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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR
TURKEY

UNDP assistance requested by the Government of Turkey
for the period 1983-1987

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1/ The previous country programmes for Turkey were issued under the document symbols DP/GC/TUR/R.1-DP/GC/TUR/R.2.

INTRODUCTION

1. The third country programme of Turkey has been prepared at a time when the country is making strenuous efforts to revitalize its economy. With the balance of payments becoming steadily unmanageable since the oil price shock of 1973-74, a mounting debt burden and serious imbalances in foreign trade (leading to over US\$ 4.0 billion of annual trade deficit) and a consequently high inflation rate, Turkey introduced an economic stabilization programme in January 1980. This programme has been reinforced by the present Government through a series of additional measures containing the following key elements:

- (a) Institutional changes aimed at making policy formulation and implementation more effective. Unified, coherent and timely decision-making and execution;
- (b) Strict observance of a tight monetary policy and measures designed to bring discipline to public finances;
- (c) Greater liberalization of the trade and payments regimes;
- (d) Flexible exchange rate policy to encourage exports and increase remittances of Turkish workers abroad;
- (e) Additional promotional measures for exports;
- (f) Introduction of a flexible pricing policy for State Economic Enterprises (SEEs) to eliminate unnecessary financial losses and abolition of price controls;
- (g) Increased competition for SEEs and abolition of most Government subsidies;
- (h) Move away from micro-level decisions and interference to improve efficiency through market mechanism;
- (i) Rescheduling of public and private foreign debts and arrangements for consolidating the country's private unguaranteed commercial debts in order to restore the international credibility of Turkey; and
- (j) Maximal utilization of the potential of private foreign capital through adoption of a realistic foreign direct investment policy in all sectors, including petroleum and mining.

2. The goal of the Government is to restructure the Turkish economy into an export-oriented one and thereby bring about an equilibrium in the balance of payments so that, in a reasonable time, the country will not have to depend on foreign aid. This goal is to be achieved through a number of measures, some of which have been described above. Export promotion will be a key element of the strategy, with due regard to the standard of technology and quality control and the ultimate aim of attaining self-reliance.

3. As Turkey moves forward on the road to self-reliance, it has already demonstrated its ability to utilize technical assistance from the United Nations system suitably and to make cost-sharing arrangements for part of the country programme costs. While the country has developed a sufficient absorptive capacity for technical assistance provided by UNDP, the Indicative Planning Figure (IPF) has remained

stationary at US\$ 20 million from the first to the third IPF programming cycles. Allowing for inflation, this means that assistance has diminished in real terms over the years.

4. The third country programme of Turkey covers the period from January 1983 to December 1987; the second country programme will continue till the end of 1982. Resources taken into account for programming for 1983-1987 amount to \$22 million, of which \$6 million is in cost-sharing funds, subject to the ability of UNDP to consume the cost-sharing payments in liras at the currently foreseen rate, and \$2 million constitutes a reserve. See Tables B and C in the Financial Annex.

5. Since the country's absorptive capacity for assimilating technical assistance is larger than the resources projected in the country programme, the Government thus faces the options of either applying the available resources thinly over a large number of projects or of using these resources on a selective basis for a smaller number of projects which enjoy a relatively high priority in the country's development objectives. The Government plans to follow the latter strategy, while reserving a 10 per cent allocation in the programme to cover unforeseen requirements and to maintain the flexible character of the programme.

6. The third country programme is the result of continuous dialogue between the concerned Turkish authorities and the UNDP resident representative. In addition, a series of consultations were held by the Government and the resident representative with members of missions from The United Nations Industrial Development Organization (UNIDO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations, the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Labour Organization (ILO), the International Civil Aviation Organization (ICAO), and the World Tourism Organization (WTO) which visited Turkey at different times between May and September 1981.

7. Also taken into consideration in the country programme are global and regional objectives of interest and relevance to Turkey. Aside from participating in selective regional and global projects, the country programme also reflects the allegiance of Turkey to global objectives such as International Drinking Water Supply and Sanitation Decade (IDWSSD), the promotion of technical co-operation among developing countries (TCDC), the participation of women in development, the decisions emerging from the United Nations Conference on New and Renewable Sources of Energy, and the conceptual goals of the New Dimensions programme in technical co-operation for development.

8. The second country programme made a cautious start following recovery from the financial difficulties encountered towards the end of the first IPF cycle. Programme delivery peaked during 1979 and then slowed down again towards the end of the second cycle.

