorities of the comments and amendment proposals concerning the activation of the programme and supports,

n) Establishing a dependable data base and information processing system regarding the duties and activities of the Institution.

The institution is also responsible for ensuring collaboration and coordination with relevant public and private institutions, natural persons, European Commission and international organisations

11.2. Description of monitoring and evaluation systems, including the envisaged composition of the Monitoring Committee.

The progress of the IPARD programme (2014-2020), as well as its efficiency and effectiveness in relation to its objectives, is measured by indicators related to the baseline situation, as well as to the financial execution of the Programme . The MA carries out IPARD Programme monitoring and assists the work of the IPARD Monitoring Committee. It does this most notably by providing the documents necessary for monitoring the quality of implementation of IPARD Programme. In this regard, ARDSI ensures that the MA receives all information necessary for performing the programme monitoring task.

Consequently, the system developed for the monitoring of the IPARD Programme (2014-2020), encompasses the determination of physical and financial indicators and collection, registration and analysis of data concerning these indicators. All data needed for monitoring function of the IPARD Programme are based on data obtained from ARDSI and TURKSTAT. Programme monitoring will be carried out in the scope of monitoring indicators under measures.

Annual and final implementation reports drawn by MA are submitted to IPARD Monitoring Committee for the discussion and approval of content, analyses and results presented in the reports, in accordance with the IPA Implementing Commission Regulation (EC) No 447/2014, Article 19.

Monitoring Committee

IPARD Monitoring Committee will be composed of the representatives of relevant ministries; public and non-governmental organisations; social economic and environmental partners; and the European Commission. The Committee will monitor and oversee the implementation of IPARD Programme.

MA functions as the secretariat of IPARD Monitoring Committee (MC), and presents relevant information to the Committee.

The Committee examines the results of the Programme at indicator level, in particular the achievement of objectives set for the measures of the Programme as well as the progress made in the use of resources allocated for relevant measures and makes comments. In addition to that, the Committee approves modifications to the IPARD Programme, annual implementation plan, technical assistance action plan and communication plan.

In the Committee composed of equal numbers of representatives participating as a voting member or observer from public institutions and non-governmental organisations functioning on the IPARD sectors.

Monitoring Committee Meetings convene at least two times a year with a view to ensuring that determined strategy, objective and targets of the Programme are achieved.

Evaluation

An evaluation system will be established in order to evaluate the relevance, efficiency, effectiveness, benefits and sustainability of the actions supported depending on the implementation phase of the IPARD Programme (2014-2020). The ex-ante evaluation of the IPARD Programme (2014-2020) commenced on 23.06.2014 and the final draft was submitted on 22.07.2014. As a result of the ex-ante evaluation, some recommendations were made to draft Programme for the purposes of the improvement of the Programme. Information

concerning the results of the ex-ante evaluation is included in the Chapter 14. The IPARD Programme (2014-2020) will be subject to ex-post and, where considered as appropriate by the Commission, interim evaluations carried out by independent evaluators under the responsibility of Managing Authority. An evaluation plan will be prepared by Managing Authority and submitted to the Monitoring Committee after the adoption by the Commission of the IPARD Programme (2014-2020).

12. SUMMARY DESCRIPTION OF MANAGEMENT AND CONTROL STRUCTURE.

The IPARD management and control structure has been defined to fulfil the responsibilities defined in Commission Implementing Regulation (EU) No 447/2014 and Framework Agreement. Institutional structures are defined in Prime Ministry Circular titled “Management of EU Pre-accession Funds” which is published in the official gazette 28088 dated 18.10.2011. This Prime Ministry Circular will be updated for IPA II period (Management Control Systems in IPA II will be further clarified with the related National Authorities in line with the IPA II legal framework). IPA and IPARD structures within the framework of these documents are given below.

National IPA Coordinator (NIPAC): The secretariat services of the National IPA Coordinator shall be performed by the Ministry for EU Affairs. According to the Commission Implementing Regulation (EU) No 447/2014 Article 4, NIPAC shall;

(a) ensure coordination within the IPA II beneficiary's administration and with other donors and ensure a close link between the use of IPA II assistance and the general accession process;

(b) coordinate the participation of IPA II beneficiaries in the relevant territorial cooperation programmes, in particular cross-border cooperation programmes referred to in points (a) to (c) of Article 27 and, if appropriate, transnational or interregional cooperation programmes established and implemented under Regulation (EU) No 1299/2013.

(d) ensure that the objectives set out in the actions or programmes proposed by the IPA II beneficiaries are coherent with the objectives in the Country Strategy Papers and take due account of the relevant macro-regional and sea basin strategies;

(e) endeavour to ensure that the IPA II beneficiary's administration takes all necessary steps to facilitate the implementation of the related programmes.

According to Framework Agreement Annex A, NIPAC also shall ;

(a) take measures to ensure that the objectives set out in the actions or programmes for which budget implementation tasks have been entrusted are appropriately addressed during the implementation of IPA II assistance.

(b) In accordance with Article 57 of Framework Agreement, coordinate the drawing up of an evaluation plan in consultation with the Commission presenting the evaluation activities to be carried out in the different phases of the implementation as per provisions of Article 55 of Framework Agreement,

National Authorising Officier (NAO): The Undersecretary of the Treasury has been designated as the National Authorising Officer. According to the Commission Implementing Regulation (EU) No 447/2014 Article 9,NAO shall;

(a) the management of IPA II accounts and financial operations;

(b) the effective functioning of the internal control systems for the implementation of IPA II assistance;

(c) putting into place effective and proportionate anti-fraud measures taking into account the risks identified;

(d) launching the process provided for in Article 14 (Entrusting budget implementation tasks).

According to the Framework Agreement Annex A, the management structure shall be composed of a National Fund and a support office for the NAO. The tasks and responsibilities of the National Fund and the support office shall be adequately segregated.

Operating Structures are composed of the Ministry of Food Agriculture and Livestock (Managing Authority) and Agriculture and Rural Development Support Institution. According to the Commission Implementing Regulation (EU) No 447/2014 Article 55; Managing Authority is responsible for preparing and implementing the programmes, including selection of measures and publicity, coordination, evaluation, monitoring and reporting of the programme concerned and managed by a senior official with exclusive responsibilities. Agriculture and Rural Development Support Institution is responsible for publicity, selection of projects as well as authorisation, control and accounting of commitments and payments and execution of payments.

Audit Authority: The Board of Treasury Controllers has been designated as the Audit Authority to supervise the functioning and efficiency of IPA management and control mechanisms. According to the Framework Agreement Annex A, the Audit Authority shall carry out audits on the management and control system(s), on actions, transactions and on the annual accounts. This shall be done in line with internationally accepted auditing standards and in accordance with an audit strategy.

13. RESULTS OF CONSULATIONS ON PROGRAMMING AND PROVISIONS TO INVOLVE RELEVANT AUTHORITIES AND BODIES AS WELL AS APPROPRIATE ECONOMIC, SOCIAL AND ENVIRONMENTAL PARTNERS

13.1. Provision Adopted for Associating the Relevant Authorities, Bodies and Partners

A participative approach is adapted for the preparation of IPARD 2014-2020. Collaboration with relevant authorities, stakeholders and NGOs was achieved through various means such as organisation of meetings, conducting field visits, official written communication, and ad-hoc conversations.

Following the workshop "Draft Measures for IPARD II" conducted on 19-20 February 2013 in Brussels, a work group for each possible measure was established. Relevant institutions, NGOs, Universities participated in those groups. Between May – November 2013, a total of 22 technical meetings where participants informed each other and discussed sectoral structures. The outcome of these meetings formed basis of the following activities.

IPARD evaluation meeting was held on 9 September 2013 in Nevşehir. MoFAL Provincial Directors and ARDSI Provincial Coordinators participated in the meeting and discussed lessons learned from IPARD 2007-2013 implementation and expressed their expectations from IPARD 2014-2020. In the meeting MoFAL Provincial Directors were commissioned to conduct needs analysis in their respective provinces with the participation of local stakeholders. Provincial directors conducted interviews with local stakeholders about reported their findings to the Managing Authority.

