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TURKEY'S RISING CLIMATE AMBITIONS: THE "GREEN DEAL ACTION PLAN" AND THE G20 CLIMATE MINISTERIAL MEETING

Turkey has put forward an action plan on the Green Deal as a means to align its legislation with the EU, while reiterating its position on the Paris Agreement during the G20 Ministerial Meeting on Climate.

Turkey has published a roadmap for its green transition just two days after the EU released its much-awaited "Fit for 55" climate package. The "Green Deal Action Plan", published by the Turkish Ministry of Trade on 16 July 2021, aims to support Turkey's transition into a sustainable, resource efficient and green economy, in line with Turkey's development goals. The action plan primarily strives to preserve and further the integration provided within the scope of the Turkey-EU Customs Union. It includes 32 targets and 81 actions designed under nine main headings: (i) carbon border adjustment, (ii) green and circular economy, (iii) green finance, (iv) clean, affordable, and safe energy supply, (v) sustainable agriculture, (vi) sustainable smart transportation, (vii) fight against climate change, (viii) diplomacy, (ix) information and awareness-raising on the European Green Deal.

The Green Deal Action Plan is deemed to be a roadmap that will be consistent with the transition policies put forward by leading world economies. It is set to incentivise green investments, contribute to the transitions in global value chains as well as support value-added production, while also protecting Turkey's export competitiveness.

According to the action plan, the effects of the EU Carbon Border Adjustment Mechanism (CBAM) on the energy intensive and resource intensive sectors will be modelled on the basis of scenarios and sectors. Furthermore, a monitoring system will be developed for the greenhouse gas emissions arising from industry, and roadmaps and activities will be drafted to support the greenhouse gas emission reduction in the Turkish



manufacturing industry. Turkey will also take a position on carbon pricing while taking into account the CBAM.

Under the plan, Turkey will prepare a Circular Economy Action Plan consistent with the EU Circular Economy Action Plan. It will also work to launch Green Organised Industrial Zones and a Green Industrial Zone certification system and to adapt its laws to the EU legislation on sustainable products, chemicals as well as eco-design and energy labelling.

Relating to green finance, Turkey strives to revise the national incentive system by taking into consideration the incentives provided by the EU. In addition, a roadmap will be prepared for sustainable banking while guidebooks for green bonds and green *sukuk* will also be published. National, international and EU-based climate financing opportunities will be inquired and compiled.

Turkey will also work to build infrastructure and raise awareness on the Green Tariff and YEK-G, to

mainstream renewable energy. It will prepare national strategies for energy efficiency and low carbon heating and cooling systems.

Organic agriculture, reduction of pesticides, chemical fertilisers, and anti-microbials will be encouraged under the action plan. Additionally, Turkey also aims to raise awareness on the EU's Fork to Farm and Biodiversity Strategies.

In line with the action plan, Turkey is planning on implementing regulations on the "Combined Transportation" and "Logistical Centres" to support the development of transportation types and modes. Some activities will be carried out to improve infrastructure for electric vehicles and their charging stations. To reduce the greenhouse gas emissions generated from cars, micro-mobility vehicles with low emissions and alternative fuels will be encouraged through legislation. Work will be carried out to reduce harmful maritime emissions. The railway infrastructure connecting Turkey and the EU will be improved and further developed.

While the details are still to be elaborated, other initiatives envisaged under the action plan include the preparation of a "Fight Against Climate Change Report", a "2023-2030 Climate Change Action Plan" and a "2050 Climate Change Strategy". In addition, as stated in the action plan, Turkey's position concerning the Paris Climate Agreement will be determined following a multidimensional evaluation in view of its international financing needs. Nature-based approaches will be adopted in land practices. Under the action plan, Turkey will work to reduce land degradations and increase its carbon stocks. R&D projects will be carried out to determine the effects of climate change on biodiversity and ecosystems.

As part of the diplomatic initiatives envisaged within the scope of the action plan, Turkey aims to improve cooperation opportunities with the EU and its Member States. Additionally, it will continue to protect its rights arising from the Turkey-EU Customs Union, WTO, and other related international regimes, in the face of the CBAM

and the legislative alignment issues.

Lastly, as foreseen in the action plan, information and awareness raising activities will be carried out with the participation of relevant organisations and stakeholders in order to encourage Turkey's alignment with the European Green Deal.

Turkey in the G20 Climate and Energy Ministerial Meeting

On 23 July, G20 climate and energy ministers convened in Naples, Italy, to debate and exchange views on the steps that can be taken in the search for a prosperous and sustainable future, in line with the agenda of the Italian G20 Presidency which focuses on "People, Planet, Prosperity". More ambitious and decisive steps were expected to be taken during the ministerial meeting to pave the way for the COP26 set to take place in November; however, failure to agree on a coal phase-out by 2025 and the wording on 1.5-2°C limit on global temperature rise in the joint final *communiqué* dampened the hopes for more ambitious climate commitments ahead of the COP26.

Turkey was represented by Environment and Urbanisation Minister Murat Kurum in the G20 Climate and Energy Ministerial Meeting. Addressing the session on "Cities and Climate Action", Minister Kurum underscored the importance of devising policies and strategies aimed at building climate-resilient cities. On the sidelines of the meeting, Minister Kurum also reiterated Turkey's request to be removed from the Annex I list of the UN Framework Convention on Climate Change and receive funding from the Green Climate Fund in his meeting with US President Joe Biden's Special Presidential Envoy for Climate John Kerry. Finally, Minister Kurum stated that Turkey's ratification of the Paris Agreement would depend on this request being fulfilled.