9. The experiment of cost-sharing payments in local currency for selected projects subject to and limited by the capacity of UNDP to utilize the lira payments in programme management by and large proved successful. Against an IPF of US\$ 20 million for the second cycle, the cost-sharing programme for 1978-1981 amounted to \$8.2 million. 1982 cost-sharing is estimated at US\$ 2 million, and hence the total for the second country programme period is expected to be about US\$ 10.2 million, over and above the IPF. Through Government cost-sharing, the programme of technical

assistance to Turkey was considerably enlarged. However, the fluctuating lira rate necessitated greatly improved financial monitoring of the programme by both the UNDP field office and the Government. The changing parity of the lira vis-à-vis the dollar also created budgetary problems for the concerned Government agencies.

10. The implementation of the second country programme was in general satisfactory. The contribution of a number of innovative and successful projects was of particular significance.

11. The most innovative activity within the conceptual goals of New Dimensions was the successful implementation of the TOKTEN project, Transfer of Know-how Through Expatriate Nationals (TUR/76/017). TOKTEN has secured a modest but significant transfer of know-how to Turkey through the services of highly experienced Turkish professionals working abroad in responsible positions, irrespective of whether they have retained their Turkish nationality or adopted a new one. Up to the end of 1981, 198 consultancies benefiting 375 institutions in Turkey have been carried out and another 13 are already planned for 1982. This cost-effective programme, which first began in Turkey, is already being implemented in several other countries round the globe. A TOKTEN consultant receives no salary, only a round-trip economy air ticket and a per diem allowance. (A few receive honorariums from the recipient institutions.) Thus, a TOKTEN consultant costs less than half of what it costs to bring in a consultant under normal UNDP procedures.

12. One of the most rewarding experiences has been the Government/UNDP/WHO co-operation in the creation of environmental engineering departments or similar capabilities within existing faculties in four universities (namely, Middle East Technical University, Ege, Bogazici and Istanbul Technical University) to graduate students with B.S., M.S., Ph.D. degrees in environment engineering who will work for municipalities, the State Hydraulic Works (DSI), the environmental Secretariat, universities and research-oriented institutions.

13. Three UNDP-assisted projects executed by UNESCO have provided assistance to the new universities. The basic sciences and engineering faculties of Cukurova University in the south were strengthened; the engineering and architecture faculties of Karadeniz Technical University in the north-east were reinforced through training and equipment; short-term consultants, training and necessary equipment were provided to the Marine Sciences Institute of the Middle East Technical University at Erdemli.

14. In the agriculture sector, activities relating to the control of cattle diseases (TUR/74/024) continued successfully and are scheduled to terminate in 1982. The Government has built up stocks of rinderpest vaccine produced under the project. About 6.5 million doses of foot and mouth disease (FMD) vaccine are being produced annually at the FMD Vaccine Institute. However, the sources of water for the Institute and the consequential water treatment measures are still a matter of discussion among the experts of the FAO-executed project, and the project's initial objectives of strengthening field laboratories in the Eastern part of Turkey have not so far been met due to personnel shortages.

15. In the industrial sector, assistance in training was provided to TEKEL, the Turkish State Monopolies (TUR/76/007), for the manufacture of items such as cigarettes, beer, and alcoholic spirits. To overcome the language difficulties of the Turkish trainees, language laboratory equipment was made available.

16. UNDP/UNIDO assistance was provided to the Marmara Research Institute of the Turkish Scientific and Industrial Research Organization (TUBITAK) (TUR/77/020). The Material Sciences Division of the Institute, among others, was substantially strengthened with equipment, expert advice and training.

17. In the health sector, pre-investment activities were carried out under the project, Reinforcement of the Municipal Water Supply and Liquid Waste Disposal Programme of Iller Bankasi (TUR/75/096). The staff of this organization, which is responsible for the water supply and sanitation works of the rural areas and towns of a population up to 100,000, was trained in the preparation of feasibility studies and equipment studies of water treatment plants and in leakage detection surveys. The project also provided academic and practical training abroad to the engineers of Iller Bankasi. While this project will be completed satisfactorily by the beginning of 1982, an expert for activities carried out in connexion with IDWSSD is being provided under a separate project (TUR/81/012), for 1982, the last year of the second country programme.

18. A malaria control programme was undertaken through the UNDP regional project, Control of Malaria in South-East Europe (REF/78/002). Under a project funded by the WHO regular programme, a campaign for the eradication of malaria was also launched. It is planned to operate demonstration areas in the affected regions of Turkey for interested participants from the neighbouring countries. WHO plans to integrate the malaria eradication activity as one aspect of an all-embracing programme of primary health care.