Using the information received from provinces as a baseline, sectoral meetings were organised by ARDSI and MoFAL in Antalya between 11-16 November 2013. Each sector planned to be covered under IPARD 2014-2020 was discussed during the meetings and SWOT analysis for each sector was conducted. A total of 100 institutions participated in the meetings. Among the participants, there were 50 government agencies, 5 universities, 26 producer or industry unions and 19 NGOs.

Meanwhile, under the SEI activities, a framework contract was signed on 23 October 2013 in order to conduct sectoral analysis in red meat, poultry and egg, milk and milk products, fruits and vegetables, fisheries and aquaculture and diversification of farm activities. The experts involved in these analysis conducted field studies between 18 November 2013 – 6 January in 40 provinces interviewing investors, NGOs and regional authorities. Outcomes of the sectoral analyses provided input to the Programme.

In addition to above mentioned activities, various small scale meetings have been organised to exchange information with relevant stakeholders. Furthermore, contributions of stakeholders were ensured by allowing them to provide information or submit their reviews on draft material via official written communication. For ad-hoc information needs, telephone or face to face interviews were conducted.

13.2 Designation of the Partners Consulted – Summary

Name of institution/body/person	Competence/Expertise	Name of the Contact Person
Ministry of EU Affairs	Regulations, progress on chapter negotiations	Galena Iş, Erkin Soysaldı, Eda Zorlu Gülçin Karaş Duman Mete Çevik Erkin Soysaldı
Ministry of Science Industry and Technology	Implementation of the RCOP programme. Olive and olive oil production statistics	
Ministry of Environment and Urbanism	Implementation of the Environmental OP, supports on renewable energy, Implementations on soil and underground waters Infrastructure project of Ministry National legislation regarding infrastructure projects	
Ministry of Customs and Trade	Evaluation of sectors, sectoral requirements	Ayşe Canseven, Elif Şahin, Hakan Balman
Ministry of Interior	Administrative structure of Turkey, Definition of Rural Areas Implementation of KOYDES project	Timur Altunyaygil; Göksel Toker
Ministry of Development	Strategies and plans for development, sector analysis, Definition of Rural Areas	Özcan Türkoğlu, Hakan Günlü
Ministry of Forestry and Waterworks	Evaluation of sectors, sectoral requirements Implementations on conservation of water resources and their sustainable use Support activities of the Department regarding renewable energy projects in villages	Ramazan Yücel, Mehmet Dündar, Gamze Güçlü Altunkaya Çavuş Şahin Aybal
Ministry of Culture and Tourism	Evaluation of sectors, sectoral requirements	
General Directorate of Renewable Energy	Information about renewable energy sector	Mustafa Çalışkan Bekir Turhan Çorbacıoğlu
Western Mediterranean Agricultural Research Institute	Ornamental, medicinal, and aromatic plants	

Name of institution/body/person	Competence/Expertise	Name of the Contact Person
Central Research Institute of Field Crops	Fodder crops and calculations Medicinal, aromatic and ornamental plants	Musa Karaçam, Sabahattin Ünal, Muzaffer Avcı, Sevinç Karabak, Rahmi Taşçı
Beekeeping Research Station of Ordu	Beekeeping and honey production	
Atatürk Forest Farm	Beekeeping and honey production Sectoral insight for capacity limits and eligible expenditure items.	Metin Kelekçi
ARDSI	Agricultural and Rural Development Supports. Current practices, figures, requirements . General review of the programme	Zeynep Tokay, Sema Tuncer Nimetoğlu, Fatma Şahin, Nergiz Özmetin
DG Natural Protection and National Parks, MoFWW	Applications on biodiversity	Dr. Serap Yılmaz, Gülen Malkoç
Undersecretariat of Treasury, NAO	General review of the programme	Servet Ilçin
TURKSTAT	Statistical figures, definition of rural areas, classifications	Irfan Uzunpınar, Şeyma Özcan, Arap Diri, Hasan Aztopal Muharrem Gök, Zuhal Güloğlu
Turkish Patent Institute	Local products, geographical signs	
Ziraat Bank	Agricultural credits and financing schemes, subsidies	Fatih Kandemir
Administration of Regional Development of South East Anatolia.(GAP)	Support activities of the Administration regarding renewable energy.	Muhyettin Sirer
Special Provincial Administration of Kars	Current status and requirements of Kars regarding infrastructure	Mehmet Özbey
Special Provincial Administration of Izmir	Current status and requirements of Izmir regarding infrastructure and renewable energy	Irfan Içöz, Esra Yalı
Special Provincial Administration of Eskişehir	Current status and requirements of A-Eskişehir regarding infrastructure	Rıfat Akyol, Tahir Ünal

Name of institution/body/person	Competence/Expertise	Name of the Contact Person
ILBANK	Activities of ILBANK regarding infrastructure and renewable energy projects Possible consultancy role of ILBANK for municipalities during IPARD application preparations	Nilay Deniz, Mehmet E. Subaşioğlu
Development Bank of Turkey	Activities of Bank regarding renewable energy and infrastructure projects Credit terms for infrastructure and renewable energy projects.	Sedat Alan
Metropolitan Municipality of Izmir	Activities of Municipality regarding infrastructure and renewable energy projects	Nesrin Özdemir, Şule Azbar
Metropolitan Municipality of Bursa	Activities of Municipality regarding infrastructure and renewable energy projects	Devrim Izgi
District Municipality of Gürsu	Taking information about Municipality's solar energy investment which done with support of Regional Development Agency	Orhan Özcü Hüseyin Özmen
District Municipality of Sarikamiş	Current status and requirements of Sarıkamış regarding basic infrastructure	Ilhan Özbilen
Izmir Development Agency (IZKA)	Support of Agency on infrastructure and renewable energy projects	Dr. Fakı Ergül
Bursa Eskişehir Bilecik Development Agency (BEBKA)	Support of Agency on infrastructure projects	Engin Yüksel Tamer Değirmenci
Trakya Development Agency	Needs of agricultural sectors	Işık Ocaklı
United Nations Development Programme-UNDP	UNDP activities in TURKEY regarding infrastructure projects	Güray Balaban Murat Akbaş
Ege University Solar Energy Institute	Current status of renewable energy sector in Turkey Feasible potential for renewable energy resources of Turkey	Prof. Dr. Günnur Koçar Dr. Ahmet Eryaşar Numan S.. Çetin Ahmet Yilanci
Akdeniz University	Rural tourism	

Name of institution/body/person	Competence/Expertise	Name of the Contact Person
Ankara University	Medicinal, aromatic and ornamental plants Calculations for agri-environment, water management, organic farming and erosion studies	Prof. Dr. Bülent Gülçubuk, Prof Dr. Füsun Erden, Prof. Dr. Günay Erpul, Prof. Dr. Süleyman Kodal, Prof. Dr. Cem Aslan, Dr. Yener Atasever
Sugar Institute	Current status and requirements of sugar beet sector	
Sugar Institution	Current status and requirements of sugar beet sector	Yusuf Ozan Üzgün, Erol Şahin
Union of Municipalities of Turkey	Possible consultation role of Union for 301 measure applications	Y.S. Umut Gümgüm, Hayrettin Güngör
Agricultural credit cooperatives	Current status of rural credits and requirements Beekeeping and honey production	Mustafa Gökhan Güneş
Union of Sugar Beet Cooperatives PANKOBIRLIK	Current status and requirements of sugar beet sector	Cem Kaptan, Turgut Ağırmaslıgil
Union of White Meet Industrialists and Breeders-BESDBIR	Current status and needs of poultry sector	Bülent Yüksel
Central Union of Forestry Cooperatives-ORKOOP	Beekeeping and honey production, rural tourism Local products, handcraft	
Union of Aquaculture Cooperatives - SURKOOP	Status and requirements of the aquaculture sector	
Central Union of Fruit Producers	Status and requirement of fruit producers	Alaettin Gulal
Union of Ornamental Plant Producers - SUSBIR	Status and requirements of the ornamental plants sector	
Central Union of Red Meat Producers of Turkey - TUKETBIR	Status and requirements of the red meat sector	Adnan Gültek
Central Council of Veterinary Union of Turkey	Needs of animal farming, animal health and welfare	Osman Aydoğmuş
Central Union of Beekeepers of Turkey-TAB	Status and requirements of the beekeeping and honey production sector	
Union of Travel Agents of Turkey - TURSAB	Status and requirements of rural tourism sector	

