

20 June 2007

Screening report Turkey

Chapter 21 – Trans-European networks

Date of the screening meetings:

Explanatory meeting: 30 June 2006

Bilateral meeting: 29 September 2006

I. CHAPTER CONTENT

The European Union policy concerning Trans-European Networks for transport (TEN-T) and energy (TEN-E) is based on three cornerstones: the legal basis for TENs, Articles 154-156 of the EC Treaty, the regulation on TEN financial support (Reg. 2236/95) and the guidelines Decisions for TEN-T (1692/96) and for TEN-E (1364/2006). This framework sets out the objectives of Community policy for the trans-European network policy which encompasses the transport, energy and telecommunication networks and aims at adapting and developing networks and ensuring their interconnections and interoperability.

As far as **transport networks** are concerned, the trans-European network contributes to a sustainable and multimodal development of transport and to the elimination of bottlenecks. In this regard, transport networks play a significant role in ensuring a sustainable mobility, combining Europe's competitiveness with the welfare of its citizens while securing the transports of good and passengers in Europe.

Given the level of investments needed to complete and increase the trans-European networks and bearing in mind the estimated growth in traffic between Member States, expected to double by 2020, a list of priority trans-national projects has been defined at the European level.

Trans-European **energy networks** cover the transport and storage facilities of gas as well as the electricity transmission and make a significant contribution to the electricity and gas market. TEN-E respond to the growing importance for securing and diversifying the Community's energy supplies, incorporating the energy networks of the Member States and candidate countries, and ensuring the coordinated operation of the energy networks in the Community and in neighbouring countries. The security of energy supply and the functioning of the internal energy market are key policy goals. This is mirrored in the Trans-European Energy guidelines of 2006 aiming at the installation of an electricity and gas network. Axes for priority projects and projects of common interest have been identified in this regard.

Trans-European **telecommunication networks** mainly refer to the development of networks and deployment of related services in the framework of specific Community programme.

II. COUNTRY ALIGNMENT AND IMPLEMENTATION CAPACITY

This part summarises the information provided by Turkey and the discussion at the screening meeting.

Turkey indicated that it can accept the *acquis* regarding the trans-European networks of transport and energy and that it does not expect any difficulties in implementing the *acquis* by accession. For timing reasons only, Turkey, cannot yet confirm that it can accept the Community Guidelines for the development of the trans-European energy networks (Decision 1364/2006) published in the Official Journal three months after the explanatory session and only one week before the bilateral session of the screening process. The Decisions 96/391 and 1229/2003 repealed by the Decision 1364/2006 were including in the screening meeting.

II.a. Transport networks

Turkey gave the main characteristics of the national transport network infrastructure which includes a total length of 63,714 km of road network¹ (of which 2.8% of

¹ Including motorways, State roads and provincial roads

motorways) and a total length of 10,984 km of railway network (of which close to 21% is electrified). Double lines account for 440 km. The inland waterways network is limited to the Lake Van and some navigable artificial lakes (dams). A wide range of seaports and airports (international and domestic flights) are also part of the network.

Turkey's *legislation* regarding transport networks is not aligned at this stage of the accession process, with Regulation 2236/95, laying down general rules for the granting of Community financial aid in the field of trans-European networks, and Decision 1692/96 on community guidelines for the development of the Trans-European Transport Networks. Turkey underlined that it participates actively in the Transport Infrastructure Needs Assessment (TINA) study, which will define the basis of the future TEN-T in Turkey, according to the requirements of the Decision 1692/96. TINA's final report is due soon² and shall identify the relevant TEN-T network in Turkey for all modes of transport according to traffic forecast up to 2020. The study will also include an assessment of the administrative structure needed to cope with the development of the network, and establishment of a transport databank using GIS technology.

The development of the transport networks and policies is the responsibility of the Undersecretariat of State Planning Organisation, the Ministry of Transport, in particular by the General Directorate of Railways, Ports and Airports Construction, the Turkish State Railways, the General Directorate of State Airports Administration), the Ministry of Public Works and Settlement (General Directorate of Turkish Highways), and the Undersecretariat for Maritime Affairs. Turkey considers that the Public Investment Process gives a good framework for developing the transport networks in the country. It is based on a 7 year Development Plan, medium-term programmes on 3 years and annual programmes. Turkey has approved (OG 2006/26215) the 9th Development Plan (2007-2013) and will start to implement the medium-term programme 2007-2009. Turkey underlined that for the transport sector, the strategic goal of this plan is *"the establishment of rapid and safe transport infrastructure that will increase the competitive power of the country"*. This includes in particular the *"integration with Europe and neighbouring economies"*. Turkey stated that this goal will be achieved by prioritising connections to TEN-T corridors and by establishing projects to strengthen the connections with the Caucasus, Central Asia, and the Middle East.