19. World Bank loan support activities continued for the World Bank-financed projects with UNDP assistance. For instance, the project, Ports Rehabilitation (TUR/78/009), provided expertise in cost-accounting, engineering specifications and the evaluation of bids. The project, Strengthening Textile Training and Research Centre (TUR/77/012) provided technical assistance directly linked to a World Bank loan to SUMERBANK (a state corporation for the development of textiles, leather goods and ceramics). This assistance pertained to the design and implementation of a financial planning and management system for the Cotton Textile Division of Sumerbank. Under another project (TUR/72/034), UNDP/UNIDO assistance linked up with major bilateral support to the Ministry of Industries to establish a Cement Research and Development Centre which, in addition to serving the domestic cement industry, has also started to provide training in various fields of cement technology to participants from other developing countries.

20. In general, while implementation of the second country programme was a satisfying experience, certain factors impeded progress and programme deliveries. The points emphasized below will be taken care of during the third country programme to minimize obstacles and ensure more efficient programme implementation.

(a) Frequent changes of Government functionaries and project counterparts and lack of adequate project counterpart support. For instance, due to such changes, the project, Extension Services for Small Industry (TUR/80/010) will be carried over into the third country programme;

(b) Ambitious objectives and plans of operation in the project document that are difficult to achieve within the approved resources and time-frame. A realistic project design is of the utmost importance to avoid modification of the scope of the project;

(c) Limited capability in English of trainees selected for courses and study tours abroad;

(d) Delays in the fielding of experts and consultants and placement for training abroad as the requirements of Turkey in this regard become increasingly specialized;

(e) Delays in making timely cost-sharing payments;

(f) Comparatively less efficient substantive support by executing agencies on projects having no international resident advisers.

NATIONAL DEVELOPMENT OBJECTIVES AND CONTENTS OF THE PROGRAMME TO BE SUPPORTED BY UNDP

21. Turkish priorities for technical assistance during the third country programme emerge from national development priorities. In this context as stated earlier, the first and foremost priority has been given to export promotion in order to offset imbalances in the annual trade deficit and to improve the country's balance of payments situation. Modification of Turkey's pattern of industrialization, to emphasize the development of export-oriented industries (including agriculturally based industries) with due regard to standards of technology and quality control, is also of paramount importance. High priority will be given to developing Turkey's own energy resources of hard coal, lignite and water power. In addition, efforts to discover oil on Turkish soil in commercially exploitable quantities will be intensified as will the efficient management and conservation of energy. Agriculture, which is the principal occupation and a source of income for one half of Turkey's population, needs greater attention to meet the rising needs of the growing population and to produce agricultural exports to earn additional foreign exchange. Tourism development is also an area that has tremendous potential for increasing foreign exchange earnings. The development of a strong infrastructural base, including strengthening of the existing transport and communication structure that would also facilitate export promotion, is considered a complementary necessity.

22. The Government is equally conscious of the fact that rapid development of human resources through the acquisition of special technologies, vocational skills, a mass literacy campaign and the reduction of health hazards is a parallel requirement for the attainment of rapid economic development.

23. Keeping in view the development priorities of Turkey over the next five or six years, the priorities for technical assistance in the context of the third country programme are as follows:

(a) To improve the efficiency of efforts towards export promotion through a co-ordinated multisectoral approach that (i) creates the infrastructure for quality control in industry to meet the demands for exports; (ii) provides direct consulting and engineering support to exporters of industrial and contractual services; and (iii) strengthens engineering capability in well established and dynamic industrial branches with a view to facilitating exports of engineering services;

(b) To assist the Government's efforts to improve its information system in order to facilitate the decision-making procedures;

(c) To increase efficiency in industry, including: (i) assistance to SEEs to improve the productivity and profitability of operations; (ii) training of middle-level professionals to improve plant operations; and (iii) generating portfolios of foreign investment opportunities in industry and the necessary follow-up for attracting investment;

(d) To further strengthen training, research and development capability in selected fields, including the development of selected centres/institutes into centres of excellence;

(e) To assist the development of agro-based industries which could be integrated with the Government's plan to boost exports;

(f) To assist in the promotion and development of tourism, which holds considerable potential as a foreign exchange earner, and to exploit the geographic and historic touristic advantage of Turkey.

(g) To enlarge coal/hydro power-based energy facilities and to initiate energy conservation measures;

(h) To assist in developing new and renewable sources of energy, particularly hydropower and solar energy;

(i) To increase the use of Turkey's natural resources and minerals;

(j) To improve quality and productivity in food and agriculture so as to promote agricultural exports;

(k) To assist in carefully selected priority areas of health and environment, including assistance related to Turkey's role in IDWSSD;

(l) To continue to some extent to improve the transport and communication system in Turkey;

(m) To identify new areas in science and technology needing UNDP assistance;

(n) To eradicate mass illiteracy; and

(o) To assist rural development, including assistance for the integration of rural women in development.