Name of institution/body/person	Competence/Expertise	Name of the Contact Person
Central Union of Milk Producers of Turkey - SUTBIR	Status and requirements of the milk sector	Kuzey Acarbaş
Milk, Meat and Food Producers Union of Turkey – SETBIR	Status and requirements of the milk and meet sectors	
Central Union of Egg Producers - YUMBIR	Status and requirements of the egg sector	Hüseyin Sungur
Antalya Exporters Union	EU Regulations for food exports and current practices	
Union of Agricultural Chambers of Turkey	Requirements of the agriculture and food sectors, current status of credit applications, livestock exchanges	Levent Genç
National Milk Council	Status and requirements of the milk sector	Selçuk Akkaya
Association of Packaged Milk and Milk Products Industrialists - ASUDER	Status and requirements of the milk processing industry	
International Solar Energy Society Turkey Section-GÜNDER	Status and requirements of solar energy industry	Dr. Kemal Gani Bayraktar, Faruk Telemcioğlu
Biogas Assosiation-BIOGAZDER	Status and requirements of biogas industry	Altan Denizsel
Turkish Geothermal Association	Status and requirements of geothermal industry	Gürkan Arı
Energy and Environment Association - ENDER	Beekeeping and honey production	Ramazan Macit
Central Union of Fisheries&Aquaculture Cooperatives	Marketing of fisheries&aquaculture products	
Muğla Aquaculture Association	Marketing and processing of aquaculture products	
Rural Tourism Association	Requirements of rural tourism	
Nature Conservation Centre	Information on great bustard	Özge Balkız
Sustainable Rural and Urban Development Association-SURKAL	Requirements of rural tourism Local products, handcraft	Rahmi Demir
Development Foundation of Turkey	Requirements of rural tourism Beekeeping and honey production	
Reşat Akgöz	Elaboration of erosion maps	
Vulture Conservation Foundation	Elaboration of the mosaic for great bustard	Jose Tavares

13.3. Results of Consultations – Summary

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
Geographical coverage of the programme	08.11.2013		Ministry of EU Affairs Ministry of Science Industry and Technology Ministry of Environment and Urbanism Ministry of Customs and Trade Ministry of Interior Ministry of Finance Ministry of Development Ministry of Forestry and Waterworks Ministry of Culture and Tourism Undersecretariat of Treasury DG Livestock, MoFAL DG EU and International Relations, MoFAL DG Fisheries and Aquaculture, MoFAL DG Food and Control, MoFAL ARDSI	Expansion to all provinces was recommended POULTRY SECTOR: Turkish Poultry Meat producers and Breeders Association: Production becomes meaningful when slaughterhouse opportunity exists. With the justification of “Transportation should not increase the costs” it is stated that in each province poultry sector should be supported. .THIS OPINION WAS NOT ACCEPTED, THE PROGRAMME WILL CONTINUE WITH 42 PROVINCES. Sustainable Rural and Urban Development Association:

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
Opinion on Measure Investments in Physical Assets of Agricultural Holdings	06.01.2014		DG Agricultural Reform, MoFAL DG EU and International Relations, MoFAL DG Food and Control, MoFAL DG Livestock, MoFAL DG Agricultural Resarch and Policies, MoFAL Strategy Development Depertment, MoFAL Turkish Poultry Meat producers and Breeders Association Sustainable Rural and Urban Development Association Turkish Veterinary Medical Association	Support for water buffalo and egg sector was recommended and the recommendation is reflected to the programme Turkish Poultry Meat producers and Breeders Association: As this sector prevents the migration from rural to urban and it is the cheapest protein source, poultry sector should be supported. Sustainable Rural and Urban Development Association: Goose should be considered as local product as goose breeding does not require cage/poultry house, only pasture land is sufficient for goose breeding. the most profitable method is the traditional method and for this reason it may not be supported under this measure. Goose will be supported under measure 101. Turkish Veterinary Medical Association: There should be diversification for poultry meat. Goose and duck should be included. Goose was included in the programme. Duck raising found be marginal in terms of poultry production and consumption.
EU Regulations and Country Strategy Paper	11-15.11. 2013, 15-22.01.2014		Ministry of EU Affairs	Incorporated in the Programme

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
Compliance to EU legislation, difficulties faced by food business	11-15.11.2013, 6.01.2014, 26.2.2014, 16.04. 2014		DG EU and International Relations, DG Food and Control, MoFAL, Provincial Directorates of MoFAL, Antalya Exporters Union	Incorporated in the rationale of measures
Production capacities and production figures of sectors	13.11.2013, 15.01.2014, 07.05.2014		DG Fisheries and Aquaculture, MoFAL, Ministry of Science Industry and Technology Turkish Poultry Meat Producers and Breeders Association	Reflected in the rationale, and the investment sizes to be supported Turkish Poultry Meat Producers and Breeders Association: Broiler should continue with 5000-50000 capacity The Programme will continue with these capacities
Investments to be supported in milk sector	24.04.2013,11-14.11.2013, 22-25.01.2014		Milk, Meat and Food Producers Union of Turkey – SETBIR, Association of Packaged Milk and Milk Products Industrialists – ASUDER	Priorities in the sector and sizes to be supported are reflected to the programme (it is decided to decrease the minimum capacity in milk processing enterprises from 10 days/ton to 5 tonnes/ days)
Investments to be supported in red meat sector	14.11.2013		Milk, Meat and Food Producers Union of Turkey – SETBIR, Central Union of Red Meat Producers of Turkey - TUKETBIR	Investment sizes to be supported are reflected to the programme
Investments to be supported in poultry sector	14.11.2013		Union of White Meet Industrialists and Breeders-BESDBIR, Ministry of EU Affairs, Provincial Directorates of MoFAL	Reflected to the Programme
Inclusion of goose and duck production	14.11.2013		Central Council of Veterinary Union of Turkey	Goose breeding is included in the programme

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
Investments to be supported in fruit and vegetable sector	24.11.2013,12.11.2013, 4-5.12.2013, 22-25.01.2014		Central Union of Fruit Producers Related institution and directories of MofAL	Included in the strategy and evaluation for the program
Investments to be supported in fisheries and aquaculture	24.04.2013, 11-15.11.2013, 22-25.01.2014		Union of Aquaculture Cooperatives – SURKOOP, Muğla Aquaculture Association Related institutions and directories of MofAL	Suggested expenditure items and investment sizes to be supported are partly reflected to the programme.