Regarding the ongoing projects as concerns the *road network*, Turkey indicated that the 9th Development Plan will focus on four priorities: improving traffic safety, increasing mobility and accessibility to the network, ensuring a sustainable development of transports and developing a competitive transport sector market. As regards the motorway network, Turkey is preparing to upgrade the standards. Concerning safety standards for tunnels, Turkey informed that its legislation is aligned since 2005 with Directive 2004/54 on minimum safety requirements for tunnels in the Trans-European Network.

Concerning the *railway network*, Turkey mentioned that the priorities of the 9th Development Plan are to increase significantly the share of railway in the freight transport and to invest in some essential railway connections. As regards the transport of passengers, Turkey intends to develop a high-speed train network from Ankara to Istanbul, Izmir, Sivas and Konya. The financial model foreseen is largely based on the restructuring of the railway sector according to EU requirements and on the development of Public Private Partnerships (PPP).

² The Final TINA report on Turkey has been released in April 2007.

As regards *maritime transport*, one of Turkey's priorities is to improve port capacities within EU transportation networks. Turkey also intends to transform seaports into logistic centres by completing the main road and rails links to the ports and improving the port capacities. Turkey underlined that in 2005 86% of the freight tonnage in foreign trade has been transported by sea. Therefore it considers crucial the development of port facilities in Turkey to play a significant role within the TEN-T and to facilitate multi-modality. In addition Turkey mentioned its willingness to develop short sea shipping and to further improve Flag and Port State controls.

Finally, regarding *air transport*, Turkey plans to improve the current capacities of its infrastructure (terminals, services) to cope with the increasing demand. Turkey intends to further harmonise and modernise the Air Traffic Management (ATM) systems and to improve safety and security measures. Turkey also plans to further develop regional air transport.

II.b. Energy networks

Turkey, located in the vicinity of the world's greatest gas and oil reserves, highlighted its geographic location as a natural connector between the source countries and the energy market of the European Union. Turkey indicated that the implementation by accession of the EU legislation related to the energy networks will not raise any difficulties³.

Turkey confirmed that its *legislation* regarding energy networks will be aligned by accession with Regulation 2236/95, laying down general rules for the granting of Community financial aid in the field of trans-European Networks, with Decision 1229/2003 amended by Decision 1364/2006 on community guidelines for the development of the trans-European energy network and with Decision 96/391 laying down a series of measures aimed at creating a more favourable context for the development of trans-European networks in the energy sector. Turkey's legal framework is composed of the Electricity Market Law (2001), the Natural Gas Market Law (2001) and subsequent by-laws. Turkey considers that with the ratification of the Energy Charter Treaty (ECT) in 1998, it has contributed to energy market access and cross-border transit.

As regards the *electricity* network, Turkey has developed interconnections with neighbouring electricity grids. In particular 400 kV links are in place with Bulgaria (2 links), Syria, Iraq⁴ and Iran⁵ and 154 kV / 220 kV links are in place with Azerbaijan, Iran and Georgia. Turkey confirmed that a new 400 kV link will be operational with Greece early 2008. Turkey stated that the projects under development were in line with the TEN-E as described in axes n°4 and n°9 aiming at developing infrastructures to connect Greece to its neighbours and increase interconnectivity in Mediterranean countries. The project "Philippi (Greece) – Hamidabad (Turkey)" is a Turkish priority, as well as a "project of European interest". Turkey mentioned that in practice, the connection point in Turkey has changed: It is now Babaeski instead of Hamidabad. The project to increase the capacity of the "Mediterranean electricity ring" is both a Turkish priority and an EU priority project. In this regard, Turkey considers that the development of its electricity network is compatible with the development of the TEN-E. Regarding the UCTE system (Union for the Co-ordination of Transmission of Electricity), Turkey stated that the technical studies were on-going and the tests for synchronisation with the Turkish power system will take place early 2008.

³ The new Guidelines (Decision 1364/2006) were published during the screening process and Turkey will confirm later on that it can accept this new text.

⁴ Operated only at 154 kV

⁵ Operated only at 154 kV

Turkey is participating in several international projects aiming at improving interconnections and extending the *gas* network. The gas pipelines projects Turkey-Greece-Italy (gas from the Caspian Sea, the Middle East and North Africa) and Turkey-Bulgaria-Romania-Hungary-Austria (NABUCCO project – gas from the Caspian Sea, the Middle East and North Africa) are both considered as priorities for Turkey and are defined as "EU priority projects". In addition Turkey considers that the Arab Gas Pipeline (AGP)–Turkey interconnector project is contributing to the objective of the "EU priority project for increasing the natural gas pipeline capacities between the Mediterranean countries. Turkey also mentioned other existing gas pipeline projects at various stages of advancement, such as Baku-Tbilisi-Erzurum, Trans-Caspian and Iraq-Turkey, and stated that these would contribute to the functioning of axes n° 3 and n° 6 of TEN-E aiming at developing gas supply from the Caspian Sea and the Middle East and connecting Mediterranean networks.

