

**REPUBLIC OF TÜRKİYE**

**PRE-ACCESSION  
ECONOMIC REFORM PROGRAM  
(2026-2028)**

**ANKARA  
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## 5. STRUCTURAL REFORMS

### 5.1. Competitiveness

#### i. Business environment and reduction of the informal economy

##### a) Analysis of main obstacles

The weakening of the global economy, tight financing conditions and supply bottlenecks adversely affect the business environment and investments in Türkiye, as in the rest of the world. In addition to the Russia-Ukraine war, the conflicts in the immediate region between Israel, Palestine, Lebanon and Iran, which have a tendency to spread throughout the region, also have an impact on the Turkish economy. According to international studies, risk expectations in terms of disinformation, climate-related problems, disasters, cyber insecurity, forced migration, inflation, interstate conflicts and polarization have the potential to affect Turkish business and investment environment in the coming period as well as the whole world. Moreover, it is assessed that the increase in tariffs and non-tariff barriers within the scope of international trade wars may deepen the uncertainty in the business environment.

The main objective of business and investment environment reforms in Türkiye is to provide a more competitive structure to the economy by carrying out transactions with the least number of documents, in the shortest time and at the lowest cost, to further strengthen bureaucratic and legal predictability, and to ensure that the country creates investment opportunities by attracting more qualified international direct investments and is to become a supply and production center for domestic and international markets by increasing production, employment and exports. In this regard, important policies and measures for the business and investment environment are included in the 12th Development Plan.

Following the Covid-19 pandemic, Türkiye's share of global foreign direct investment market remains below the targeted levels. Accordingly, the Foreign Direct Investment Strategy (2024-2028) was published on 29 July 2024 as a roadmap to accelerate the attraction of quality foreign direct investment projects in line with Türkiye's economic development goals in a period marked by the reshaping the global economic landscape and escalating uncertainties.

Action plans prepared by the Investment Environment Improvement Coordination Council (YOIKK) are monitored monthly through a consultation mechanism established between the public and private sector organizations. As a result of the work carried out within the framework of the 2024 Action Plan, improvements have been made in the processes related to preliminary allocation, land allocation, and allocation periods through amendments to the Organized Industrial Zones Implementation Regulation; analyses have been conducted to identify investable areas across the country through Industrial Areas Master Plan studies. In addition, the Türkiye Tech Visa Program has been implemented to support access to qualified human resources, regulations on venture capital investments have been amended, workforce programs in the areas of digital and green transformation have been launched, and infrastructure work for the e-Notification service via e-Government has been completed.

The 2025 YOIKK Action Plan has been formulated based on the assessment of the outcomes achieved in 2024 and the progress recorded in the ongoing reform process. The Action Plan is aligned with major policy and strategy documents. It establishes a structured

framework to enhance inter-institutional coordination across key structural domains, including entrepreneurship and access to finance, the promotion of high-technology investments, the simplification of permit and licensing processes for energy and mining investments, the advancement of green transformation and sustainability objectives, and the strengthening of linkages among logistics, technological infrastructure, vocational education and training and employment.

Monitoring, evaluation, and coordination activities regarding the components and actions included in the 2023–2025 Action Plan for the Fight Against the Informal Economy will continue to be carried out. In this process, it is aimed to enhance the effectiveness of the fight against the informal economy by developing risk analysis and assessment mechanisms through the effective use of technology.

Mediation, one of the alternative dispute resolution methods used extensively for the swift, economical, and amicable resolution of disputes, has been employed since 2013, with approximately 8.5 million disputes being heard before mediators, resulting in approximately 5.07 million settlements. Mediation has contributed to a healthier and faster functioning of commercial life in all disputes over which the parties have full discretion. The United Nations Convention on the Settlement of International Commercial Disputes through Mediation, known as the “Singapore Convention,” has been signed and implemented.

In Program term specialization within the judiciary will be enhanced, and the specialization of judges in civil and criminal law will be supported. Based on workload analyses, specialization will be introduced in disputes arising from environmental matters, health, insurance, traffic, and workplace accidents.

In order to increase the level of expertise of judges serving in Intellectual and Industrial Property Rights Courts, in-service training programs will be implemented, and awareness-raising activities regarding mediation and arbitration practices will be carried out to ensure more effective resolution of intellectual property disputes.

To accelerate judicial proceedings, target timeframes will be redefined, measures will be taken for cases exceeding these timeframes, and a target-time practice will also be introduced for the appellate stage. In specialized courts, the Target Time Practice will be effectively monitored, and necessary measures will be taken regarding the factors causing delays. To strengthen access to justice and the right to be tried within a reasonable time, digital solution platforms, online dispute resolution, and electronic hearing methods will be developed. Infrastructure work will be conducted to expand the use of electronic notifications.

Basic and sub-specializations in the field of expert witnessing will be updated, trainings will be increased, legal entity expert witnessing in private law will be expanded, report preparation times will be shortened, and a more effective performance system will be established.

Civil and administrative judicial procedures will be simplified; grievances arising from the incorrect selection of the competent judicial path will be remedied; simplified procedures will be created for disputes below a certain monetary threshold; fee collection procedures will be updated, and electronic payment methods will be expanded.