TOBB PRESIDENT HISARCIKLIOĞLU AWARDED THE STATE ORDER OF GERMANY

The Union of Chambers and Commodity Exchanges of Turkey (TOBB) President M. Rifat Hisarcıklioğlu was awarded the State Order by the Federal Republic of Germany on 9 July 2021. During the ceremony held at the German Embassy in Ankara, Ambassador Jürgen Schulz pointed out that TOBB President Hisarcıklioğlu has made significant contributions to the development of Turkey's economic relations with Germany and the EU. Stating that the order was given to those who dedicated their lives to their duties, German Ambassador Schulz said that TOBB President Hisarcıklioğlu deserved it. Speaking at the ceremony, TOBB President Hisarcıklioğlu stated that he was receiving the award on behalf of the Turkish business community.

Highlighting the deep rooted historical, economic and humanitarian relations between Germany and Turkey, TOBB President Hisarcıklioğlu said:



"Germany is a great economy. Turkey is also the largest industrial giant between Italy and China. These two major economies have important relationships, both in terms of investment

and economics. German Chancellor Angela Merkel and our President Recep Tayyip Erdoğan are important in this success. Both leaders contribute to the development of the business

worlds of the two countries."

TOBB President Hisarcıklioğlu noted that there were over 3 million Turks living in Germany, mostly German citizens who carried out important tasks in the business world, politics, sports, art, education and health of the country. Pointing out that there were over 7,000 German companies in Turkey, Hisarcıklioğlu said: "They have investments of around 10 billion euros. German companies employ about 120,000 people in Turkey. Germany, the largest economy of the EU, but also the engine of the EU, has always been a pioneer and decisive in Turkey-EU relations. We have Germany's support in every decision that brings Turkey closer to the EU. Looking at the agenda of Turkey-EU relations, we need Germany's support. In particular, the modernization of the Customs Union and visa liberalisation for Turkish citizens are at the forefront."

For his part, Ambassador Schulz said that economic relations between the two countries were an expression of mutual trust and understanding and that the partnership and friendship between Ankara and Berlin go far beyond trade. Stating that the TOBB President has the credibility to solve the problems of German companies, Ambassador Schulz praised TOBB President Hisarcıklioğlu's contributions to the relations between Turkish and German businesses.

Speaking at the ceremony, Deputy Minister of Foreign Affairs and Director for EU Affairs Ambassador Faruk Kaymakçı noted the importance of cooperation between Turkey and Germany. Stating that the presentation of the State Order was a reflection of the Turkish-German friendship, Deputy Foreign Minister Kaymakçı said that philanthropy and problem solving were important values in the relations between the two countries.

EUROPEAN GREEN DEAL FINANCING SUPPORTS DISCUSSED AT IKV EU INFORMATION CENTER WEBINAR



On 3 August 2021, IKV Istanbul EU Information Center organised a webinar titled "European Green Deal Financing Supports" in cooperation with IKV, TÜRKONFED, Konrad Adenauer Foundation, and *Dünya* newspaper. The opening speeches of the webinar were delivered by Turkey's Deputy Minister of Foreign Affairs and Director for EU Affairs Ambassador Faruk Kaymakçı, IKV Chairman Ayhan Zeytinoğlu and TÜRKONFED President Orhan Turan.

Delivering the first opening speech, TÜRKONFED President Turan

stated that the European Green Deal put the emphasis on human beings and environment while necessitating greener technologies. In his opening address, highlighting that global economy and trade will be affected by the European Green Deal, IKV Chairman Zeytinoğlu pointed to the importance of Turkey's alignment to the Green Deal. Deputy Minister of Foreign Affairs and Director for EU Affairs Ambassador Kaymakçı touched upon the financial dimension of the Green Deal while underlining that Turkey should be a part

of the green transformation.

In the panel session, moderated by Didem Eryar Ünlü from *Dünya* newspaper, distinguished panellists discussed different aspects of the Green Deal. TÜRKONFED Economy Consultant Nazlı Karamollaoğlu talked about the Carbon Border Adjustment Mechanism and stated that the EU wanted to reduce the risk of carbon leakage in countries with intense energy trade and that this regulation will be implemented in 2026. Head of the Technology, Innovation and Domestication Department at KOSGEB, Dr. Mehmet Görkem gave information about KOSGEB's R&D innovation support programs, project durations, and funding for public institutions, businesses, and organised industrial zones. EBRD Turkey Green Economy and Climate Action Manager Emre Oğuzöncül provided information about EBRD operations and support for green projects in Turkey. Oliver Morwinsky from the Konrad Adenauer Foundation indicated that the EU's 2030 and 2050 targets would affect member countries and that the countries most affected by this transition will be addressed through the just transition mechanism.



IKV CHAIRMAN ZEYTİNOĞLU PARTICIPATED IN TOBB TURKEY CHEMICAL INDUSTRY COUNCIL MEETING

TOBB Turkey Chemical Industry Council convened under the chairmanship of IKV Chairman and TOBB Vice President Ayhan Zeytinoğlu and Council President Timur Erk on 12 July 2021. During the meeting, chemical industry policy and the European Green Deal were discussed in detail. Moreover, TOBB made a presentation on the work and exchanges undertaken in relation to the Green Deal.

It was stated that TOBB gave a presentation

at the Turkish Grand National Assembly Global Climate Change Research Commission emphasizing that climate change is not only Turkey's problem and that the Paris Agreement is important for access to finance, free trade agreements and to have a say in international climate diplomacy. Council members shared their views on the Technology Oriented Industrial Action Programme and the intermediate chemicals, the production of which should be prioritised.

İKv AGENDA

“THE EU STILL MATTERS FOR TURKEY”

İKv Chairman Ayhan Zeytinoğlu released the following statement concerning the challenges in Turkey's EU accession process on 30 July 2021:

“In recent years, the difficulties and tensions experienced in Turkey's EU process have created a sense of despair and disappointment among the general public and political circles.