Aid intensity to be applied	14.11.2013		Strategy Development Department, MoFAL Turkish Poultry Meat Producers and Breeders Association BESD-BIR Red Meat: Agricultural Chambers of Turkey Turkish Beef and Lamb Producers Association-TUKETBIR COMMON OPINION OF PARTICIPANTS	Increased for some sectors It is relevant to support the applications up to 25,000 heads at the rate of 65%. The rates are increased Agricultural Chambers of Turkey: In case 500 heads of sheep is considered as maximum limit, it should be increased to 1500000 Euros. -This opinion was not taken into consideration. It is quite important to give extra points to the enterprises producing their own feed and extra points should be given to these enterprises -It is not reflected to the programme Turkish Beef and Lamb Producers Association: The enterprises taking livestock from the enterprises freed from animal diseases should be given extra points. COMMON OPINION OF THE PARTICIPANTS: Giving extra point to the ones returning to their villages. -It is not totally reflected to the Programme
Inclusion of producer	14.11.2013		Agricultural credit cooperatives	Reflected to the programme

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
organisation in the programme				
Simplification of application procedures	14.11.2013		Strategy Development Department, MoFAL, ARDSI	Simplified business plan is included
Ease of using bank credits for the recipients. Agricultural / subsidised credits	14.11.2013 16,18,20,25.06.2013		Union of Agricultural Chambers of Turkey Provincial Directorates of Ziraat Bank	ARDSI and MA initiated talks with banks Investments under IPARD support are covered in
Inclusion of goose in local products	14.11.2013		Sustainable Rural and Urban Development Association-SURKAL	Included in the Program me It is not considered in Local products but in measure 101.
Investments to be supported in rural tourism sector	15.11.2013		Ministry of Culture and Tourism	Information regarding rural tourism was received. It is stated that the capacities, certificate and recreational activities within IPARD Programme are convenient. Reflected to the programme
Investments to be supported in medicinal, aromatic and ornamental plants	27.03.2013		DG Agricultural Researches And Policies DG Food and Control, MoFAL, DG Vegetative Production, MoFAL, Ankara University/ Faculty of Agriculture	Suggested investments are partly reflected to the programme. It is recomended that in case processing facilities are in question, increasing the eligible expenditures, in case the existing enterprizes apply these enterprizes should be given priority. Eligible expenditure amount is incvreased to 500,000 Euros and existing enterprizes are given priority regarding selection criteria.

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
Revisions on Agri-environment Measure	20.10.2013 30.10.2013 01.11.2013 04.11.2013 10.04.2013 11-15.11.2013 14.04.2014 16.04.2014 29.04.2014 06 05 2014 12 05 2014 27 05 2014		Ministry of Environment and Urbanism, Ministry of Forestry and Waterworks, DG Plant Production/ MoFAL, DG Agricultural Reform/ MoFAL, DG Agricultural Resarch and Policies/MoFAL, Geographical Information Systems Department/MoFAL, Training, Expansion and Publications Department/MoFAL, Central Research Institute of Field Crops, Centre of Nature Protection, MoFAL District Directorate, DG Natural Protection and National Parks/ MoFWW, Ankara University, Sugar Institute, Union of Sugar Beet Cooperatives (PANKOBIRLIK), Sugar Institution	Meeting were held on revisions for sub-measure fiches. Recommendations about crop rotations crops to be selected were taken and reflected to the erosion sub-measure fiche. For the other sub-measures during the meetings suitable crop rotations, mosaic to be used for great bustard and limited irrigation technics were discussed and noted on the draft fiches. These will be reflected in the measure fiches.

LEADER	11-13.11.2013		1. ARDSI 2. Ministry for EU Affairs 3. Iskilip District Directorate of MoFAL 4. District Governorate of Birecik 5. Trakya Regional Development Agency 6. Union of Chambers and Commodity Exchanges of Turkey (TOBB) 7. Sustainable rural and urban development association (SÜRKAL) 8. Wheat Association 9. Rural Tourism Association 10. Department of Associations of ministry of Interior 11. DG Agricultural Policies and Research of MoFAL	List of Eligible Expenditures –For the sub measure of acquisition of skills ; the participants offered the "car rental costs and insurance costs" . Among the criteria given by the Commission regarding the new Programming period there is the statement as "the population of the settlement which will be within the LAG regions should not exceed 25,000". The following justification proposals of the group regarding the reason of population's not exceeding 25,000 were reflected to the measure fische. •There is migration in the Eastern regions of Turkey due to socio-economic reasons. •The industrialisation in the West attracts the rural population, •The social services provided in district centres (hospitals, market places, etc) •Inclusion of central villages, •For rural area definition, the necessity of considering the other factors (other economic indicators, infrastructure, health centres, distance to the city centre) besides population, •The centres of actively operating NGO' s are located in district centres.
LEADER Measure Fiche	19.03.2014	9 days	1. ARDSI	The following opinion was received from DG European Union and

			2.DG Food and Control 3.DG Vegetative Production 4.DG Agricultural Policies and Research 5.DG Livestock 6.DG Fisheries and Aquaculture 7.DG EU and International Relations 8.Department of Training, Expansion and Publications 9.Undersecretariat of Treasury 10.Ministry of EU Affairs 11.Ministry of Culture and Tourism 12.Ministry of Forestry and Waterworks 13. Ministry of Development 14.AnkaraProvincial Directorate of MoFAL 15.Trakya Regional Development Agency 16.Wheat Association for Ecologic Life Support 17.Hüsnü Özyeğin Foundation 18.Union of Chambers and Commodity Exchanges of Turkey (TOBB) 19.Sustainable Rural and Urban Development Association (SÜRKAL)	External Relations of MoFAL and it is reflected to the Programme LDS, prepared by LAG, should comply with the objectives of the Regional Action Plan (GAP,DAP,DOKAP,KOP) in case exists. The following opinion was received from Undersecretary of Treasury and the maximum limit of population for pilot settlements is determined as 50,000 by reflecting this opinion to the Programme “The implementation may be eased in case the maximum limit of district population is 50,000.”

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
			20.Development Foundation of Turkey TKV	
Technical Assistance	13-14.11.2013		1- Ministry of EU Affairs / Derya BALYAN - Expert 2- Undersecretariat of Treasury, NAO / Servet ILÇIN - Expert 3- ARDSI / Ali Ateş - Expert, Hakan Efendi ÖZAT - Expert **4-** Strategy Development Department, MoFAL / Metin CAN - Engineer	1- NAO and ARDSI demanded to be recipients for their specific activities, in addition to MA in this measure. According to EU Commission's view, it wasn't accepted, but a special eligible expenditure item formed for short term specific activities related with MCS. 2-All parts suggested a new structure similar to other IPA components for TA, which contains wider expenditure items (purchasing of equipments, modernisation of infrastructures etc) Suggestion Partly reflected to the programme
Current status of KOYDES project, situation of villages regarding infrastructure	21.08.2013 08.10.2013 21.02.2014	**NA**	1.Ministry of Interior	
Rural Infrastructure	11-12.11.2013		1.Ministry of Interior 2.ARDSI 3. Ministry of EU Affairs 4. Ministry of Treasury 5.UNDP	*Status and needs for infrastructure *Suggestion about design of support partly reflected to measure fiche

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
Activities of ILBANK regarding infrastructure, Possible consultancy role of ILBANK for municipalities during IPARD application preparations	03.12.2013 08.01.2014	**NA**	ILBANK ARDSI	ILBANK shall give support to applicant municipalities in terms of credit options and consultancy
Possible consultation role of Union for 301 measure applications	20.03.2014	**NA**	Union of Municipalities of Turkey	Union shall provide assistance to municipalities for Measure 301 applications
Activities of General Directorate of State Hydraulic Works (SHW) regarding infrastructure	07.05.2014	**NA**	General Directorate Of State Hydraulic Works (SHW)	A brief information was taken about DSI activities
Definition of Rural Areas	27.03.2014	**NA**	1.TurkStat	Adaptation of EuroStat Methodology is explained
Definition of Rural Areas	10.03.2014 12.02.2014	**NA**	1. Ministry of Interior	A brief information was taken about New Municipality Law No:6360
Renewable Energy	18.09.2013 04.06.2014	**NA**	1.General Directorate of Renewable Energy	Information was taken about renewable energy sector, government support, purchase guarantee
Renewable Energy of Ministry of Forestry and Water Affairs	05.06.2014	**NA**	Head of Department for Forestry and Village Affairs	Sharing of experience regarding renewable energy projects for villages

Subject of the consultation	Date of the consultation	Time given to comment	Names of institutions/bodies/persons consulted	Summary of the results
Renewable Energy	14-15.11.2013		1.International Solar Energy Society Turkey Section-GÜNDER 2. Biogas Assosiation-BIOGAZDER 3.Turkish Geothermal Association 4. Ege University Solar Energy Institute 5. General Directorate of Renewable Energy 6. Ministry of EU Affairs 7. Ministry of Treasury 8.ARDSI	*Status and requirements of renewable energy sector. *Suggestion about design of support partly reflected to measure fiche