Regulations will be introduced to shorten the completion process in administrative

jurisdiction, and administrative settlement practices will be made more effective. Mediation and arbitration mechanisms will be strengthened; the scope of mandatory mediation will be expanded; voluntary mediation will be encouraged; institutional arbitration will be promoted; and efforts will be undertaken to increase the use of arbitration mechanisms in resolving commercial disputes. The enforcement and bankruptcy system will be restructured in line with current needs; fast and cost-effective alternative enforcement methods will be developed; and reforms will be implemented to ensure that the concordat mechanism achieves a reliable and sustainable structure.

To protect rights and freedoms and enhance the efficiency of judicial services, institutional capacity will be strengthened, and structural and administrative measures will be implemented to ensure that proceedings are concluded within a reasonable time. In this context, efforts to align the Personal Data Protection Law with the European Union *acquis*—particularly the General Data Protection Regulation (GDPR)—will be completed, and the institutional structure of the Personal Data Protection Authority will be improved.

The process of harmonizing the Personal Data Protection Law No. 6698 with the GDPR will be completed.

## **ii. State-owned Enterprises**

### **a) Analysis of main obstacles**

Although State-Owned Enterprises (SOEs) are an important policy instrument for the Turkish economy, the share of SOEs has decreased over time in line with the policy of reducing the share of the public sector in the economy. In 2000, the ratio of the value added produced by SOEs to GDP was 3.4 percent while this ratio is estimated to be 0.6 percent by the end of 2025. In parallel to this, the share of SOE investments in total public and private sector investments is estimated to decline from 5.8 percent in 2000 to 2.4 percent in 2025. In the same period, the annual average number of personnel of SOEs is expected to decrease from 435,000 to 94,000. As of 2025, the number of SOEs operating under Decree Law No. 233 and Law No. 4046 is 21.

Decree Law No. 233 on State Owned Enterprises, which entered into force in 1984, is a comprehensive legislation in which the shareholding rights of State-Owned Enterprises (SOEs) are distributed to the relevant public administrations within the framework of the needs of the period, and which includes the main elements regarding the activities and organizational structure of these enterprises. However, many transformations have undergone in both the public and private sectors over time. In this context, important steps have been taken to increase the efficiency and productivity of SOEs, which have been established long ago and have an important place in the national economy, in line with international best practices and the transformation in Türkiye, such as establishing internal control systems and subjecting them to independent audit.

On the other hand, efforts are underway to implement regulations in line with corporate governance principles in order to ensure that SOEs continue their operations as required by commercial life, to create a structure that will not allow them to become a direct or indirect burden/risk on public finances by prioritizing efficiency and productivity in their operations, to make arrangements to strengthen their institutional structures and to more professionalize SOE boards of directors.

In the 20265-2028 period, the efforts towards the corporate governance reforms for SOEs, which were programmed for the 2025-2027 period, are expected to continue. In this context, it is programmed to make arrangements in the relevant legislation to strengthen the corporate governance approach in the senior management of SOEs. In addition to these, it is planned to increase the accountability of public enterprises and boards of directors by using performance-based measurement methods, and to establish mechanisms and implement institutional arrangements to ensure coordination among public enterprises that interact with each other in sectoral, administrative and financial areas due to their activities.

In this way, SOEs will increase their competitiveness not only within the country but also on international platforms and contribute positively to the sustainable development in the long term.

### **iii. Economic integration reforms**

#### **a) Analysis of main obstacles**

Many new legislations have been recently introduced by the EU in areas related to the digital economy. Although these legislations aim to protect privacy, freedom of expression, national security, human rights or ensure competition, they might have direct or indirect effects on the functioning of Customs Union as well as on Türkiye-EU bilateral trade and value chains.

Among these legislations there are the ones that also determine the standards of products and services to be supplied to the EU market in terms of cybersecurity (more specifically cyber resilience-Cyber Resilience Act) and artificial intelligence (AI Act) criteria and that may fall within the context of technical legislation that Türkiye has to align under the Customs Union.

In addition, harmonizing the legislation of Türkiye with that of the EU in the digital area, in particular on the protection of personal data and also protection of trade secrets has become important to better exploit the benefit of the use of digital tools in customs and trade related areas. Legislation such as the Data Act and the Data Governance Act, as well as the mutual recognition of electronic signatures, are complementary policies appear in areas related to “data”.

Apart from the functioning of the Customs Union, the trade in services transactions and investment relations between the EU and Türkiye seem to be affected by these digital regulations. On the other hand, certain aspects of these regulations and in particular how they affect trade and investment are unclear to the stakeholders in Türkiye. Therefore, Ministry of Trade launched a project in the last quarter of 2023 to examine the effects of above-mentioned legislation on Türkiye’s exports of goods and services as well as the FDI attractiveness of Türkiye together with all relevant institutions. An impact analysis report and a draft road map are expected as the outputs of this project. The report is expected to reveal the most important and urgent digital legislation that should be taken into consideration by Türkiye and the road map is expected to present the steps to be taken in terms of legislative work. The project, which is expected to be finalized in the first half of 2025, will also provide a strong basis for further cooperation between Türkiye and EU in this area.

#### **iv. Agriculture, Industry and Services**

##### **a) Analysis of main obstacles**

###### **Agriculture**

The agricultural sector in Türkiye faces significant challenges due to various external and internal factors. These challenges are shaped by a combination of multidimensional elements such as external shocks from global dynamics, the impacts of climate change, and structural issues within the sector.