Both the EU reforms coming to a standstill and the existence of groups within the EU that prevent Turkey's membership create exhaustion at times and lead to calls to abandon the EU goal. However, we must continue on our way without deviating from our target.

As late President Özal stated years ago, it is a well-known fact from the beginning that the EU process is a long and narrow road.

The criteria Turkey must fulfil in the EU accession process already meet the conditions that our country has chosen as a target for itself. The rule of law, democracy, human rights are the prerequisites of a modern society and state.

The EU is where Turkey naturally belongs economically, politically, and culturally within its geographical context. For this reason, abandoning this goal does not serve Turkey's high interests.

Turkey continuing its march towards the EU is in line with its own socioeconomic development



goals.

Even though the EU's approach at times results in questioning of its values, the EU's fundamental principles and goals coincide with universal values.

In addition, the EU is going through a fundamental process of change and transformation. Projects such as the Green Deal, which will make the EU relevant in the new century, are also of interest to Turkey and make the need for alignment urgent.

Moreover, this is not the time to redefine our relationship with the EU, itself undergoing a radical transformation and aims to overcome crises. It would be more accurate to follow the developments within the EU first and then to redefine our relationship, if necessary and accordingly.

Turkey's becoming an EU member is dependent on Turkey fulfilling the EU criteria but also on

the circumstances. Helmut Kohl, one of the former Prime Ministers of Germany, opposed Turkey's EU membership, but his successor Gerhard Schröder paved the way for Turkey to start negotiations with the EU.

The conditions that make up the conjuncture would change rapidly. The critical issue is that Turkey continues to work towards becoming a suitable candidate for the EU by accelerating reforms, strengthening its own democracy and economy, and preparing to become a member when circumstances allow.

Otherwise, it will not be in Turkey's interest to shelve the EU candidacy, which is one of the most significant gains in terms of Turkey's international position, and to embark on an uncertain path.

Turkey's place is in Europe. Without Turkey, the EU would be incomplete.”

TURKEY- EU JCC MEMBERS ISSUED A JOINT STATEMENT ON FOREST FIRES

Members of the Turkey wing of the Turkey-EU Joint Consultative Committee (JCC) issued a joint statement regarding forest fires in Turkey. The statement jointly issued by Hak-İş Trade Union Confederation (HAK-İŞ), Confederation of Civil Servants' Unions (MEMUR-SEN), Confederation of Tradesmen and Craftsmen of Turkey (TESK), Confederation of Trade Unions of Turkey (TÜRK-İŞ), Confederation of Employers' Unions of Turkey (TİSK), Confederation of Public Employees' Unions of Turkey (Turkey KAMU-SEN), the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and Union of Agricultural Chambers of Turkey (TZOB) on 4 August 2021 reads as follows:

“We are trade unions and professional organizations representing Turkey's workers, farmers, employers, civil servants, tradesmen, merchants, industrialists and producers.

Forest fires have occurred in different parts of our country



throughout last week. Although many wildfires have been contained, fires are still ongoing in different places.

We pray for the grace of Allah upon our citizens who lost their lives in the fires. We would like to express our gratitude to all the teams and citizens who fought hard day and night to put out the fires.

As always, our country has the strength, capabilities and opportunities to overcome this difficulty together. We believe that our country will succeed in ending

this fire disaster as soon as possible, put forward a rapid restoration process and heal all wounds with state-nation solidarity.

In these difficult times, we are experiencing days in which to promote unity, solidarity and fraternity, which increases the fighting power while avoiding actions which would overshadow the fight by our state.

We stand with our state and our nation in this struggle to the extent that we are able.”

TIMELINE JULY 2021

Slovenia assumed the rotating presidency of the Council of the EU.	1	İKv Secretary General Nas participated in the ActHuman initiative advisory board meeting.
	2	
	3	
	4	İKv published a policy brief on the current dynamics and challenges in the EU's enlargement strategy (in Turkish).
	5	
	6	İKv Secretary General Nas participated in the Civil Talks webinar organised by TÜRKONFED.
Foreign Minister Çavuşoğlu paid a visit to Lithuania.	7	İKv Secretary General Nas moderated the inaugural event of the IPA III Project hosted by the Directorate for EU Affairs.
Foreign Minister Çavuşoğlu visited Finland.	8	
Crisis Management Commissioner Lenarčič visited Turkey.	9	İKv published a policy brief entitled "June European Council and Positive Agenda in Turkey-EU Relations: Is There Light at the End of the Tunnel?".
TOBB President Hisarcıklıoğlu was awarded the State Order of the Federal Republic of Germany.	10	
	11	
EU- Western Balkans and Turkey annual economic policy dialogue was held.	12	İKv Chairman Zeytinoğlu participated in the TOBB Turkey Chemical Industry Council.
Lithuanian Foreign Minister Landsbergeris visited Turkey.	13	İKv Vice Chairman Prof. Kabaaloğlu spoke at Kocaeli Chamber of Industry Assembly meeting.
The European Commission adopted the "Fit for 55" climate package.	14	
	15	
Turkey's Trade Ministry unveiled the Green Deal Roadmap.	16	
	17	
	18	
	19	
President Erdoğan paid an official visit to the Turkish Republic of Northern Cyprus.	20	
	21	
	22	İKv Secretary General Nas participated in the "Açık Oturum" programme on Medyascope.
	23	
	24	
	25	İKv published a policy brief on EU's new climate change adaptation strategy (in Turkish).
Arslantepo Mound was added to the UNESCO World Heritage List.	26	
EU High Representative Borrell released a statement on the reopening of Maraş (Varosha).	27	
Wildfires erupted in south and southwestern Turkey.	28	İKv Chairman Zeytinoğlu commented on EU's statement concerning Maraş.
	29	
	30	İKv Chairman Zeytinoğlu issued a press statement on Turkey's EU accession process.
	31	