The designation of all relevant authorities and a summary description of the management and control structure

Authority Type	Name of the authority/body, and department or unit, where appropriate	Head of the authority/body (position or post)	Address	Telephone	Email
NIPAC	Ministry for EU Affairs	Rauf Engin SOYSAL Ambassador/ Acting Undersecretary of Ministry for EU Affairs	Mustafa Kemal Mahallesi 2082.Cadde No: 4 PK:06800 Bilkent-Çankaya / ANKARA	+90 312 218 14 62	esoysal@ab.gov.tr
NAO	Undersecreteriat of Treasury	Cavit DAĞDAŞ Acting Undersecretary of Treasury	İnönü Bulvarı No:36 06510 Emek/ ANKARA	+ 90 312 204 71 59	cavit.dagdas@hazine.gov.tr
NAO Office (Management Structure)	Undersecretariat of Treasury, DG Foreign Economic Relations	Selim USLU Actinbg Head of NAO Office	İnönü Bulvarı No:36 06510 Emek/ ANKARA	+ 90 312 204 73 59	selim.uslu@hazine.gov.tr
	Undersecretariat of Treasury, DG FER, Department of National Fund	Harun GÜRER Head of Dept.	İnönü Bulvarı No:36 06510 Emek/ ANKARA	+ 90 312 204 73 60-61	harun.gurer@hazine.gov.tr
	Undersecretariat of Treasury, DG FER, NAO Support Department (IPARD)	Nursel Hatun ULUCAKLIOĞLU ÜNAL Head of Dept.	İnönü Bulvarı No:36 06510 Emek/ ANKARA	+ 90 312 204 73 60-61	nursel.durucakoglu@hazine.gov.tr

Managing Authority	MoFAL, General Directorate of Agricultural Reform	Gürsel KÜSEK Acting General Director	Eskişehir Yolu 9. Km Lodumlu / ANKARA	+ 90 312 258 80 09	gursel.kusek@tarim.gov.tr
Paying Agency	Agriculture and Rural Development Institution	Ali Recep NAZLI Acting President of ARDSI	Turan Güneş Bulvarı No:68 Çankaya/ ANKARA	+ 90 312 409 14 00	recep.nazli@tkdk.gov.tr
Audit Authority	The Board of Treasury Controllers	İrfan TOKGÖZ Head of The Board of Treasury Controllers	İnönü Bulvarı No:36 06510 Emek/ ANKARA	+ 90 312 204 73 44	irfan.tokgoz@hazine.gov.tr

14. THE RESULTS AND RECOMMENDATIONS OF THE EX-ANTE EVALUATION OF THE PROGRAMME

14.1. Description of the Process

The ex-ante evaluation of the IPARD 201-2020 started on 23 June 2014 with an appraisal of the Preliminary draft of IPARD 2014-2020 programme document and a review of supporting documents. Since writing of the programme document is under process and evolving, consultant had to take the latest versions of the documents available at the beginning of ex ante evaluation and base evaluation on these versions[14]. It is clear and in the nature of ex ante evaluation that some of the comments in this summary may no longer be valid when IPARD 2014-2020 Programme document is finalized. The ex-ante evaluation should be seen as a complementary document to the IPARD 2014-2020 programme – presenting an account of the targeted needs, the intervention logic and an evaluation framework for assessing the extent to which the needs are addressed.

Main sources of evidence and information of ex ante evaluation of IPARD 2014-2020 Programme are Draft IPARD 2014-2020 Programme Document, Draft rural development measures for IPA II 2014–2020, Draft Guidelines for Ex ante Evaluation for IPARD 2014-2020, Guidelines for ex ante evaluation of 2014-2020 RDPs, Turkey's Draft National Rural Development Strategy 2014 – 2020, Annual Implementation Report on IPARD Programme-2013, Eight Sector Analysis of Turkey which IPARD 2014-2020 is based on, and in-depth interviews with previous IPARD programme recipients and applicants. Relevant sources of information, statistics and regulations were also referred in the course of ex ante evaluation. Some international examples were also studied for preparation of the ex-ante evaluation.

Sector SWOT analysis were reviewed and compared with 14 needs identified based on the SWOTs in order to evaluate correlation among them. General and specific objectives of the programme measures were crosschecked with the needs identified in order to evaluate coherence among them. Rational and objectives of the suggested 10 measures were analysed and compared with that of the rural development measures for IPA II 2014–2020. This was done in order to find coherence between them and intervention logic applied. It was also checked if intervention logic was in line with national strategy, SWOT analysis and needs assessment. Recipients, eligibility criteria, eligible expenditures and budget allocation of the measures were analysed and compared with rural development measures in order to evaluate establishment of targets and distribution of financial allocations. Indicators, targets, administrative procedures, aid intensity and geographic scope of the measures were analysed in order to evaluate implementing, monitoring, evaluation and financial arrangements of the IPARD 2014-2020 Programme. For detailed implementing, monitoring and evaluation arrangements the relevant chapters (11-12) of the IPARD 2014-2020 Programme were also assessed. Desktop studies were supported by meetings with professionals taking part in the planning process of IPARD 2014-2020 Programme and Managing Authority.

Comments of different parties on the draft of the IPARD 2014-2020 programme document and those of the European Commission were taken into account as of 15 July 2014 while this section

[14] The versions of evaluated IPARD 2014-2020 programme documents as in the folder provided by MoFAL were the latest versions available on 26 June 2014 *except SWOTS from 5 July 2014. File name of the documents are*; 1-3 0626, 4 SWOT 0705, 5 Previous Intervention 0625, 6 Strategy 0627, 7 Finance 0625, 8_1 General Requirements 0627, 8_2_1 Agricultural Holdings 0627, 8_2_2 Producer Groups 0625, 8_2_3 Processing 0627, 8_2_4 Agri-Environment 0628, 8_2_5 Leader 0625, 8_2_6 Infrastructure 0625, 8_2_7 Diversification 0627, 8_2_8 Training 0627, 8_2_9 Technical Assistance 0625, 8_2_10 Advisory 0620, 9-10 0620, 11-12 0620, 14 Ex-ante 0630, 15-17 0627, 18 Annexes 0628,

of the ex-ante evaluation is going to take part in the first Official Draft of Turkey's IPARD 2014-2020 Programme document being submitted to European Commission. It should be expected that Managing Authority responds below recommendations and finalise ex ante evaluation section at final programme document.

14.2. Overview of the Recommendations

Draft National Rural Development Strategy (NRDS) covering the 2014-2020 period defines five strategic objectives together with priorities and measures for each objective. All NRDS five strategic objectives are coherent with 9 measures of IPARD II Programme except NRDS 5th objective which is not exactly coherent with IPARD II's ''Preparation and implementation of local rural development strategies'' but complementary to it.

Evaluators find SWOT analysis of the programme complete with some minor intervention; causes of most disparities identified, in line with the EU's agricultural policy and National Rural Development Strategy, contributing objective related baseline indicators, identified needs and their translation into objectives and concrete priorities for action.

The objective structure of the plan is sufficiently developed for the evaluators to conclude that the actions proposed for the measures are coherent with the objectives of the priorities and that these in turn are coherent with the overall objectives of the programme. However, *specific objectives could be more precisely described.*

Although some *reference to needs assessment* is required in relevant sections of the measures, the "intervention logic" of the programme establishes a sense logical link between programme objectives and the envisaged operational actions. The intervention logic also allows an assessment of a measure's contribution to achieving its objectives.

As for recipients; Turkey is a large country with a heavy dependence on an agricultural sector that requires large investments in order to achieve global competitiveness. The total IPARD budget represents only a small fraction of the amount required and the Managing Authority have to take the view that these resources must be focussed on those businesses that have the potential to become competitive but are most in need of assistance to do so. Target groups of measures are mostly well defined and are those suggested by Measure Fiches. However, neither any sector analysis nor any measures (except Agri-Environment, Climate and Organic Farming measure) narrow down geographical scope of the intervention in order to address the ones most in need of the assistance, in a country where regional disparities are deep.