Recent geopolitical crises have led to severe fluctuations in energy and input costs. This has increased agricultural production costs, negatively affecting farmers' competitiveness. In particular, dependency on imported inputs disrupts production processes during times of crisis and complicates cost management. Interruptions in global supply chains reduce efficiency in agricultural trade and logistics, hindering the sector's stable growth.

Climate change is one of the biggest risk factors in the agricultural sector. Adverse weather conditions such as increased drought, flooding, and extreme temperatures cause yield losses in agricultural production. In climate-sensitive regions like Türkiye, the necessity of climate-adaptive policies for the sustainability of agricultural activities is becoming increasingly important. Additionally, climate change has expanded the range of plant diseases and pests. For instance, invasive pests like the brown marmorated stink bug are spreading rapidly in Türkiye's Eastern Black Sea Region. While biological methods of control, such as Integrated Pest Management (IPM) strategies, are gaining importance in the fight against these pests, a stronger and more comprehensive approach is required.

A major structural issue in the agricultural sector is the fragmented land structure, which negatively impacts productivity and complicates efficient resource use. To address this problem, land consolidation efforts are ongoing, and by the end of 2024, the area under consolidation is expected to reach 9.9 million hectares, with new consolidation projects planned for 2025.

Uncertainty regarding the ownership status of agricultural land prevents farmers from benefiting from state support. Although steps have been taken to address this issue through regulations in the Farmer Registration System (ÇKS), ownership problems must be fully resolved. Furthermore, expanding the scope of ÇKS and increasing the number of registered farmers are crucial for the system to function effectively.

Agricultural inventory, which is of great importance for the planning and management of agricultural production, has not yet been fully established. Efforts to improve administrative records through protocols between TURKSTAT and the Ministry of Agriculture and Forestry are ongoing. Addressing this gap will help guide the agricultural production process more effectively.

In addition, agricultural aid has been redesigned as an important tool for agricultural production planning and prepared for the first time for three years. For this purpose, the 'Decision on Livestock Supports to be made in 2024-2026' covering animal production and aquaculture production entered into force after being published in the Official Gazette dated 26

July 2024 and numbered 32613, and the 'Decision on Supports for Plant Production and Some Other Agricultural Supports to be made in 2025-2027' covering issues related to plant production entered into force after being published in the Official Gazette dated 29 August 2024 and numbered 32647, thus taking an important step towards production planning.

Another important structural issue is the low level of technology use in agriculture and the lack of modernization in production processes. The use of outdated irrigation technologies and insufficient digitalization in agriculture result in productivity losses. This prevents Türkiye's agricultural sector from being competitive in the global environment. Adopting modern irrigation technologies and promoting digital agriculture practices are critical steps to improving sector productivity.

Fluctuations in input prices for agricultural products increase producers' costs and hinder the achievement of planned production goals. Particularly, increases in the cost of essential inputs such as fertilizers, certified seeds, and saplings make it difficult for producers to plan their costs and achieve sustainable production goals.

The weak organization of producers in Türkiye's agricultural sector makes it difficult for them to effectively address sectoral issues and benefit from support programs. Strengthening cooperatives and producer unions is essential to overcoming this issue. By coming together to generate collective solutions, producers can increase the overall efficiency and sustainability of the sector.

Limited licensed warehousing practices and inadequate logistics infrastructure in the fresh fruit and vegetable supply chain increase product losses and cause price fluctuations. In addition to wholesale markets needing modernization, deficiencies in logistics processes are among the factors that limit sectoral effectiveness.

While the work carried out under Chapter 11 of the EU accession process clearly reveals the need for structural transformation in the agricultural sector, it also contains significant shortcomings at the implementation level. In particular, the fact that the Integrated Administration and Control System (IACS) has not yet been effectively implemented prevents the transparent, traceable, and EU-compliant management of agricultural subsidies. The lack of full integration between the Land Parcel Identification System (LPIS) and the Farmer Registration System (ÇKS) leads to risks of duplicate declarations, deviations from the intended targets of subsidies, and weaknesses in the efficient use of public resources. Similarly, the fact that the Farm Accounting Data Network (FADN) has not yet reached sufficient depth and comprehensiveness at the national level limits the sound analysis of agricultural income structures, productivity levels, and policy impacts. The fact that the strategy regarding agricultural statistics has not yet been approved and the agricultural census has not been completed are also among the fundamental structural problems that hinder evidence-based policy-making.

## Industry

The challenges experienced in global value chains and the rise in financing costs continue to adversely affect the competitiveness of SMEs. Due to high inflation, insufficient capital, increasing input costs, and difficulties in accessing investment financing, SMEs struggle to prioritize productivity, digitalization, and sustainability investments within their production processes. This situation poses a significant barrier to systematically improving productivity in the manufacturing industry. In addition, the low levels of institutionalization, lean production culture, process management, data-driven decision-making, and digital maturity within enterprises limit the effective implementation of productivity-enhancing techniques. The lack of both awareness and motivation among SMEs prevents them from adequately benefiting from training and consultancy services. Currently, it is observed that energy efficiency, carbon footprint measurement, resource efficiency, and green transformation investments have not yet reached the desired level in the vast majority of manufacturing SMEs.