“EU REPEATS ITS MISTAKES ON THE CYPRUS ISSUE: A CONSTRUCTIVE AND OBJECTIVE APPROACH MUST BE EMBRACED”

IKV Chairman Ayhan Zeytinoğlu commented on the statement issued on 27 July 2021 by EU High Representative for Foreign Affairs and Security Policy Josep Borrell on the reopening of the fenced off Maraş (Varosha). Reminding that resolving the Cyprus issue would contribute to the stability in the Eastern Mediterranean region, IKV Chairman Zeytinoğlu stated that the EU must make an effort to this end. Underscoring that the EU's current stance was nothing but a continuation of its former mistakes, IKV Chairman Zeytinoğlu indicated that unless its current stance was reversed, the EU could offer no contribution to a solution. Chairman Zeytinoğlu continued as follows:

“As the Cyprus issue has remained unresolved, the Turkish Republic of Northern Cyprus (TRNC) and Turkey concluded that a solution based on a federation is now futile, therefore they have proposed a two-state solution. Years long negotiations under the auspices of the UN have failed to yield results. Most recently, the negotiations in Crans Montana resulted in a failure. Subsequently, the pursuit of an alternative future for Cyprus is only natural. The EU's criticisms targeting Turkey's Cyprus policy are highly unfair. The EU missed a critical opportunity when it admitted the Greek Cypriot Administration of Southern



Cyprus as a member in 2004 claiming that it was the legitimate representative of the island. While the Turkish Cypriots who accepted the Annan Plan were punished, Greek Cypriots who rejected the Annan Plan with overwhelming majority were rewarded. In the end, the side which acted in breach of EU values was rewarded. None of the promises made at that time to end the isolation of the northern side of the island were kept. The EU maintained its stance and continued with non-recognition of the TRNC. However, none of the EU's suggestions have succeeded in fostering a solution in Cyprus. The solutions which do not recognize the existence of the TRNC have no chance of succeeding. Realising this situation, the Turkish government and the TRNC changed their approach to the Cyprus issue. Lately, some criticisms were raised by EU High Representative for Foreign

Affairs and Security Policy Josep Borrell concerning the reopening of the fenced off Maraş. While the EU opposes changes to the *status quo*, it has failed to come up with a constructive proposal. The Eastern Mediterranean Conference proposed under the positive agenda aiming to revitalise Turkey-EU relations is yet to convene. The EU's actions do not go beyond conveying Greek and Greek Cypriot claims. In that sense, the EU continues to repeat its past mistakes. The EU complicates its relations with Turkey because of the Cyprus issue. Instead of improving its relations with a regional actor with a population of 80 million and reviving the accession process, the EU chooses to drag the relations into a dead end by backing the Greek Cypriot Administration. Replacing this stance with a more objective and equitable approach seems the only way that could ensure the consolidation of the EU's influence in the region.”



IKV VICE CHAIRMAN PROF. KABAALIOĞLU ADDRESSED THE KOCAELI CHAMBER OF INDUSTRY ASSEMBLY MEETING

On 14 July 2021, IKV Vice Chairman Prof. Halük Kabaalioğlu delivered a speech at the Assembly meeting of the Kocaeli Chamber of Industry (KCI). During the meeting chaired by KCI Assembly Chairman Tahsin Tuğrul, IKV and KCI Chairman Ayhan Zeytinoğlu made a speech. Afterwards, IKV Vice Chairman Prof. Kabaalioğlu shared his views on the historical milestones and current developments in Turkey-EU relations.

Discussing the Cyprus issue in detail, Prof. Kabaalioğlu indicated that the accession of the Greek Cypriot Administration of Southern

Cyprus, following its rejection of the Annan Plan, to the EU based on the claim that it was the legitimate representative of the island was a historic mistake. Prof. Kabaalioğlu emphasized that the attempts at building a federation in Cyprus resulted in failure and that no solution which did not recognize the presence of the TRNC would be sustainable. Prof. Kabaalioğlu, whose memoirs were published by IKV in four volumes, is also a leading name in the field of EU studies in Turkey. Prof. Kabaalioğlu was IKV Chairman between the years 2007-2014 and he still serves as Vice Chairman in the Board of Directors of IKV.



IKV SECRETARY GENERAL NAS MODERATED THE IP4 III INAUGURAL EVENT HOSTED BY THE DIRECTORATE FOR EU AFFAIRS

On 7 July 2021, IKV Secretary General Assoc. Prof. Çiğdem Nas attended the inaugural event of the project titled “Strengthening the Integrated Strategic Approach to Increase Efficiency and Productivity of IPA Funds in the Third Term (2021-2027)” implemented by the Republic of Turkey Ministry of Foreign Affairs Directorate for EU Affairs. The opening speeches of the event were delivered by Head of the EU Delegation to Turkey Ambassador Nikolas Meyer-Landrut and Deputy Minister of Foreign Affairs and Director for EU Affairs Ambassador Faruk Kaymakci.

Following the opening speeches, in the session moderated by IKV Secretary General Assoc. Prof. Nas, the IP4 III 2021-2027 term was introduced by Head of the Directorate General for Financial Cooperation and Project Implementation at the Directorate for EU Affairs Bülent Özcan and Head of Cooperation at the EU Delegation to Turkey Minister Counsellor André Lys. At the event, which aimed to introduce the new IPA term particularly to the public sector, civil society, the academia and business circles, the features of this term were addressed in detail.