As for allocation of resources; a conscious decision has been made not to support businesses that can afford to reach a viable competitive position on their own even though the allocation of support might accelerate the rate and level of adaptation in those businesses. The minimum and maximum limits of total value of eligible investments per project are 30,000 Euro and 5,000,000 Euro. For milk collection centre only, the minimum and maximum limits are 25,000 and 1,000,000 Euro. The limits are vast.

Common Monitoring and Evaluation Framework (CMEF) is not ready for Rural Development 2014 – 2020, yet. However, context indicators were provided by EC IPARD Programme Management and adapted to the Turkey's IPARD II programme. Managing Authority may need further assistance to develop functional baseline, common and programme specific indicators for Monitoring and Evaluation. The procedures for implementation, monitoring, evaluation and financial management of the IPARD 2014-2020 may need further development.

Following major recommendations are proposed by the evaluators in below topics for refinement of Turkey's IPARD 2014-2020 Programme:

The SWOT analysis, needs assessment

Rec. Nr. 1;

Date: 2014/07/15

Topic: SWOT Analysis

Description of the recommendation: There are contradicting and misplaced statements in SWOT Analyses of Red Meat, Egg, Aquaculture, Water Conservation, Organic Agriculture, Renewable Energy, Rural Infrastructure Investments and Farm Diversification. It is recommended to eliminate these contradictions and make review of misplaced statements.

How recommendation has been addressed or justification on as to why not taken into account:

Revisions are made in SWOT Analyses of Red Meat, Egg, Aquaculture, Water Conservation, Organic Agriculture, Renewable Energy, Rural Infrastructure Investments and Farm Diversification to avoid contradictions. Consistency of SWOT tables was checked.

Rec. Nr. 2;

Date: 2014/07/24

Topic: Measures related needs

Description of the recommendation: There is no logical link established between needs identified and some of the measures applied. Improvement of Training measure and Advisory Service measure are not based on any of the 14 needs identified (recently revised to 19). It is recommended to establish links between needs and sector SWOTs where it is relevant, such as Leader Approach measure and above two measures.

How recommendation has been addressed or justification on as to why not taken into account:

Needs identified added for training and advisory services are added in Section 6.2. Need for Leader approach is also added to Section 6.2. Links are established between Leader approach and other needs identified. Only the findings related to measures to be implemented is given in the SWOT analysis. Therefore, need for social infrastructure is not mentioned.

Construction of the intervention logic

Rec. Nr. 3;

Date: 2014/07/24

Topic: Rationale

Description of the recommendation: Intervention Logic cycle doesn't complete since measures are not linked with needs assessment, SWOT analysis, sector analysis or National Strategy for chosen areas of intervention. It is recommended to establish these links to complete intervention logic cycle and a rational.

How recommendation has been addressed or justification on as to why not taken into account:

In Section 8 under relevant measures, references to national strategies, sectoral analysis and SWOT analysis are provided.

Rec. Nr. 4;

Date: 2014/07/15

Topic: Overall and Specific Objectives

Description of the recommendation: Overall and specific objectives of the measures covers several aims, therefore it is advisable to reduce the no of objectives, and to focus on main objectives rather than list all objectives that can be achieved by a measure. Specific objectives are generic, it would be recommended that specific objectives to be developed for each sector, identified in the programme.

How recommendation has been addressed or justification on as to why not taken into account:

Distinction is made in the general and specific objectives of the both measures (1 and 3). However, exclusive listing of all details is not possible due to character restrictions. For the Agri-Environment Climate and Organic Farming measure, the text left intact. For the Farm Diversification and Business Development measure, general and specific objectives are redrafted.

Establishment of targets, distribution of financial allocations

Rec. Nr. 5;

Date: 2014/07/24

Topic: Eligibility Criteria of LEADER Approach

Description of the recommendation: LEADER Approach measure's eligibility criteria indicate certain criteria for decision making level of LAG's. If LAG's are going to be newly established associations or foundations, which is the case, its decision making mechanism in Turkey only compose of limited (5 person) board members, it would be extremely difficult to fulfil the conditions. It is recommended to use ''in the composition of the LAG's'' instead of ''at the decision making level'' for the economic and social partners, in consultation and agreement of European Commission.

How recommendation has been addressed or justification on as to why not taken into account:

The text for eligibility criteria is revised

Rec. Nr. 6;

Date: 2014/07/24

Topic: Financial Allocation

Description of the recommendation: The minimum and maximum limits of total value of eligible investments per project are 30,000 Euro and 5,000,000 Euro. For milk collection centre only, the minimum and maximum limits are 25,000 and 1,000,000 Euro. The limits are vast. A categorisation may be need. It is proposed that this will be achieved by setting limits for different size of eligible businesses.

How recommendation has been addressed or justification on as to why not taken into account:

In determining the budget range for the investments to be supported the general tendency was to adopt the ones in the current programme. However, the applications received in IPARD 2007- 2013 were considered in revising especially the ceiling levels. No applications for UHT milk production were received in the current IPARD period due to high investment costs. Considerable number of projects received for milk and meat processing had budgets above 3 million Euros.

Following investment sizes were taken into account while determining the ceiling limits in the sectors. Combined investments of milk collection and processing establishments, combined investments of slaughterhouses with cutting and processing plants, fruit and vegetable drying units.

Although the ceiling values are high, preference will always be given to small investors through scoring mechanism.

Rec. Nr. 11;

Date: 2014/07/15

Topic: Indicators

Description of the recommendation: Indicators for most of the measures are common indicators specified by measure fisches. In addition to these common baseline indicators, programme-specific baseline indicators recommended to be defined, at programme level, in view of covering specific national or regional needs, as well as specific national or programme-related priorities.

How recommendation has been addressed or justification on as to why not taken into account:

Programme level indicators are added to Table 16.

Programme implementing, monitoring, evaluation and financial arrangements

Rec. Nr. 8;

Date: 2014/07/15

Topic: D*issemination of results and experiences*

Description of the recommendation: *There is an assumption that the Agri-Environment, Climate and Organic Farming measure is to raise awareness about the measure and supported type of operation(s) among large group of potential recipients. Therefore, the country should present in the programme how the dissemination of results and experiences of this measure will be ensured. This section does not exist in measure 4, it is recommended to write such a section as measure fiche suggests. It is also recommended GAEC standards (good agricultural and environmental condition) to be attached to the programme document.*

How recommendation has been addressed or justification on as to why not taken into account:

Information on dissemination is added in the Rationale. Reference to GAEC standards is provided.

Rec. Nr. 9;

Date: 2014/07/15

Topic: Administrative procedures

Description of the recommendation: Agri-Environment- Climate and Organic Farming measure *indicates that ''All applications passing administrative checks are evaluated and scored based on the "Selection and Award Criteria for Selection of Projects" as stated in the IPARD programme''.* However, Selection and Award Criteria for selection of projects does not exist. Selection criteria recommended to be established.

How recommendation has been addressed or justification on as to why not taken into account:

The measure is based on voluntary participation. Therefore selection criteria like those for the investment measures do not apply. However, description of eligibility criteria is revised to clarify the target group of the measure.

Rec. Nr. 10;

Date: 2014/07/15

Topic: Geographical scope

Description of the recommendation: Agri-Environment- Climate and Organic Farming Measure's **g**eographical scope mentions proximity to the Managing Authority as the reason why particular geographies chosen but it would be more appropriate to mention and stress the need for such interventions in these areas. Some Measure's partial geographical scope section should be completed.

How recommendation has been addressed or justification on as to why not taken into account:

Section 8.2.4.13. Locations were already identified during IPARD2007-2013. Text is left intact.