The implementation of the Learning Factory concept—of which successful examples exist in various countries around the world—under the name “Model Factories” in Türkiye has aimed to strengthen the productivity ecosystem through a holistic approach. These centers, which provide a real production environment with the “freedom to make mistakes,” transfer activity-based excellence principles to enterprises through experiential learning techniques. Model Factories enhance the transformation capacity of enterprises in areas such as continuous improvement, lean production, digitalization, resource efficiency, and sustainable manufacturing through training and consultancy activities, thereby facilitating their adaptation to changing competitive conditions. In this way, enterprises are supported in using critical production inputs—such as human resources, equipment, time, energy, and materials—more effectively; contributing to the diffusion of a productivity-oriented business culture and to the rapid strengthening of industrial competitiveness.

As outlined in Türkiye’s 2053 Long-Term Climate Strategy, low-carbon roadmap projects have been carried out in the steel, aluminum, cement, and fertilizer sectors in collaboration with the European Bank for Reconstruction and Development (EBRD) to support the reduction of greenhouse gas emissions in energy-intensive manufacturing industries subject to the European Union’s Carbon Border Adjustment Mechanism. In line with our country’s 2053 net zero target, the best available techniques and emerging clean production technologies (including renewable energy and alternative clean hydrogen use), supportive policy measures, and financing needs for the transition to a low-carbon production structure in manufacturing have been identified for the aforementioned sectors, and sectoral roadmaps have been prepared. Work has begun on low-carbon roadmaps for our energy-intensive sectors, including ceramics, glass, foundry, and chemicals.

The “Türkiye Green Industry Project” is being implemented with the support of the World Bank to promote sustainable and efficient green transformation in industry. The project partners are the Ministry of Industry and Technology, KOSGEB, and TÜBİTAK. The Ministry of Industry and Technology is carrying out technical assistance and capacity development activities related to green transformation. KOSGEB supports SMEs’ green transformation activities (renewable energy, resource efficiency, waste management, circular economy,

sustainability, etc.). TÜBİTAK supports companies engaged in green innovation activities involving the development of new green technologies, products, or processes.

### **Digital Transformation Supports under the Competitive Sectors Programme IPA II**

**Period:** In the second phase of the IPA–Competitive Sectors Programme, co-financed by the European Union and Türkiye and implemented by the Ministry of Industry and Technology, projects focusing on R&D, innovation, digital transformation, green transition, creative industries, and technology transfer are carried out for the 2014–2018 period, with implementation to be completed by the end of 2026. The Programme, consisting of 43 projects conducted across 23 provinces with a total budget of 260 million euros, aims to ensure that SMEs and entrepreneurs become part of an efficient, creative, and competitive ecosystem by placing R&D and innovation at its core.

Within the programme, six projects that provide digital transformation services to companies and implement digital solutions in production processes have been supported to enhance the international competitiveness of the industrial and innovation ecosystem in the context of digital transformation. The total budget of these projects is approximately 50 million euros.

Through these projects, support is provided to SMEs and enterprises in rapidly developing fields such as artificial intelligence, the internet of things, and big data. The aim is to ensure that sectors such as white goods, textiles, civil aviation, automotive, machinery, composites, and aluminum adapt proactively to contemporary requirements, thereby creating higher added value, contributing to the country's exports, and strengthening international competitiveness.

Short summaries of the digital transformation projects supported under the Competitive Sectors Programme are provided below:

#### **1. From Designing to Production: Digital Transformation of Apparel Sector in Türkiye**

The final beneficiary of the project is the Istanbul Apparel Exporters' Association (IHKIB) and total budget of the project is approximately 10.4 million euros.

The project aims to ensure the digital transformation of SMEs operating in the ready-made clothing and textile sectors and to establish international-level networks. With the project activities; a roadmap for digital transformation prepared, IHKIB's digital transformation capacity enhanced, consulting and training services to SMEs provided, new testing and analysis methods developed, and green textile practices increased. The establishment of a digital transformation center for the textile industry has been completed within IHKIB.

Under the project's procurement and service components, machinery and equipment were purchased and installed, and the service contract implementation has been completed.

## **2. Digital Transformation of SMEs in Türkiye through Establishment of the Industry**

### **4.0. Competence Center**

The final beneficiary is the White Goods Suppliers Association (BEYSAD), and the project partners are Özyegin University and the Turkish Industry and Business Association (TÜSİAD). The project budget is approximately 10.3 million euros.

Through the OzUBEX Industrial Transformation Center established under the project, the goal is to create a sustainable digital transformation and skills development environment for manufacturing SMEs, particularly those in the white goods supply industry, and to set a model for Türkiye's future digital transformation centers. The project also aims to develop new local solutions for digital transformation in the white goods sector.

Machinery and equipment procurement and installation have been completed, and the service contract phase has also been finalized.

### **3. METU Digital Innovation Center**

The final beneficiary of the project is Middle East Technical University (METU), and project partners are METU Technopolis Management Inc. and the Federation of Machinery Manufacturers' Associations (MAKFED). The total budget is approximately 8.4 million euros.

The project established a digital innovation center to develop and implement technological solutions supporting the digital transformation of the machinery and automotive sectors, while also providing complementary training and mentoring services. Activities were undertaken to ensure the center becomes an important actor in national and international networks in the field of digital transformation.

Procurement and installation of machinery and equipment, as well as implementation of the service contract, have been completed.