IKV SECRETARY GENERAL NAS PARTICIPATED IN VARIOUS ONLINE EVENTS

IKV Secretary General Assoc. Prof. Çiğdem Nas discussed different aspects of Turkey-EU relations in numerous events throughout July.

On 1 July 2021, IKV Secretary General Nas attended the advisory board meeting of the ActHuman initiative jointly organised by the Istanbul Policy Center and Human Development Foundation (INGEV) under the theme “Integration to Climate Policies from Employment to Production”. The initiative aims to define integration from employment to production and climate policies, and offer policy recommendations to social problems.

On 6 July, Assoc. Prof. Nas participated in the Civil Talks webinar organised by TÜRKONFED. The global effects of the pandemic were discussed at the webinar, where the



changes in the economy and how the business world should adapt to these were emphasized. Speaking alongside Paris Bosphorus Institute President Dr. Bahadır Kaleağası and World Turkish Business Council (DTIK) Balkans Regional Committee Chairman Ömer

Süslü, Nas highlighted the change and transformation triggered by the pandemic and the particular importance the EU attaches to the green and digital transformations in preparing for the post-COVID-19 era.

IKV Secretary General Nas took part in the “Açık Oturum” programme presented by Alphan Telek and broadcast on Medyascope platform on 22 July. Speaking alongside Prof. Tanju Tosun and Assoc. Prof. Polat Alpman, Assoc. Prof. Nas analysed the potential effects of a refugee influx following NATO's decision to withdraw from Afghanistan in the context of Turkey-EU relations. Moreover, IKV Secretary General Nas' views on the EU's position regarding the recent developments in Poland and Hungary were featured in an article published on Medyascope on 29 July.

4TH JUDICIAL REFORM PACKAGE RATIFIED AT THE PARLIAMENT



On 8 July 2021, the Grand National Assembly of Turkey ratified the "Proposal for Amendments in the Law of Criminal Procedures and Other Laws" also known as the fourth judicial reform package. The package submitted to the Parliament's Speaker Office on 18 June by the ruling Justice and Development Party is aimed "to strengthen the

independence of the judiciary and the right to a fair trial, and to improve legal predictability and transparency".

The judicial reform package includes new measures to combat violence against women. The legislation calls for tougher penalties for homicide, premeditated assault and torture. Partners who are divorced will also be considered in relation

to deprivation of liberty committed against a spouse under the recently adopted legislation. Arrests for crimes relating to genocide, violation of the Constitution, and sexual abuse of children will be dependent on strong suspicion based on concrete evidence. In addition, judge candidates and lawyer trainees will be given the opportunity to do internships at the Constitutional Court.



NEW FDI STRATEGY FOR 2021-2023 UNVEILED BY TURKEY

Turkey's Foreign Direct Investment (FDI) Strategy (2021-2023) was published in the Official Gazette on 22 June 2021 and released by the Presidency Investment Office. The target-oriented new FDI strategy will provide Turkey with a clear roadmap with the aim of attracting value-added, knowledge-intensive investments which create high-quality employment.

The strategy document, which aims to enhance Turkey's FDI performance in terms of both quantity and quality, contains 11 strategies and 72 actions. In the course of developing the strategy document, changing economic conditions with the COVID-19 pandemic and relevant opportunities for the country were considered.

President Recep Tayyip Erdoğan in his preface to the strategy document underscored that the new strategy's main objective was to increase the country's market share in global foreign direct investments to 1.5% by 2023, in line with the 11th Development Plan.

Emphasizing Turkey's importance, President Erdoğan indicated that Turkey was a prominent centre of attraction for international investors with broad production potentials, qualified manpower, a strategic location, modern logistics infrastructure and incentive packages. President Erdoğan also underlined that Turkey was among the most reliable routes on the east-west axis for transporting energy resources to European countries.



TURKEY ACTIVATED THE EU CIVIL PROTECTION MECHANISM DUE TO MASSIVE WILDFIRES

The European Commission announced that it would send three firefighting planes to support Turkey's efforts in extinguishing the wildfires.

Fuelled by high temperatures, the simultaneous wildfires which have erupted in 35 provinces including Antalya's Manavgat district and Muğla's Bodrum district in the last week of July have claimed the lives of eight people while thousands of animals were killed and 141 thousand hectares of forests were destroyed. Turkey's Minister of Agriculture and Forestry Bekir Pakdemirli announced on 1 August 2021 that more than 100 wildfires were brought under control while five were still going on.

Ravaged by unprecedented wildfires raging in the country's southwestern coast, Turkey activated the EU Civil Protection Mechanism. On 1 August, European Commissioner for Crisis Management Janez Lenarčič announced that in response to Turkey's request for assistance under the EU Civil Protection Mechanism, the EU would be sending one Croatian and two Spanish firefighting planes from the rescEU fleet

to help extinguish the fires. Indicating that the EU's 24/7 Emergency Coordination Centre was in regular contact with the Turkish authorities, the Commissioner expressed the EU's readiness to provide additional assistance to Turkey.

Turkey has been part of the EU Civil Protection Mechanism for cooperation in disaster management and emergency response since 2015. Currently, the mechanism covers six participating states in addition to 27 EU Member States. In case of a massive emergency overwhelming its capabilities, a country can request assistance through the mechanism.

Turkey's other international partners have also offered their solidarity and condolences in the wake of unprecedented wildfires sweeping the country's Aegean and Mediterranean coasts. Azerbaijan, Russia, Ukraine and Iran sent firefighting planes and dispatched support teams to the affected regions.