24. Efforts are being made to complete as many ongoing projects as possible by 1982, the last year of the second country programme. However, certain projects will be carried forward into the third country programme period; these are listed in the pages that follow. It is envisaged that during the third country programme greater use will be made of national experts, short-term consultants and also of United Nations Volunteers. While in the second country programme there were only two Government executed projects, the third country programme may see increasing numbers of such projects.

25. In view of a likely curtailment in international full-time staff in the UNDP office in Ankara resulting from a re-adjustment of international posts between the least developed and the more developed developing countries due to a zero rate of

growth for the administrative budget of UNDP, the Government will share agency support costs as well as field administrative costs in the case of the cost-shared projects, in accordance with recommendations of the UNDP Governing Council.

26. In view of Government priorities for technical assistance, proposals for the third country programme have been identified under the following categories: (a) ongoing activities, including extensions through new phases; (b) new activities; and (c) special allocations for specific objectives and activities. Projects in these categories are briefly described below.

A. Ongoing Activities

27. The following ongoing activities will be carried forward into the third country programme period.

28. SEGEM - Industrial Training and Development Centre (TUR/77/024). The project provides assistance to the Industrial Training and Development Centre of the Ministry of Industry and Technology of Turkey to provide training to new entrants to industry and to upgrade the skills of professionals already employed in industry. The project is now performing successfully after a slow start. A particularly encouraging feature of the project is the employment of an increasing number of local experts from Turkish industry who provide industry-oriented theoretical training which international experts supplement with case material built around actual problems in industry. The project, which began in 1977, will continue into the third country programme to fully attain its objectives. (See paragraph 23(c) and (d) above.)

29. Small-scale Industry (TUR/80/010). The project aims at providing technical services to help transform small industries into modern small-scale factories through the strengthening and expansion of the Small Industries Development Organization and the development of two regional centres which will focus on the metal working and the foundry industries. The project suffered initially from the lack of adequate counterparts; it has therefore been proposed to rephase activities and carry them forward into the third programme period. (See paragraph 23(c), (d) and (e) above.)

30. Strengthening of Textile Training and Research Centre (Phase II). The project aims at strengthening the Textile Training and Research Centre of SUMERBANK, Turkey, in order to enable it to service the textile industry. The new phase is meant to complete some unfulfilled objectives from the previous phase (TUR/77/012) and to extend in-plant training, mill service and applied research activities into new areas, including energy conservation. (See paragraph 23(a), (d) and (e) above.)

31. Assistance to the Cement Research and Development Centre (Phase II). A Cement Research and Development Centre has been successfully established in Turkey with the help of UNDP technical assistance (TUR/72/034) and assistance from bilateral donors. Centre has built up capability in testing and quality control as well as in providing trouble-shooting assistance to industry, particularly in the areas of process control equipment. The assistance now requested will enable the Centre to develop capability for the preparation of feasibility studies and engineering designs of cement plants. (See paragraph 23(a) and (b) above.)

32. National Quality Control System Project (Phase II). The project will assist the Government in the establishment and operation of the legal, institutional and technical infrastructure for improving the quality of goods produced in Turkey. The second

phase aims at completing unfulfilled objectives from Phase I (TUR/77/036). It will also help develop and strengthen the activities of the Turkish Foundation for Quality Control, offer extension services to industry and assist in training for quality management. (See paragraph 23(a) above.)

33. Assistance to Turkish Standards Institute in the Establishment of the Packaging Centre (Phase II). The assistance requested will enable completion of previous assistance to the Packaging Centre (TUR/75/056) through provision of additional equipment and training of personnel for effective operation. (See paragraph 23(a) above.)

34. Assistance to SEKA (Pulp and Paper Corporation). The project seeks to: (a) strengthen the Central Research Laboratory of SEKA to enable it to provide troubleshooting assistance; (b) implement energy conservation measures; (c) carry out research on use of domestic raw materials; and (d) continue training activities started under previous assistance (TUR/75/053). (See paragraph 23(d) above.)

35. Assistance to Petro-chemical Industry (TUR/80/003). The project aims at building up technological capabilities through establishing and strengthening a Research and Development Institute which is expected to provide necessary R and D for the expansion of the country's petrochemical industry. (See paragraph 23(d) above.)

36. Petroleum Exploration and Development Follow-up. With UNDP/United Nations assistance (TUR/71/545), the Turkish Petroleum Corporation (TPAO) has set up a Petroleum Development Centre according to internationally acceptable standards and has trained a significant number of personnel through individual and group training programmes at home and abroad. High quality international experts were made available to TPAO, sometimes at considerably higher than average costs, and assistance was also provided for the procurement of equipment for the centre. This project will pursue follow-up action on the ongoing programme of technical assistance to TPAO. (See paragraph 23(i) above.)