### **4. DiMAP – Direct Digital Manufacturing Platform**

The final beneficiary of the project is Sabancı University. Project partners include the Eastern Marmara Development Agency, Istanbul Development Agency, Bursa Industrialists and Business People Association, Composite Manufacturers Association, Kocaeli Chamber of Industry, SAHA Istanbul – Defense, Aviation and Space Cluster Association, and Teknopark Istanbul. The project has a total budget of approximately 9.8 million euros and is implemented in Istanbul, Kocaeli, and Bursa.

The project aims to promote the use of direct digital manufacturing and additive manufacturing methods, particularly among SMEs in the civil aviation, automotive, and composite sectors, and to expand data-driven smart manufacturing technologies.

Machinery and equipment procurement and installation have been completed. Implementation of the service contract is ongoing.

### **5. ALUTEAM: Joint Research Center for Digital Transformation of the Aluminium Industry**

The final beneficiary is Fatih Sultan Mehmet Foundation University. Project partners include the Istanbul Ferrous and Non-Ferrous Metals Exporters' Association, Turkish

Aluminum Industrialists Association (TALSAD), Entrepreneur Aluminum Industrialists and Business People Association (GALSİAD), Istanbul Chamber of Commerce (ITO), and Istanbul Development Agency. The project budget is approximately 5.5 million euros.

The project aims to contribute to the digital transformation of the aluminum industry in Türkiye and to improve high value-added products and processes by enhancing the capacity of the existing center engaged in production, research, and testing activities using additive manufacturing technologies.

Procurement and service components have been completed. The center's equipment infrastructure has been strengthened, business plans updated, sectoral roadmaps prepared, and training provided to companies.

## **6. Open Innovation Autonomous Vehicle Development and Testing Platform (OPINA)**

The final beneficiary is Istanbul Okan University. Project partners include the Software Industrialists Association (YASAD), Turkish Electronics Industrialists Association (TESİD), Automotive Suppliers Association of Türkiye (TAYSAD), and the Eastern Marmara Development Agency (MARKA). The project budget is approximately 5 million euros.

The project aims to support the development of autonomous and connected vehicle software, test these contributions through software, hardware, and on-vehicle systems, and measure the impact of software improvements. This system will accelerate autonomous vehicle development projects and enable creation of more effective solutions. Additionally, the need for constructing dedicated test roads—normally required for certifying autonomous vehicles—can be reduced.

Procurement and installation of machinery and equipment have been completed, and implementation of the service contract has concluded.

**Instrument for Pre-Accession (IPA) III:** The Ministry of Industry and Technology is the Managing Authority responsible for Thematic Priority 2 “Private Sector Development, Trade, Research and Innovation” under Window 4 “Competitiveness and Inclusive Growth” of the five windows in the IPA III (2021-2027) Programming Framework.

Within this thematic priority, the IPA III programming framework designed by the European Commission, seeks to support post pandemic socio-economic recovery, strengthen the business environment, improve the innovation ecosystem and investment climate, and ensure greater integration into EU industrial value chains. The approach is grounded in smart specialization to reinforce research, technological development and innovation capacity.

The IPA III framework aims to bolster private sector development and trade, widen access to finance for entrepreneurs, diversify financial markets, promote sustainable financing mechanism, and foster cooperation between academia, industry, governments and civil society through a quadruple helix innovation model. These priorities are in line with Türkiye's Twelfth Development Plan, Medium Term Program and 2030 Industry and Technology Strategy.

Although the green and digital transformation served as the leading themes for this thematic priority during the early stages of IPA III programming, digitalisation has emerged as

the main focus for the 2025-2027 period. For this phase, European Commission has proposed two key areas for cooperation with Türkiye: strengthening innovation and technological development in digital solutions and enhancing alignment with the EU *acquis* on digital transformation. In line with this shift, the European Commission has further narrowed the scope of intervention, directing support toward more selective set of digital-oriented areas. This reflects a deliberate shift from broad industrial and innovation themes to more targeted topics where the impact can be maximized under the limited IPA III resources. Consequently, Türkiye's cooperation framework has become more focused and strategic, prioritizing digital solutions, technology deployment, and alignment with the EU digital *acquis*. Such thematic concentration also ensures stronger coherence with the EU's twin transition agenda.

The action on supporting innovative industries in deploying technologies for the digital transition aims enhance Türkiye's innovation capacity by promoting solutions that foster sustainable development, human capital, and a digital future. In parallel, the action on increasing alignment in digital transformation and digital aspects of the Customs Union seeks to support Türkiye's further alignment with the EU customs legislation in areas of mutual interest and benefit. The ongoing harmonisation efforts together with IPA III actions supporting digital transformation, demonstrate Türkiye's commitment to advancing alignment with the EU digital agenda.

Within the same IPA III framework, the European Commission has focused its support on a specific set of green-oriented areas as well. This marks a shift from broad industrial and sustainability goals to more targeted areas such as industrial decarbonisation, green technologies, and regulatory harmonisation where the limited IPA III resources can deliver the greatest impact within the available IPA III resources. As a result, Türkiye's cooperation framework for the green transition now emphasizes sustainable production, energy efficiency, and alignment with the EU climate *acquis*. This focused approach supports sustainable growth and aligns Türkiye with the EU's climate and value chain objectives, enabling industry to advance green and digital transformation in a coherent manner.