TURKEY FULLY SUPPORTIVE OF TRNC'S MARAŞ INITIATIVE



Turkish President Recep Tayyip Erdoğan paid an official visit to the Turkish Republic of Northern Cyprus (TRNC) to attend 20 July Peace and Freedom Day celebrations marking the 47th anniversary of the Cyprus Peace Operation. Speaking at the ceremony, President Erdoğan reconfirmed Ankara's support for a two-state solution and underscored that a new negotiation process could only be carried out between two states indicating that the sovereign equality and equal status of the Turkish Cypriots should be acknowledged. Criticising the maximalist and insincere approach displayed by the Greek Cypriot Administration, President Erdoğan also pointed out that the EU failed to deliver on its promises to the Turkish Cypriots.

During the ceremony, TRNC President Ersin Tatar announced the next phase in the reopening of Maraş (Varosha) which has been closed off for 47 years. This move, which follows last year's partial reopening of Maraş, constitutes the second stage of the Maraş initiative announced by the TRNC government. Under the decision by the TRNC Council of Ministers, the military zone status of an area corresponding to 3.5% of Maraş would be lifted, which would allow the owners of the properties in the area to apply to the Immovable Property Commission.

Certain international actors and countries such as the EU, US and the UN Security Council have issued statements criticising the latest moves concerning the reopening of Maraş

and called for an immediate reversal of the steps taken. Ankara has rejected the statements on the grounds that they were based on misleading propaganda by Greece and the Greek Cypriot Administration. Moreover, Turkey has indicated that under the decisions taken within the framework of the Maraş initiative, property rights were upheld and international law was respected while maintaining that the UN Security Council resolutions were not being violated.

EU High Representative for Foreign Affairs and Security Policy Josep Borrell, in a statement issued on behalf of the EU on 27 July 2021, condemned the move and indicated that in case of its non-reversal, the issue would be taken up by EU foreign ministers in their next meeting scheduled for 2-3 September and voiced the EU's readiness to consider all the options at its disposal, signalling the possibility of sanctions.

In a counter-statement made on the same day by Turkish Foreign Ministry Spokesperson Ambassador Tanju Bilgiç, Ankara issued a condemnation and indicated that statements solely reflecting the perspective of the Greek Cypriot side had no validity for Turkey. Stating that the EU's biased approach adopted under the pretext of member state solidarity and veto concerns was not helpful for the solution of any problem, the statement reiterated Turkey's unequivocal support for the decisions taken by the TRNC authorities and their proposals regarding the settlement of the Cyprus issue as well as the Maraş initiative.

EP RESOLUTION ON THE SITUATION OF THE OPPOSITION CRITICISED BY TURKEY



In a statement by the Turkish Foreign Ministry on 8 July 2021, Turkey condemned the resolution on "Repression of the opposition in Turkey, specifically HDP" adopted on the same day at the plenary session of the European Parliament.

The resolution, adopted in the EP by 603 votes in favour as opposed to 2 against votes and 67 abstentions, expresses the concern of the MEPs for the repression of the opposition and "constant attacks and pressure" on Turkish opposition parties, especially the Peoples' Democratic Party (HDP). It strongly condemned the indictment refiled by Turkey's Chief Public Prosecutor at the Constitutional Court seeking the dissolution of the HDP; made a point that democratically elected mayors have been removed from office and replaced by unelected trustees; called for measures to guarantee all political parties in Turkey to be able to freely and fully exercise their legitimate functions and called on the EU Delegation to Turkey to observe trials and speak out against breaches of human rights and stated that progress in Turkey-EU relations would depend also on the situation of human rights and rule of law.

In his speech at the EP Plenary on the situation of the opposition in Turkey, High Representative Josep Borrell also voiced EU's concerns in relation to the Turkish Constitutional Court's

decision to accept the revised indictment demanding the closure of HDP. Arguing that such action reinforces concerns regarding the backsliding of fundamental rights in Turkey and will contradict Turkish authorities' stated commitment to reforms in the European perspective, he stressed the need for Turkey, as a candidate country, "to fully respect the core democratic values, the rule of law and the freedom of political association" which are at the core of the political system, emphasizing that it will be important for the future of the EU-Turkey relations.

The statement made by the Turkish Foreign Ministry referred to the EP resolution as "a new example of the EP's ideological and biased stance, detached from reality." According to the statement, the EU condemns Turkey for initiating a legal process against a political party in Turkey, facing serious allegations that its deputies are involved in terrorism even though not refraining from condemning terrorism can be accepted as one of the reasons for the closure of a political party in the EU. The statement warned that such resolutions reflecting ideologies and conflicting with the founding values of the EU is causing the EP to lose its credibility and that this resolution of the EP, "will not contribute to the betterment of Turkey-EU relations but only serve the interests of those circles working to bring Turkey-EU relations to a deadlock".

TURKISH STARTUPS ATTRACTED 746 MILLION DOLLARS IN FOREIGN INVESTMENTS IN Q2

Turkish Industry and Technology Minister Mustafa Varank announced on 13 July 2021 that in the second quarter of this year, 63 Turkish enterprises received foreign investments worth 746 million dollars. According to Minister Varank, this figure reveals that Turkey is ahead of many EU Member States, including Finland, Italy, and Belgium. Highlighting the success of Peak Games which became Turkey's first unicorn last year, Minister Varank said that it was proof of Turkey's potential in entrepreneurship. The fact that unicorns such as Dream Games and *Getir*, received an investment of 300 million dollars following the success of Peak Games is no coincidence, according to Varank.