37. Group Training for the Turkish Petroleum Corporation (TPAO) (TUR/78/027). The project, executed by the United Nations, provides training abroad to technical staff of all main operational divisions of TPAO. Another major element is in-service training in the execution of basin studies, which is expected to carry the project into 1983. (See paragraph 23(i) above.)

38. Training and Support for State Hydraulic Works (DSI) Personnel. A well-planned programme of training and support for State Hydraulic Works (DSI) personnel (TUR/77/006) has been implemented satisfactorily. DSI has over-all responsibility for the development of water (irrigation and water supply in major towns) and hydropower resources throughout the country. It has been possible to enable DSI to modernize its laboratories through procurement of the latest equipment. Training and support for DSI personnel and the strengthening of its laboratories will be continued under a new phase during the third programming cycle. (See paragraph 23(g), (h) and (i) above.)

39. Assistance in Range and Forage Development (Phase II) (TUR/81/001). The project will assist the Government by providing advisory services in connexion with the World Food Programme (WFP)-assisted project, Development of Pasture and Fodder Production through Improved Land Use by Forest Villagers, for preparing work plans for the implementation of range improvement, fodder crops and soil conservation programmes, evaluating progress and constraints and training technicians. (See paragraph 23(j) above.)

40. Development of Sericulture (Phase II). The first phase of the project (TUR/75/016), aiming at strengthening the Bursa Sericulture Research Institute was successfully completed in 1979. The Phase II project has as its main objective to review existing proposals for the further development of the Institute and to contribute to the welfare of small farmers and silk producers in all parts of the country. Phase II will include additional consultancy services, equipment and staff training. Planned to begin in 1982, the project will be carried forward into the third country programme. (See paragraph 23(j) above.)
41. Ports Management and Operations Training (TUR/78/012). A programme for the training of instructors as well as for port management and operations training has been started at the Merchant Marine Academy in Istanbul; separate training programmes at the regional level for various ports in the country are also planned. The necessary manuals and curricula for port operations training are being prepared by a team of foreign consultants under this ILO-executed project. This activity will be continued into the next country programme period. The extension of the project will also serve to establish medium and long-term plans for the training of ports personnel at all levels. (See paragraph 23(1) above.)
42. Functional Adult Education (Phase II) (TUR/81/005). The Phase II project will further support the Ministry of Education in the implementation of a new adult education policy that aims at the eradication of illiteracy by 1995. (See paragraph 23(n) above.)
43. Development Planning Support (TUR/80/011). Through this United Nations-executed project, development planning support is being provided to the officials of the State Planning Organization by arranging suitable training for these officials in institutions abroad. The project is expected to be carried forward into the initial years of the third country programme. (General development and planning needs.)
44. Training for Development (TUR/80/014). This project, executed by the United Nations, provides for individual fellowships in subjects not covered by other projects. Implementation started late in 1981 and it is expected that the actual phasing of expenditures will carry the project into the third cycle. (General development and planning needs.)
45. TOKTEN - Transfer of Know-How Through Expatriate Nationals (TUR/76/017). In view of its achievements and cost-effectiveness as discussed in paragraph 11 above, the need for continuing this project into the third country programme is self-evident. Through an extension, the same activity will be continued from 1984 onwards. (Multi-sectoral priority requirement.)

B. New activities

46. The following new projects have been assigned a relatively high priority and will be taken up during the third country programme.
47. Setting up of Export Promotion and Development Centre. UNDP assistance is proposed for an export promotion and development centre, to be set up within the State Planning Organization within the Office of the Prime Minister, in co-operation with the related agencies of the United Nations system. (See paragraph 23(a) above.) (Multisectoral requirement.)