When compared with the 2026-2028 ERP structural reform areas, it is evident that the intervention areas under IPA III closely align with the ERPs reform pillars. These include "Business Environment", "Industrial Sector", "Research, Development and Innovation" under "Competitiveness"; as well as "Green Transition" and "Digital transformation" under "Sustainability and Resilience" and also "Education and Skills" and "Employment and Labour Market" under "Human Capital and Social Policies".

With the available funding under IPA becoming increasingly limited, the proposed IPA III Actions have been designed to align with the Economic Reform Program, focusing primarily on green and digital transformation and further harmonisation with EU customs legislation. In line with the thematic priorities, 12 projects proposals, amounting to a total budget of €34.6 million for the 2025-2027 period of IPA III, have been submitted to the European Commission, primarily addressing digital and green priorities. Out of these, 10 projects, with a total budget of €31.8 million, passed relevance and maturity assessment and advanced to the Action Document/Action Fiche stage. As a result, for the period 2021-2027, a portfolio consists of 16 projects with a total budget of 58.5 million Euros has been developed.

Within this framework, several key projects have been developed under IPA III to operationalise these priorities and strengthen alignment with the EU's digital and green agenda. A notable initiative for 2021 programming is the “Digital Transformation of Manufacturing Industry” project with a budget of €8.2 million. The project aims to advance Türkiye's digital transformation by developing 10 sector- and technology-level digital transformation policies; establishing and operationalising country-wide digital transformation governance structures; designing and implementing financing mechanisms; improving digital transformation and innovation infrastructure; supporting 40 common-use digitalisation facilities; enabling the digital transformation of 300 enterprises through various applications and digital solutions; and facilitating 100 collaborative projects between technology providers and users. In parallel, another major action focuses on the development of carbon-emission monitoring systems to support sustainable transformation in key sectors such as textiles, chemicals, and transport, benefiting more than 1,000 SMEs. In addition, Türkiye is also enhancing its integration into the European research ecosystem through technical support for participation in Horizon Europe.

For the 2024 programming period, the Ministry focused on green transition and innovation through three distinct projects. The first project supports the alignment of industrial sectors with relevant EU legislation on environmentally sustainable production, in particular the Ecodesign for Sustainable Products Regulation (ESPR). The second is an implementation-oriented intervention that aims to accelerate the transition towards a green economy and enhance resource efficiency by establishing a National Integrated Resource Efficiency Assessment Centres Network, without directly targeting legislative alignment. The third project complements the operations of the EIT Community RIS Hub with a view to strengthening the innovation ecosystem in Türkiye and deepening its integration with EU innovation networks.

For 2025-2027 period, the focus shifts back to digitalisation in accordance with the EC's directive and 10 projects were developed. A core initiative the creation of a national industrial decarbonisation investment platform combines digital solutions with green finance. Additional actions focus on AI-based metrology, alignment with the EU AI Act, the reducing the carbon footprints of data centres carbon footprints through green energy solutions, and the digitalisation of customs processes using AI-supported risk analysis. Further efforts are also underway to strengthen consumer protection and regulatory capacity in the digital economy, including the development of an EU-aligned supervisory framework and compliance with the EU Data Act, Data Governance Act, and Cyber Resilience Act. A flagship intervention under IPA III is the second phase of the “Empowering Women in the Manufacturing Industry” project, to enhance the participation of women in digital and green transformation processes in manufacturing industry.

Through these actions—many of which also enhance access to EU programs such as Digital Europe and Horizon Europe—Türkiye's industrial ecosystem is being positioned to advance green and digital transformation in line with EU standards while promoting innovation, inclusion, and competitiveness.

The second phase of the “Empowering Women in the Manufacturing Industry” project stands out in this context. Initially launched under IPA II in cooperation with UNDP with a budget of €8.5 million, the project yielded strong outcomes, which led to an additional €8

million allocation under IPA III. The initiative aims to increase women's participation in the manufacturing sector through STEM reskilling, mentorship, and support for women entrepreneurs, with a strong focus on digital and green transformation. In the first phase, the project supported women's inclusion in digital and green transition processes by enhancing their participation and skills in the sector. As part of this effort, 200 white-collar and 200 blue-collar women—100 newly employed and 100 existing staff—were matched with participating companies. The second phase will further strengthen digital competencies and is expected to benefit 400 participants. Overall, across IPA interventions managed by the Ministry of Industry and Technology, 4,518 women—including 1,868 researchers—are currently employed, demonstrating the program's contribution to inclusive, skills-based industrial development.

IPA III projects supporting the reforms in the Economic Reform Program are presented in Annex 2 tables of ERP.

**Digital Europe Program (DEP):** The Digital Europe Programme, implemented by the European Union with a budget of €8.2 billion for the period 2021-2027, focuses on creating strategic digital capacities across Europe and promoting the widespread use of digital technologies. Türkiye's Association Agreement was signed on August 31, 2023 and entered into force with the publication of the Presidential Decree No. 7746 dated November 2, 2023 in the Official Gazette. The coordination of the Program in Türkiye is provided by the Ministry of Industry and Technology.

DEP is a programme that aims to steer the digital transformation of society, public institutions, the private sector, and especially SMEs in European countries and countries participating in the Programme by supporting activities that countries cannot carry out on their own. Within the scope of the programme, priority is given to establishing critical digital infrastructure in the areas of high-performance computing, artificial intelligence, data and cyber security, and supporting the development of innovative digital technologies of strategic importance. In the second phase, the aim is to make the established infrastructure and digital technologies accessible to SMEs, public institutions and citizens and to promote their widespread use.