"Unicorns" are startups worth over 1 billion dollars. At the Turkish Startup Ecosystem 2021 Second Quarter Conference, Minister Varank, referring to



the Turkish version of these unicorns as "Turcorns," announced that the target is to reach 10 Turcorns by 2023. Varank stated that 129 Turkey-based startups received 1.3 billion dollars in foreign investment in the first half of 2021. In his speech at the conference, Minister Varank also mentioned the importance of the venture capital funds for the startup ecosystem and mentioned TechInvesTR as the first fund developed jointly with Scientific and Technological

Research Council of Turkey (TÜBİTAK) and the Ministry of Treasury and Finance, aiming to support around 150 technology startups. Varank also referred to support given to entrepreneurs in cooperation with TÜBİTAK and the Small and Medium Enterprises Development Organization (KOSGEB). In comparison to the entrepreneurial performance of the EU Member States, Minister Varank pointed out to Turkey's rapid growth in this area.

HIGH-LEVEL EXCHANGES



FOREIGN MINISTER ÇAVUŞOĞLU VISITED LITHUANIA AND FINLAND

Turkey's Foreign Minister Mevlüt Çavuşoğlu paid working visits to Lithuania and Finland in early July.

Foreign Minister Çavuşoğlu visited Lithuania on 7 July 2021 and participated in the 4th International Ukraine Reform Conference in Vilnius. In his address to the conference, Foreign Minister Çavuşoğlu highlighted Ankara's support for Ukraine's reform efforts and indicated that with effective reforms it would be easier for the country to overcome the consequences of the Donbas and Crimea crises. Foreign Minister Çavuşoğlu stated that Ukraine launched an ambitious reform agenda despite the enormous challenges in the areas of security and economy, and highlighted simplicity and effective implementation as key elements to ensure its success. Moreover, Çavuşoğlu welcomed the Ukrainian Parliament's recognition of Crimean Tatars as an indigenous people. On the side lines of the

conference, Foreign Minister Çavuşoğlu held bilateral meetings with his counterparts from Estonia, Hungary, and Lithuania where bilateral relations and cooperation on regional issues were discussed.

On 8 July, Foreign Minister Çavuşoğlu visited Finland to hold official exchanges. In the context of his visit to Helsinki, Foreign Minister Çavuşoğlu first met with members of the Turkish community and later came together with Finnish Foreign Minister Pekka Haavisto. The meeting between the two foreign ministers focused on bilateral relations, regional issues and Turkey-EU relations.

Speaking at the joint press conference held after the meeting, the two ministers highlighted the importance of Turkey-EU relations in overcoming common challenges. Foreign Minister Çavuşoğlu expressed Turkey's willingness to restore the Helsinki spirit in its

relations with the EU, referring to the landmark 1999 Helsinki European Council meeting where Turkey was granted EU candidate status.

For his part, Finnish Foreign Minister Haavisto noted that Turkey-EU relations had seen improvement compared to last year. Referring to the common challenges surrounding Turkey and the EU, Haavisto stressed the need for close cooperation on the situation in Syria, Syrian refugees in Turkey and a potential refugee influx from Afghanistan.

Concerning bilateral economic ties, Foreign Minister Çavuşoğlu said that Turkey and Finland managed to maintain their bilateral trade volume despite the COVID-19 pandemic and announced that the first Joint Economic and Trade Commission (JETCO) meeting would convene by the end of the year. Lastly, Çavuşoğlu urged Finland to lift the 14-day quarantine requirement for those travelling from Turkey.

SENIOR EUROPEAN OFFICIALS VISITED TURKEY TO DISCUSS IRREGULAR MIGRATION

Irregular migration hit the headlines throughout July in both Turkey and the EU. On 8 July 2021, European Commissioner for Crisis Management Janez Lenarčič visited the Turkish border with northwest Syria, ahead of UN Security Council's (UNSC) vote on the renewal of the resolution on cross-border aid delivery. Commissioner Lenarčič came together with senior UN representatives and aid workers as well as Turkish officials during his visit. Lenarčič underscored the significance of the renewal of the UNSC resolution on cross-border aid delivery and emphasized that the failure to reach an agreement on this resolution would jeopardise the life-saving humanitarian aid delivery for millions of vulnerable Syrians.

Moreover, the Minister of Foreign Affairs of Lithuania Gabrielius Landsbergis visited Ankara and came together with Turkish Foreign Minister Mevlüt Çavuşoğlu and the Minister of Interior Süleyman Soylu on 13 July, for the third time in a month. Taking joint action to stop the flow of illegal migrants to Lithuania from Belarus, halting the development of a new illegal migration route to Lithuania through Belarus and, ending the existing criminal human smuggling schemes were the top items on the agenda of the meetings held in the context of the visit. On the other hand, Turkish officials expressed their willingness to share their experience and knowledge regarding effective border management and the identification of third-country nationals with Lithuanian officials.

OFFICIALS FROM TURKEY, WESTERN BALKANS AND EU CONVENED FOR ANNUAL ECONOMIC POLICY DIALOGUE



Representatives of the EU Member States, Western Balkan countries and Turkey, as well as officials from the European Commission and the European Central Bank came together at the annual economic policy dialogue held online on 12 July 2021. The meeting was also attended by the representatives of the central banks of the six Western Balkan countries and Turkey. Launched in 2015, the annual economic policy dialogue is designed for preparing candidate and potential candidate countries for their future participation in the European Semester.

As the EU Member States, the Western Balkans and Turkey are struggling with similar unprecedented major public health, economic and social challenges due to the COVID-19 pandemic, participants acknowledged the strong solidarity between the EU and the Western Balkans and Turkey. This has been shown in the fight against the COVID-19 pandemic and in the contribution to address its socioeconomic impact in the region by providing medical and financial assistance.

In the joint conclusions adopted at the end of the

meeting, participants welcomed the overall timely fiscal and monetary support measures taken by the Western Balkan countries and Turkey to mitigate the harmful economic effects of the coronavirus crisis. Moreover, the participants considered it appropriate to continue mitigating the pandemic's impact on the economy particularly on growth, employment and social cohesion by adequately targeted, temporary and transparent fiscal and financial measures until a self-sustained recovery is firmly established.