48. State Situation Centre. Through this project it is proposed to set up a State Situation Centre which will enable the Government to monitor the progress of major development activities in the country and to make policy analyses of different situations so as to take decisions thereon. (See paragraph 23(b) above.)
49. Technology Register. The project would assist in the establishment of a bureau for technology and licensing agreements in order to enable the monitoring of technological imports and their adequate absorption/adaptation. The bureau would have links with the Technological Information Exchange System of UNIDO, which collects and disseminates information on experiences in member countries with particular technologies or types of collaboration. (See paragraph 23(c) above.)
50. Assistance to the Building Materials Industry. The assistance requested is to establish equivalences of locally produced building materials vis-à-vis international and specific country standards with a view to export and to identify weaknesses in the industry and suggest measures for improvement with a view to enlarging Turkey's export of building materials in line with the export of contracting services abroad. (See paragraph 23(a) above.)
51. Assistance for Tourism Promotion and Development. It is proposed to utilize UNDP resources for new assistance for the promotion and development of tourism in Turkey, the exact nature of which will be determined after the proposed WTO mission for investment promotion in Turkey. (See paragraph 23(f) above.)
52. Energy Management and Conservation. The project is to assist in the establishment and strengthening of an institutional infrastructure for energy auditing, establish the necessary documentation services and provide industrial energy management and advisory services, including the training of staff. (See paragraph 23(g) above.)
53. Assistance in Mineral Exploration and Development. UNDP-assisted projects for the Mineral Research Institute (MTA) will terminate during the second country programme period. It is therefore proposed to provide assistance during the third country programme for new projects identified by MTA for exploration and development of minerals. (See paragraph 23(i) above.)
54. Heating Greenhouses with Solar Energy. The project is designed to start heating greenhouses on the Mediterranean coast with solar energy. Experimental studies will begin in the Antalya region. Considerable energy savings could result if this system were widely and properly introduced. Fifty thousand tons of diesel oil (1979 figure) are used for this purpose. (See paragraph 23(h) and (j) above.)
55. Development of Ornamental Flower Production in Turkey. The project is designed to assist the Government in increasing flower production by improving the quality and standardization of cut flowers produced in greenhouses so that Turkey may compete in foreign markets. The country has more favourable climatic conditions and richer natural flora than those of some other flower-exporting countries. (See paragraph 23(j) above.)
56. Fast Growing Broad-Leaved Tree Species. The project will assist the Government in significantly increasing total wood production by replacing unproductive forest cover with suitable fast-growing broad-leaved species. The project will thus contribute to the country's foreign exchange savings through probable import reductions/export increases for forestry products. (See paragraph 23(j) above.)

57. Project for Technical Assistance to Post, Telegraph, Telephone Department (PTT). The Government wishes additional UNDP technical assistance for improvement of the post, telegraph, telephone and telecommunication system. The exact nature of such assistance will be determined in the course of the third cycle. (See paragraph 23(l) above.)
58. Structural Conservation of Göreme. The project will contribute towards the full exploitation of the touristic potential of the Cappadocia region through development of measures which will: (a) assist in halting the continuous process of erosion; (b) prepare sites for long-lasting use as a touristic asset; and (c) contribute towards the preservation of the mural paintings. (See paragraph 23(f) above.)
59. Occupational Safety and Health Centre. The immediate objective of the project is to complete the Industrial Medicine and the Safety Departments of the Centre, since these could not be fully established during the first phase project (TUR/75/010), which was completed in 1976. (See paragraph 23(c) and (k) above.)
60. Assistance to the Environmental Secretariat. This project proposal could not be taken up due to lack of funds during the second programming cycle. The project will help the newly-formed Secretariat in preparing and submitting new legislation on environmental matters, assist in various pilot activities (air and water pollution control, impact assessment, development of standards, etc.) and develop expertise within the Secretariat. (See paragraph 23(k) above.)
61. Assistance related to the International Drinking Water Supply and Sanitation Decade (IDWSSD). This project will provide technical assistance, where required, for activities in Turkey related to the IDWSSD. Turkey has accepted to assume the status of a pilot country ("Skyscraper") within the framework of the Decade. (See paragraph 23(k) above.)
62. Primary Health Care. A primary health care project is planned, to be jointly funded by UNDP, the United Nations Fund for Population Activities (UNFPA), the United Nations Children's Fund (UNICEF) and funds from the regular programme of WHO. It will aim at integrating the Alma Ata principles of primary health care into the Turkish health care system. (See paragraph 23(k) above.)
63. Sponge Iron Production from Local Ores and Lignites. The project is to develop suitable technologies for sponge iron production from Turkish lignites and iron ores, in order to replace requirements of scrap in iron and steel making. The project's main activities will be to determine through laboratory tests suitable blends of raw materials and to establish major process parameters to be followed by pilot plant testing abroad, on the basis of which the techno-economic feasibility of local production is to be worked out. (See paragraph 23(m) above.)
64. Mining and Petroleum Laboratories in Middle East Technical University (METU). The project will provide assistance for research on oil recovery, geothermal energy resources, applied rock mechanics, coal and ore preparation and mine mechanization. (See paragraph 23(m) above.)
65. Assistance for Setting up a Biomedical Engineering Department in Bogazici University. Some assistance is envisaged to set up a biomedical engineering department in the engineering faculty in the Bosphorous (Bogazici) University. (See paragraph 23(m) above.)