Geographical scope for Farm Diversification has been edited. The other measures will be revised during the implementation phase of the programme

Rec. Nr. 11;

Date: 2014/07/24

Topic: Recipients

Description of the recommendation: Target groups of measures are mostly well defined and are those suggested by Measure Fiches. However, neither any sector analysis nor any measures (except Agri-Environment, Climate and Organic Farming measure) narrow down geographical scope of the intervention in order to address the ones most in need of the assistance, in a country where regional disparities are deep. Therefore, it would be recommended to prioritise geographical scope for intervention or revise selection criteria in favour of less favoured provinces/regions for some measures.

How recommendation has been addressed or justification on as to why not taken into account:

In order to ensure smooth transition, geographical coverage of IPARD 2007-2013 is adapted for the initial stage of IPARD 2014-2020. No further restriction on geographical coverage is imposed since the uptake level for funds are still not at the desired level. Further restriction / prioritisation may result in fall in the number of applications received.

Rec. Nr. 12;

Date: 2014/07/15

Topic: Description of the Operating Structure, Including Monitoring and Evaluation

Description of the recommendation:

It is understandable that the Sectoral Agreement is not finalised yet therefore the implementation structure of the programme is not enough detailed described. Adequate provision of human resources and administrative capacity for the management of the programme, including the envisioned cooperation among key institutions (such as National IPA Co-ordinator Competent Accrediting Officer, National Fund (NF)-Competent Authority / National Authorising Officer, Certifying Body, Audit Authority, Managing Authority, IPARD Agency, as Operating Structure for IPARD and Monitoring Committee) in the implementation of the programme and the monitoring of its progress, should be described in more details, therefore further development of the chapter is recommended including the description of monitoring and evaluation system.

How recommendation has been addressed or justification on as to why not taken into account:

Roles of Managing Authority and ARDSI as described in the Sectoral Agreement is added to text. Suggestions for Monitoring and Evaluation is relevant to the implementation of the programme and therefore not given in the text. As for the evaluation plan, evaluation plan is also added to text.

Table 29: Overview of recommendations of the ex-ante evaluation

(note: this is a summary table based on description of each recommendation done above)

Date	Topic	Recommendation	How recommendation has been addressed, or justification as to why not taken into account
The SWOT analysis, needs assessment			
2014/07/15	**Rec. Nr. 1;** SWOT Analysis	Eliminating contradictions and making review of misplaced statements	Revisions are made in SWOT Analyses of Red Meat, Egg, Aquaculture, Water Conservation, Organic Agriculture, Renewable Energy, Rural Infrastructure Investments and Farm Diversification to avoid contradictions. Consistency of SWOT tables was checked.
2014/07/24	**Rec. Nr. 2;** Measures related needs	Establishing link between needs and measures	Needs identified added for training and advisory services are added in Section 6.2. Need for Leader approach is also added to Section 6.2. Links are established between Leader approach and other needs identified. Only the findings related to measures to be implemented is given in the SWOT analysis. Therefore, need for social infrastructure is not mentioned.
Construction of the intervention logic			
2014/07/24	**Rec. Nr. 3;** Rationale	Establish links to complete intervention logic cycle and a rationale.	In section 8 under relevant measures, references to national strategies, sectoral analysis and SWOT analysis are provided.
2014/07/15	**Rec. Nr. 4;** Overall and Specific Objectives	Reducing the number of objectives and specific objectives to be developed for each sector, identified in the programme	Distinction is made in the general and specific objectives of the both measures (1 and 3). However, exclusive listing of all details is not possible due to character restrictions. For the Agri-Environment Climate and Organic Farming measure, the text left intact. For the Farm Diversification and Business Development measure, general and specific objectives are redrafted.
Establishment of targets, distribution of financial allocations,			
2014/07/24	**Rec. Nr. 5;** Eligibility Criteria of LEADER Approach	• Revision of common eligibility criteria	The text for eligibility criteria is revised

2014/07/24	**Rec. Nr. 6;** Financial Allocation	• Setting limits for different size of eligible businesses	In determining the budget range for the investments to be supported the general tendency was to adopt the ones in the current programme. However, the applications received in IPARD 2007-2013 were considered in revising especially the ceiling levels. No applications for UHT milk production were received in the current IPARD period due to high investment costs. Considerable number of projects received for milk and meat processing had budgets above 3 million Euros. Following investment sizes were taken into account while determining the ceiling limits in the sectors. Combined investments of milk collection and processing establishments, combined investments of slaughterhouses with cutting and processing plants, fruit and vegetable drying units. Although the ceiling values are high, preference will always be given to small investors through scoring mechanism.
2014/07/15	**Rec. Nr. 7;** Targets and indicators	Baseline and programme-specific indicators to be defined	Missing indicators completed.
Programme implementing, monitoring, evaluation and financial arrangements			
2014/07/15	**Rec. Nr. 8;** Dissemination of results and experiences	• Dissemination of results and experiences section to be established • GAEC standards to be annexed	Information on dissemination is added in the Rationale. Reference to GAEC standards is provided.
2014/07/15	**Rec. Nr. 9;** Administrative procedures	• Selection and Award Criteria for Selection of Projects to be established for the Agri-Environment, Climate and Organic Farming Measure	The measure is based on voluntary participation. Therefore selection criteria like those for the investment measures do not apply. However, description of eligibility criteria is revised to clarify the target group of the measure.
2014/07/15	**Rec. Nr. 10;** Geographical scope	• Revision of section in Agri-Environment, Climate and Organic Farming Measure	Section 8.2.4.13. Locations were already identified during IPARD2007-2013. Text is left intact. Geographical scope for Farm Diversification has been edited. The other measures will be revised during the implementation phase of the programme
2014/07/24	**Rec. Nr. 11;** Recipients	• Prioritise geographical scope for intervention or revise selection criteria in favour of less	In order to ensure smooth transition, geographical coverage of IPARD 2007-2013 is adapted for the initial stage of IPARD 2014-2020. No further restriction

		favoured provinces/regions	on geographical coverage is imposed since the uptake level for funds are still not at the desired level. Further restriction / prioritisation may result in fall in the number of applications received.
2014/07/15	**Rec. Nr. 17;** Description of the Operating Structure, Including Monitoring and Evaluation	• Further development of the chapter 11 is recommended	Roles of Managing Authority and ARDSI as described in the Sectoral Agreement is added to text. Suggestions for Monitoring and Evaluation is relevant to the implementation of the programme and therefore not given in the text. As for the evaluation plan, evaluation plan is added to text.

The complete ex-ante evaluation report is given in Annex IX

15. PUBLICITY, VISIBILITY AND TRANSPARENCY IN ACCORDANCE WITH IPA LEGISLATION

15.1. Actions Foreseen to Inform Potential Recipients, Professional Organisations, Economic, Social and Environmental Partners, Bodies Involved in Promoting Equality Between Men and Women and NGOs about Possibilities Offered by the Programme and Rules of Gaining Access to Funding.

Publicity activities will be conducted in accordance with the Article 23 of the Framework Agreement as well as the Article 24 of the Sectoral Agreement, to target general public and recipients for the ultimate purposes of:

- Publishing call for proposals including informing applicants about contractual obligations and relevant sections.
- Informing recipients about the EU contribution

While ARDSI is responsible for preparing call for proposals and disseminating this information together with all documents required to submit proposals, MA and ARDSI will be both responsible for conducting publicity activities to increase the awareness about the programme among potential recipients.

According to the Article 5 (2) of the IPA Regulation (EU) No 231/2014 and Article 10 of the IPA Implementing Commission Regulation (EU) No 447/2014, operating structures are responsible for organising the publication of the list of the recipients, the names of the operations and the amount of EU funding allocated to operations. Distribution of publicity instruments will be based on the following principles:

1. Publicity instruments are listed in Communication and Publicity Plan in detail. ARDSI and MA will carry out the publicity and communication activities by using those publicity instruments.
2. Printed publicity and information material shall be delivered to organisations such as producer groups, chambers related to trade, agriculture and industry, provincial coordination units of ARDSI, provincial directorates of MoFAL and other related institutions by ARDSI and MA,
3. Potential recipients shall get the publicity and information materials as free of charge.

The budget allocated for publicity and visibility is under the Technical Assistance measure of the programme.