In this context, six specific objectives have been set for the DEP programme. These specific objectives and their total budgets are as follows:

Specific Objective 1: High-Performance Computing (€2 billion)

Specific Objective 2: Artificial Intelligence (€1.6 billion)

Specific Objective 3: Cybersecurity and Trust (€1.4 billion)

Specific Objective 4: Advanced Digital Skills (€500 million)

Specific Objective 5: Building Digital Capacities, Best Use and Interoperability (€1 billion)

Specific Objective 6: Semiconductors (€1.6 billion).

Türkiye is participating in the High-Performance Computing, Artificial Intelligence, Advanced Digital Skills and Building, Deployment, Best Use of Digital Capacity and Interoperability components of the programme.

With Türkiye's participation in DEP, it is aimed for domestic stakeholders to benefit from EU funds by participating in the establishment processes of digital infrastructures to be established across Europe, for the private and public sectors, especially SMEs, to have access to these infrastructures that will ensure their digital transformation, and to improve the digital skills of the society through the calls to be opened under the programme.

In 2023 and 2024, universities, technology parks, private sector representatives, civil society organisations, chambers of industry and commerce, public and private research centres from Türkiye applied for 96 projects with a total budget of €85.69 million through consortia formed. To date, 77 institutions/organisations have been awarded grants for 15 projects with a total budget of €13.76 million.

Under the Digital Europe Programme (DEP), five European Digital Innovation Hubs (EDIHs) became operational in Türkiye as of 1 January 2025, playing a key role in advancing the Programme's objectives. Plans are in place to strengthen their administrative and financial capacities through both national and EU-funded initiatives. EDIHs offer services such as pre-investment testing, skills and training, investor matching, and support for innovation ecosystems and networking. To enhance their effectiveness, a Digital Transformation Accelerator has been established, providing training, consultancy, capacity building, matchmaking, and networking support to the EDIHs. Furthermore, an estimated €3.7 million will be allocated in 2026 to support newly selected EDIHs in Türkiye, which are expected to become operational the same year.

EDIHs complement the Digital Transformation Support Programmes funded by the Ministry of Industry and Technology and KOSGEB, as well as the Model Factories and digitalisation infrastructures established under the Competitive Sectors Program during the IPA II period (2014–2020). This complementarity is demonstrated by the fact that 13 structures funded under IPA II are now serving as leaders or partners in EDIHs or Seal of Excellence holders consortia.

The Ministry of Industry and Technology will continue its efforts to ensure that Türkiye derives maximum benefit from the Digital Europe Programme by creating synergies with national programmes/resources and IPA projects/resources.

**Türkiye Industrial Decarbonisation Investment Platform (TIDIP):** On 25 November 2024, the Ministry of Industry and Technology of Türkiye (MoIT), together with the EBRD, IBRD, and IFC, signed a Joint Declaration establishing the Türkiye Industrial Decarbonisation Investment Platform (TIDIP). The Platform reflects Türkiye's commitment to achieving an annual reduction of more than 20 million tons of carbon emissions by 2030 and to reaching net-zero emissions by 2053, supporting national climate, economic, and industrial policies.

TIDIP serves as a policy instrument to guide the green transformation of Türkiye's industrial sector, initially focusing on iron and steel, aluminium, cement, and fertiliser industries based on the Low Carbon Pathways (LCPs), which identified an investment need of more than €70 billion for the respective sectors. The Platform is designed to expand over time to additional sectors such as glass, ceramics, etc. Through TIDIP, the MoIT aims to mobilise investment,

strengthen institutional capacity, and enhance competitiveness and sustainability in alignment with national climate and development priorities.

The Platform facilitates coordination among key stakeholders, including project developers, technology providers, financial institutions, investors, and sector associations, while catalysing investment in priority low-carbon technologies. Investment focus areas include green hydrogen, carbon capture and utilization, energy efficiency, circular economy, renewable electricity deployment, and climate technologies. TIDIP will also leverage concessional financing, including the Climate Investment Funds' Clean Technology Fund (CTF), as well as technical assistance from IPA, EBRD and Türkiye Donors' Fund contributions.

Under the technical assistance pillar of the TIDIP, €5.7 million will be financed by the European commission through IPA which actively supports Türkiye's green transformation. By supporting the Platform, decarbonisation will be promoted, contributing to enhancing the competitiveness of Türkiye's industry, facilitating integration into EU industrial value chains, and ensuring alignment with EU technical and environmental regulations. This includes improving efficiency, supporting sustainable finance, deploying innovative technologies, and fostering a circular and green economy in hard-to-abate industrial sectors.

By 2030, TIDIP aims to unlock over €5 billion in climate-aligned industrial investments and channel technical assistance and concessional finance of, supported by both national and international donors. TIDIP is led by the Ministry, with strategic oversight provided by a Steering Committee composed of key ministries, international financial institutions, sector associations, and financiers. Through this coordinated approach, Türkiye seeks to accelerate industrial decarbonisation, enhance investor confidence, and ensure a resilient and sustainable green transition.

### **b) Reform measures**

**Measure 1: "Supporting the modernization of SMEs and increasing their efficiency and competitiveness through digital transformation and green transformation in the manufacturing industry"**

**1. Description of measure:** The measure aims to support the modernization of SMEs and increase their efficiency and competitiveness through digital transformation and green transformation in the manufacturing industry.