66. Assistance for Improving Project Preparation Capacity in the Public and Private Sector. The project is intended to improve project preparation capabilities in the public and private sector. (Multisectoral priority requirement.)
67. Applied Management Development Institute. Assistance will be provided to strengthen the Applied Management Development Institute to train management consultants and to offer extension services to industry. (See paragraph 23(c) above.)
68. Subject to the availability of resources, assistance during the third country programme may also be provided to the Hydrology Laboratories of Hacettepe University and for the control of poultry diseases, which would help promote poultry exports.
69. It is proposed to earmark US\$ 1.0 million from the illustrative IPF for technical assistance requirements in support of loan operations/pre-investment studies not fully identified at present. A lump sum allocation is also being proposed for two umbrella technical assistance projects, one for short-term consultancies and the other for fellowships, to meet unforeseen multisectoral needs in fields not connected with individual projects and for which full requirements cannot be defined at this stage. The former may include: (a) identification, selection and utilization of technology and support for the foreign investment department of the State Planning Organization; (b) support for the management of SEEs; (c) use of small computers in industrial management; and (d) removal of transportation bottlenecks through better transportation management. Also the sum of US\$ 200,000 is being earmarked for participation in intercountry projects. In addition, US\$ 150,000 is being earmarked for the United Nations Volunteers programme, to be used in conjunction with specific projects. Another US\$ 200,000 has been provided for promoting TCDC activities, including the provision of Turkish consultancy services for other developing countries.

C. Relationship with intercountry programmes and projects

70. A number of the projects identified for UNDP assistance during the third country programme (1983-1987) have a direct or indirect link to intercountry programmes and projects. The Government hopes that during the 1983-1987 period this linkage can be intensified, with due consideration to TCDC, which Turkey strongly supports. As an expression of its interest in the intercountry programme, Turkey participated in the first intergovernmental consultative meeting on regional co-operation during the third programming cycle of UNDP (1982-1986), held in Geneva in May 1981 under the auspices of UNDP and the Economic Commission for Europe (ECE).
71. In a number of intercountry projects that have a link to national activities assisted by UNDP or other sources of support, Turkey is already actively participating. It has also expressed interest in participating in several proposals for other intercountry projects still at the appraisal stage. These projects and proposals, by sector, include:
- (a) Energy: Development of the Interconnexion of the Electric Power Transmission Systems of the Balkan Countries (RER/75/009); International Co-operative Research on Low-Calorie Coal Technology; Mediterranean Co-operative Network on Renewable Sources of Energy;
- (b) Environmental protection: Strengthening of Zoonoses Control Activities in the Mediterranean Area (RER/78/003);

(c) Transport and communications: Trans-European North-South Motorway (TEM) (RER/81/005); Development of International Telecommunications;

(d) Science and technology: Earthquake Risk Reduction in the Balkan Region (RER/79/014); Building Construction under Seismic Conditions in the Balkan Region (RER/79/015); Cross-border Data Exchange in Science and Technology;

(e) Agriculture: Regional Co-operative Project for Olive Production Improvement in the Mediterranean Basin and the Near East Region (RER/78/009); European Co-operative Programme for the Conservation and Exchange of Crop Genetic Resources (RER/80/005); Black Sea Aquaculture; and

(f) Education: European Regional Project for Second Generation Migrants from Countries in the Mediterranean Basin (RER/79/001); Educational Innovation and Exchange of Educational Materials in Southeast Europe.

72. With the exception of the UNDP/WHO-supported Malaria Control Programme in south-east Europe, which will complete its activities in 1982, no intercountry project is headquartered in Turkey. However, during recent years the Government hosted a number of meetings on those intercountry projects in which Turkey participated, e.g., in malaria and zoonoses control, TEM, communications and energy. This hosting is expected to continue.

D. Linkages with other programmes of the United Nations system

73. Other than UNDP, the most important United Nations technical assistance programmes operating in Turkey include those of WFP, UNFPA, the United Nations Fund for Drug Abuse Control (UNFDAC), WHO, UNICEF and the Interim Fund for Science and Technology for Development (IFSTD).

(a) WFP

74. During the third cycle, WFP is expected to assist the Government in continuing the programme, Development of Pasture and Fodder Production for Improved Land Use by Forest Villagers, with a contribution of approximately US\$ 6.5 million. This important project aims at improving the supply of animal feed through (a) the introduction of leguminous forage crops into agricultural rotation and the reduction of fallow land and (b) range deferment and eventual range improvement. It is closely linked to the UNDP/FAO-supported project, Range and Forage Development (Phase II) (TUR/81/001), which has been designed to give the WFP project the necessary technical substantive support.

(b) UNFPA

75. For the period 1979-1981 an amount of US\$ 3.6 million was allocated by UNFPA for Turkey. While the amount of support available for the period 1982-1985 cannot yet be accurately forecast, the areas of concentration will include family planning and primary health care, the latter also a field of possible UNDP/WHO assistance. UNFPA will provide support in population education, which interfaces with planned UNDP/UNESCO assistance in non-formal education. Basic data collection, population dynamics and population policy constitute other areas of likely UNFPA co-operation with Turkey.