II.c. Telecommunication networks

Turkey did not take part in the eTEN programme which ended in 2006 but Turkey **stated** that it will be able to participate in the Commission's new Competitiveness and Innovation Programme (CIP) which notably builds on the aims of the eTEN.

III. ASSESSMENT OF THE DEGREE OF ALIGNMENT AND IMPLEMENTATION CAPACITY

Overall, Turkey has reached a satisfactory level of preparedness regarding the strategic development of the transport and energy networks in accordance with the design and objectives of the TEN-T and TEN-E. The relevant legislation can only be implemented by accession. As regards the transport networks, the TINA study has to be finalised to serve as a reliable and agreed basis for the future definition and development of the TEN-T in Turkey. Concerning the TEN-E networks, Turkey needs to keep a good pace for materialising foreseen investments which will gradually increase its integration in the EU internal market. It needs to be underlined that following the General Affairs Council conclusions of 24 September 1998, all new investments in candidate countries should comply with the EU *acquis*, in particular with environmental Directives, including the EIA Directive (85/337), the Strategic Environmental Assessment (SEA) Directive (2001/42) and the Habitats and Birds Directives (92/43 and 79/409).

III.a. Transport networks

The *acquis* in the field of Trans-European Transport Networks of transport can only be applied by accession.

Globally, the foreseen development of the Turkish transport network will be based on the results of the TINA study which will serve as a basis to define the relevant sections of the TEN-T for each mode of transport throughout Turkey. The final version of this study will be completed by the first half of 2007⁶ and will constitute a sound and agreed basis ensuring the development of the network, in particular by ensuring land connections by road and rail with neighbouring countries. This development has to be done in compliance with EU requirements and objectives.

As regards the transport network development, the Turkish 9th Development Plan is addressing the issues that matter. However, the financial need is significant and the public expenditures planned for the period 2007-2013 show that almost a third will be dedicated

⁶ The Final TINA report on Turkey has been released in April 2007.

to the transport sector (mainly road and rail). To achieve this plan, Turkey intends to resort to Public (Private Partnerships PPP) but there is a risk to limit the investments at the beginning on some profitable links. No information has been received on alternative financial resources.

Regarding the *road network*, significant investments are needed in particular to develop dual carriageways and increase safety and to improve the standards to EU levels.

The *railway network* will consume a large part of the future investments, in particular for freight transport. In parallel, Turkey needs to accelerate the reorganising of the sector in line with the relevant *acquis*, so as to ensure a future access to the network.

As regards the *maritime transport*, due to the geographical specificity of the country and the share of each mode in the freight transport, it is necessary to ensure that both road and rail networks are connected to the major ports and future motorways of the sea. Turkey has included this objective in its development plan 2007-2013.

Turkey needs in particular to develop its *air transport* network by improving the airport facilities and developing the regional transport in order to absorb the increasing demand.

More generally, the administrative capacity in the specific ministries and services should be strengthened to guarantee an adequate implementation of the transport networks according to the development plan presented.

III.b. Energy networks

The *acquis* in the field of trans-European Energy Networks will be applied by accession.

The ratification by Turkey of the Energy Charter Treaty (ECT) provides a sound basis for opening of the energy market and promoting the interconnection with neighbouring countries. Turkey will also need to ratify the ECT Trade Amendment. The development of the energy networks in Turkey, amongst others through the on-going projects, is a significant step in ensuring the transit of energy sources and increase security of supply in Europe. Turkey needs to develop alternative energy sources which can generate additional needs in terms of connections to the network. As described under part II, the planned projects in the field of energy are contributing to TEN-E priority projects and projects of common interest.

The transit of *electricity* through Turkey relies on electricity interconnections with its neighbours. These can be further improved, in particular with Greece. The actual cross-border exchange of electricity is hampered by an incomplete regulatory framework and the absence of synchronous connection with the European electricity network based on UCTE standards.

Creation of interconnections and extensions of the *gas* network is under preparation. In this respect the Turkish section of the main international gas pipeline projects are in line with the expected future development of TEN-E priority projects, in particular the Turkey-Greece-Italy and Turkey-Austria (NABUCCO) gas pipeline projects.

These electricity and gas projects will largely contribute to physically integrate Turkey in the TEN-E and the energy internal market. However, further development and facilitation of the transit of energy sources largely depends upon the implementation of the relevant regulatory and legislative framework.

Regarding administrative capacity further strengthening is required to deal with future duties arising from the implementation of the *acquis*.

III.c. Telecommunication networks

The future participation of Turkey in the Competitiveness and Innovation Programme (CIP) will allow the inclusion of the Trans European element in the development of the networks, as well as the deployment of related services.