15.2 Actions Foreseen to Inform the Recipients of the EU Contribution

The IPARD Agency is responsible for the publication of the list of the recipients, the names of the operations and the amount of EU funding allocated to operations in accordance with the Article 23 of the Framework Agreement. They shall ensure that adequate publicity is given to the availability of support and the recipient is informed that acceptance of funding is also an acceptance of their inclusion in the list of recipients published. The publicity shall make reference to EU co-financing.

15.3. Actions to Inform the General Public about the Role of EU in the Programmes and the Results Thereof

The visibility of the IPA assistance programmes and their impact on the citizens of the beneficiary countries is essential to ensure public awareness of EU action and to create a consistent image of the measures concerned in all beneficiary countries in accordance with the Article 24 of the Framework Agreement.

The visibility activities will be conducted based on the communication plan which is evaluated by the monitoring committee in accordance with the Article 25 of the Sectoral Agreement. These actions will be aimed at notifying the public about co financing possibilities and investments arising from the IPARD Programme.

Actions will be taken to ensure that all stakeholders including administrative bodies, public and private sector as well as potential recipients are informed about the programme content and implementation procedures in details so as to increase the capacity for understanding and use of the pre-accession programmes. This will be managed through the media, leaflets/guidebooks, broadcasting on national and local TV channels, meetings, seminars, posters, brochures, handbooks, short films and web sites. Additionally, orientation and training activities for potential recipients will be widely organised.

Key persons from the involved administrative bodies will be informed and trained in workshops on the content and implementation of the programme so that they can distribute the information and advice potential recipients. The capacity to provide training is very high in MoFAL organisations at both the central and the provincial levels. Most departments provide services as help desks and information offices to citizens.

16. EQUALITY BETWEEN MEN AND WOMEN AND NON DISCRIMINATION PROMOTED AT VARIOUS STAGES OF PROGRAMME (DESIGN, IMPLEMENTATION, MONITORING AND EVALUATION).

16.1. Description of How Equality Between Men and Women will be Promoted at Various Stages of Programme (Design, Implementation, Monitoring and Evaluation).

The programme addresses the improvement of employment conditions for women in agriculture, through modernisation of farms and enterprises, and creation of alternative employment opportunities, which will in particular be beneficial for women, through diversification of the rural economy. In this context, in accordance with the Article 2 (2) of the IPA Regulation (EU) No 231/2014 the programme gives a particular priority in the ranking criteria to projects submitted by women in the area of modernisation of farms/enterprises as well as in the diversification of economic activities. Thus women are recipients to be particularly targeted and promoted under the programme.

All institutions involved in the design, implementation, monitoring and evaluation of the programme provide and promote equal opportunity to men and women. There is almost equal number of male and female employees in those institutions.

16.2. Describe How Any Discrimination Based on Sex, Race, Origin, Religion, Age, Sexual Orientation, is prevented during Various Stages of Programme Implementation

Any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation shall be prevented during the various stages of the implementation of assistance in accordance with the Article 2 (1) of the IPA Regulation (EU) No 231/2014 and Article 5 (1) (g) of the Framework Agreement**.** MA and ARDSI will take necessary measures to ensure prevention of discrimination during the various stages of implementation of the Programme.

17. TECHNICAL AND ADVISORY SERVICES

The MoFAL distributes publications to extend new technologies and information among farmers and to improve human resources. Agricultural publication services are provided free of charge to all farmers engaged in agricultural production and living in rural areas. The publication services are coordinated by provincial directorates of the MoFAL in the provinces and districts and also by the Education Centres of Handicrafts.

The MoFAL extension and advisory services with regard to national schemes includes the training activities of farmers, women and young people in the framework of the below explained sections, farmer days in villages.

Under each provincial directorate of MoFAL, there are departments for rural development and organisation and coordination and agricultural data. They organise the training programmes, seminars and extension services for farmers in the framework of the national support schemes. These departments have also been supporting the farmers by giving information about the application rules and procedures of the support programmes, on interpretation of the handbooks and leaflets, the principles of the preparation of the business plans and documentation required.

The MoFAL websites[15] also provides the information on the application and implementation principles of national support schemes as well as answering the queries under the "frequently asked questions" sections. Moreover, the MoFAL has been implemented between 2003-2006, a project called "Village Based Agricultural Production Support" in which 1000 Agricultural Counsellors have been appointed in 1,000 villages to give the information and extension services in the field. The project is currently known as "Development of Agricultural Extension (TAR-GEL)" and in the framework of this project, 10,000 agricultural counsellors carry out the extension services.

Moreover, an Agricultural Investors Guidance Centre[16] has been established under the Ankara headquarters of MoFAL which provides guidance services on opportunities provided for both national and overseas investors in the agricultural sector and directs potential agricultural investors to the right places for the information they need while making investment plans.

To strengthen the knowledge infrastructure of the advisory sector in order to contribute to IPARD objectives is of crucial importance. Capacity building is required for the advisors providing project proposal preparation services to applicants. In this framework, a project is proposed under IPA 2007-2013 regarding the capacity building of the advisory service providers. The purpose of the project is the improvement of the capacity in Turkey regarding the implementation of the new measure "advisory services" introduced in IPARD 2013-2020 Programme. In this context, the proposed activity will cover the improvement of the capacity necessary to be built in the institutions that shall give advisory service to the farmers in terms of providing training, advisorship and extension service.

Agricultural chambers, producer and/or breeder unions, and agricultural cooperatives as well as NGO's that are authorised by the Ministry of Food Agriculture and Livestock based on the

[15] www.tarim.gov.tr; www.ipard.tarim.gov.tr; www.tarim.gov.tr/EYYDB; www.tarim.gov.tr/TRGM; www.tarim.gov.tr/BUGEM; www.tarim.gov.tr/HAYGEM;

[16] www.tarim.gov.tr/SGB/TARYAT

Regulation on Organisation of Agricultural Extension and Advisory Services published in the Official Gazette no 26283 dated 08.09.2006 will be the advisory service providers benefitting from this activity. The organisations providing advisory services under this measure are granted with “Agricultural Adviser Licence” and are in compliance with the conditions set in the regulation. Besides these organisations also employ personnel certified as “Agricultural Advisor Certificate” under the aforementioned regulation and prove the qualifications and competences of them.

The activity covers analysis of current situation regarding advisory services in Turkey and to examine needs for increasing capacity and preparation of training programs and action plan by taking into account the current situation analysis and needs assessment. Following the needs analysis, training of above mentioned advisory service providers will br covered as a first module for production techniques relevant to IPARD sectors concentrating on sustainability, cross-compliance, related national and EU standards on food safety, public health, animal health, phytosanitary and animal welfare as for the second module will be on IPARD 2014-2020 Programme and preparation of project proposals and payment claims as well as publishing brochures, hand-outs concerning IPARD 2014-2020 Programme and preparation of project proposals and payment claims will be carried out.

The extension services will be developed to meet the following requirements;

- information on IPARD, conditions to meet in order to submit an application, rules and procedures applying for the use of the financing;
- practical advice on the preparation of business plans and properly documented applications;
- sound management practices to meet the requirements of investment and activities development;
- specific know-how and improved agricultural or food-processing practices related to the investments made – e.g. advise on proper localised irrigation management in link with an investment in drip irrigation system;
- the organisation of close collaboration with other extension projects which are already well established at village level;
- the strengthening and training of existing advisory services to become efficient trainers for farmers and other applicants.

A full needs analysis will be conducted at the time of introduction of this measure.

18. ANNEXES:

I. Definition of SMEs
II. List of institutions participated in the preparation of the National Rural Development Strategy
III. National Legislation Relevant to the Programme
IV. General Criteria for Evaluation of the Economic Viability of the Recipient.
V. Methodology for calculating the payment levels for agro-environmental-climate, organic farming related actions
VI. Procedures for the Control of the Commitments
VII. Erosion and Slope Maps of the Districts Selected for the Agri-Environment Measure
VIII. List of Eligible Crafts

Ex ante Evaluation Report