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(c) UNFDAC

76. The Government has successfully imposed strict control measures to check the production of opium for illicit purposes. A problem which has increased in severity in recent years is the transit trafficking of foreign opium and opium derivatives through Turkey. The thrust of UNFDAC support, amounting to approximately US\$ 1.5 million per annum, is oriented towards overcoming this problem by providing the Turkish authorities with better communication and transport facilities. A portion of UNFDAC funds are earmarked for the prevention of illicit poppy production within Turkey and the training of personnel in law enforcement and narcotics control. There are no direct links to the UNDP programme of technical assistance.

(d) WHO

77. The WHO regular programme will continue, as during the second programming cycle, to emphasize primary health care. It is proposed to integrate malaria control activities, previously financed jointly by UNDP and WHO, into the Government's primary health care programme. It is expected that a major portion of the US\$ 1.2 million thought to be available from WHO will be invested into the primary health programme, with the balance going into various short-term consultancies, training programmes and communicable diseases control. The Government expects UNDP and WHO to collaborate closely with relevant Turkish institutions in the promotion of activities implemented within the framework of IDWSSD.

(e) UNICEF

78. During the second cycle, UNICEF maintained a programme in Turkey emphasizing primary health care, nutrition, renewable sources of energy and life-oriented basic education. Linkages to UNDP-funded technical assistance existed in the fields of primary health care and adult education. Identified UNICEF priorities and cooperation between UNDP and UNICEF in these areas are likely to continue during the third cycle. UNICEF resources available to Turkey during this period are expected to amount to US\$ 2.5 million.

(f) IFSTD

79. IFSTD is understood to have earmarked funds for Turkey in energy development, more specifically, in the desulphurization of lignites. IFSTD-funded technical assistance will thus complement UNDP support to the Government's energy development programme.

80. As during the second country programme period, small inputs, mainly for consultancies and for training in the country and abroad, will be made available to Turkey through the regular programmes of the International Atomic Energy Agency (IAEA), the International Telecommunications Union (ITU), the ILO, FAO, UNIDO and the World Intellectual Property Organization (WIPO).



Annex

FINANCIAL SUMMARY

A. <u>Resources</u>	\$
(a) IPF and other resources	
(i) Illustrative IPF for the period 1983-1986 ^{a/b/}	15 375 000
(ii) Estimated resources for 1987	4 000 000
(iii) Government cost-sharing contribution	6 000 000
(b) Provision for adequate programming	<u>500 000</u>
TOTAL	<u>25 875 000</u>
B. <u>Use of resources</u>	
(a) Programmed	
(i) Ongoing projects and new phases included in the country programme	8 170 000
(ii) New projects	9 230 000
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	<u>2 600 000</u>
Subtotal	20 000 000
(b) Reserve	2 000 000
(c) Unprogrammed balance ^{c/}	<u>3 875 000</u>
TOTAL	<u>25 875 000</u>

^{a/} Calculated as follows: \$20 million (illustrative IPF 1982-1986) minus \$4,625,000 representing the Government's estimate of expenditure in 1982 (at 80 per cent) raised to 100 per cent.

^{b/} Any unspent IPF funds from the second country programme will be added to the resources for the third country programme.

^{c/} Representing 20 per cent of the estimated resources for the period 1983-1987 (see above) which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126. The Government of Turkey understands that if sufficient additional resources are forthcoming, it will be enabled to programme up to the full level of the illustrative IPF for the third cycle.

C. Financial distribution of programme, by sector

Sector ^{d/}	Ongoing projects ^{e/} \$	New projects \$	TOTAL \$
02 General development issues, policy and planning	70 000	750 000	820 000
03 Natural resources	1 020 000	1 600 000	2 620 000
04 Agriculture, forestry and fisheries	200 000	950 000	1 150 000
05 Industry	5 710 000	1 230 000	6 940 000
06 Transport and communications	400 000	350 000	750 000
07 International trade and development finance	-	1 300 000	1 300 000
10 Health	-	1 300 000	1 300 000
11 Education	150 000	-	150 000
12 Employment	-	375 000	375 000
15 Culture	-	175 000	175 000
16 Science and technology	230 000	900 000	1 130 000
Others ^{f/}	390 000	2 900 000	3 290 000
TOTAL	8 170 000	11 830 000	20 000 000

^{d/} According to ACC classification.

^{e/} Including extensions under new phases.

^{f/} Including \$390,000 for TOKTEN (ongoing) and \$300,000 for multisectoral requirements for improving project preparation capacity in the public and private sectors (new).