SYRIAN AND AFGHAN REFUGEES CONTINUE TO BE A HOT TOPIC BETWEEN TURKEY AND THE EU

Still not having reached the desired level of agreement with respect to Syrian refugees, EU and Turkey now have to find a solution to the Afghan immigration as well.

Zafer Can DARTAN
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Turkey hosts nearly 4 million refugees, 3.6 million of which are registered Syrian refugees.

The remaining 330 thousand are from Afghanistan, Iraq, Iran and Somalia. Nowadays, the refugee issue is perhaps the most important issue in Turkey - EU relations. For this reason, the EU has prepared an interim evaluation report in order to make an overall assessment of the past performance of the financial aid instrument for refugees in Turkey and to make suggestions for improving current and future measures and strategies. On 7 July 2021, the EU Commission presented the report published in June 2021 with the title "Mid-Term Evaluation of the Facility for Refugees in Turkey". The report states that under the Turkey-EU Statement agreed on 18 March 2016, the EU provided 6 billion euros in financial aid to refugees in Turkey and significantly increased its support the refugees. It is stated that the first 3 billion euros were operationalised between 2016 and 2017 and the second tranche of the same amount between 2018 and 2019. In the report, it is also recalled that since 2016, the EU has been working with ministries in Turkey, development banks of EU Member States, international financial institutions, UN agencies and NGOs to implement more than 100 refugee projects in Turkey. It is stated that all 6 billion euros under the Facility for Refugees in Turkey were fully contracted and more than 4.1 billion euros were disbursed.

The remainder of the funds will continue to be distributed until the completion of the projects, with most in 2022 and 2023, and some in 2025. At the European Council meeting on 24-25 June 2021, EU leaders agreed to allocate 3 billion euros to refugees



in Turkey for the period 2021-2023. In addition, an amount of 535 million euros were allocated for the continuation of humanitarian aid in 2020.

Positive Points Highlighted in the Report

The report underlines that financial assistance provided to refugees in Turkey in areas such as health, education, protection and socioeconomic support makes a significant contribution to the well-being of Syrians and other refugee groups in the region. It is stated that this mechanism is a symbol of solidarity and support for Turkey as the country hosting the largest number of refugees globally, and that it has effectively met the targeted needs of refugees. The positive aspects of the report include that the financial instrument is generally compatible with the services provided by Turkish government institutions and the refugees are very satisfied with the services in education and health, especially in the context of the Emergency Social Safety Net (ESSN) providing cash assistance to refugees and is regarded the biggest humanitarian programme in EU history. 90% of the refugee households surveyed in early 2020 stated that they had access to services whenever there was a need. However,

given the number of refugees in Turkey and the challenges posed by the COVID-19 pandemic in particular, there are still some shortcomings. Studies should be carried out on these issues in order to overcome the refugees' problems and ensure their integration.

Turkey Urges EU to Take Responsibility for Refugees

Although the report praises Turkey's contributions to the implementation of the Turkey-EU Statement, it is a well known fact that the EU's performance in delivering on its commitments has been far from satisfactory. On 6 July, Vice President of Turkey Fuat Oktay called on the EU to open legal migration routes for Syrians as part of the principle of fair burden and responsibility sharing. Vice President Oktay also called for the EU Member States to activate the Voluntary Humanitarian Admission Scheme with concrete commitments and to increase the settlement quotas for refugees. Oktay stated that Turkey actually provides help and protection not only to the nearly 4 million Syrians who have taken refuge in Turkey but to a total of 9 million victims, including the internally displaced people within Syria's borders. Oktay stressed that the negative attitudes towards immigrants in the Aegean and the Mediterranean show how humanity

has failed to provide them with humanitarian aid.

Oktay criticized the EU and UN for being bystanders to the human tragedy and not taking the necessary steps to overcome it. He added that the policy that allows all kinds of asylum seekers and refugees to enter Turkey, but never to leave, is unsustainable and inhumane.

Influx of Afghan Refugees to Turkey

After the Syrian refugee crisis, Turkey now faces a new wave of migration from Afghanistan. The Taliban have increased their influence in Afghanistan after the withdrawal of NATO troops and Biden administration's decision to withdraw all US troops from the country by 11 September. With the withdrawal of US and NATO troops, the Afghan government is not believed to have much of a chance against the Taliban, and there are concerns that it will likely face an "existential crisis".

Due to the ongoing war in Afghanistan, which has a population of approximately 40 million, many Afghans immigrated to and entered Turkey through the approximately 300 km Iran-Van border. This recent development brought up the refugee debates again. According to reports, about 2 thousand Afghans enter Turkey on a daily basis and

immigration experts expect the numbers to rise as the Taliban expands its control in Afghanistan. The majority of those who come to Turkey's borders are men between the ages of 15-30. According to the statistics of the last 10 years, migration from Afghanistan to Turkey was the highest in 2019, breaking a record with 201,437 migrants apprehended. Under the current circumstances, the possibility of familial and mass migration remains. Turkey, on the other hand is building a wall on the Iranian border in order to prevent irregular migration and smuggling.

Regarding Afghan immigration, Austrian Chancellor Sebastian Kurz made highly controversial statements which triggered a reaction from Ankara. Worried that the new wave of Afghan immigration would affect Europe, Kurz stated that it would be better for Afghan refugees to go to Turkey instead of EU Member States such as Germany, Austria or Sweden. Kurz emphasized that the Afghanistan problem cannot be solved by transferring people to Germany and Austria in masses, as it was in 2015 and stated that deportations to Afghanistan will definitely continue.

A potential major migrant influx from Afghanistan is likely to have dramatic effects on Turkey-EU relations.