The measure is included in the 12th Development Plan (2024-2028) under measure numbered 428 (The development of digital transformation in the manufacturing industry will be supported) and under Article 428.2 (SMEs in the manufacturing industry will be informed and supported to use digital technologies more effectively), 428.3 (Digitalization applications commonly needed in SMEs will be met with a central infrastructure and supporting software tools) and 428.4 (Model factories established to increase productivity will be designed on a regional basis and to provide new services for digital transformation, and their effectiveness will be increased). It overlaps with measures numbered 561.1 (SMEs and entrepreneurs will be supported with a focused approach within the framework of criteria such as rapid growth, technology-oriented exports, operating in the field of high technology, and increasing productivity).

There is an inclusive target entitled “Within the scope of supporting the transition to digital transformation during the program period, by accelerating the digital transformation process and supporting the capacity and capabilities of companies, especially SMEs, in adopting digital technologies, the sustainability of growth will be ensured” under the title of growth under macroeconomic targets and policies in the MTP (2026-2028). This target coincides with the measure expressed in this section of the Economic Reform Program.

Under this measure, sub-activities have been determined to increase the efficiency and competitiveness of SMEs and ensure their digital transformation and green transformation. Detailed information about each activity and its content is given below:

***Activity 1: Establishment of Model Factories (Competence and Digital Transformation Centers) to increase the productivity of SMEs and ensure their digital transformation***

Model Factories are structures designed to enhance the productivity-oriented capacity of enterprises through awareness-raising activities, experiential learning-based training programs, business transformation projects known as “Learn–Transform,” and practical university–industry collaboration initiatives. A two-stage “Training of Trainers” process is carried out for the instructors who will work in these centers, and training and consultancy practices are implemented in pilot companies.

The establishment process of a Model Factory includes preparing the physical space, procuring machinery, equipment, and technical infrastructure, and setting up a learning line that enables hands-on instruction within the workshops. After the learning line is completed, a training curriculum tailored to the needs of the center is developed in addition to lean production and continuous improvement applications on the existing line, digital transformation competencies are integrated to create a comprehensive training infrastructure. In this way, Model Factories provide participants with both theoretical and practical learning opportunities within a training environment constructed around a sample product, without engaging in any commercial activity.

In terms of their legal entity structures, Model Factories operate as joint-stock companies or as economic enterprises within chambers, in cooperation with local stakeholders such as chambers of industry and commerce, universities, and organized industrial zones. These structures aim both to contribute to the regional industrial ecosystem and to develop a business transformation model aligned with national productivity policies.

In principle, Model Factories operate as non-profit structures, yet they provide their training and consultancy services for a designated fee. Their management structures are built upon a multi-stakeholder model that includes public institutions, private sector representatives, universities, and civil society organizations. This structure enables the centers to operate in a manner that is both aligned with the local industrial ecosystem and integrated with national policies.

The Learn–Transform Program implemented by Model Factories offers an experiential learning-focused transformation approach that directly supports performance improvement within enterprises. The Model Factory Performance Monitoring and Evaluation System – System Design Report, prepared by the Policy Analysis Laboratory within the scope of the

“Applied SME Competency Center (Model Factory) Project” carried out in cooperation with the Directorate General for Strategic Research and Productivity of the Ministry of Industry and Technology and the United Nations Development Program, demonstrates that this impact is evidenced through concrete outcomes.

According to the findings presented in the report, enterprises that received Learn–Transform services from Model Factories recorded significant improvements in their primary performance indicators: an 85 percent increase in capacity utilization, an 87 percent reduction in cycle times, 75 percent savings in production area, a 76 percent increase in output per employee, a 72 percent improvement in Overall Equipment Effectiveness (OEE), and a 68 percent reduction in cost per product. The program’s secondary effects have also strengthened enterprises’ sustainability and quality performance: a 58 percent reduction in electricity consumption, a 42 percent decrease in defective products, a 39 percent reduction in scrap, a 38 percent decrease in equipment failures, and a 31 percent reduction in waste generation. These results demonstrate that the Model Factory approach significantly enhances both the productivity parameters and the competitiveness levels of enterprises.

In line with the aforementioned benefits, numerous efforts are underway to increase the number of Model Factories and to strengthen their capacities. To enable a larger number of SMEs to access Model Factory services, four new Model Factories have been added to the eight already in operation (Ankara, Bursa, Konya, Kayseri, Gaziantep, Mersin, Adana, İzmir): Eskisehir and Samsun in 2024, and Denizli and Kocaeli in 2025. With these additions, the total number of operational Model Factories has reached twelve.

With the four additional Model Factories planned to be established in the upcoming period, the total number is expected to reach sixteen. The establishment processes for new Model Factories planned in Tekirdag, Trabzon, Sakarya, and Malatya are currently underway.

In order to develop a skilled workforce capable of delivering services in Model Factories, a Model Factory Instructor Training Program was implemented. Out of more than 2,000 applications received for the Program, approximately 240 candidates successfully passed the competency assessment phase and participated in the trainings. A total of 233 individuals who successfully completed the Program were included in the Model Factory Instructor pool.

This reform measure activity is financed through the Public Investment Program. UNDP provides technical assistance to support the Model Factory establishment process, which is coordinated by the Ministry of Industry and Technology.

#### ***Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs***

The “TürkiyeGreen Industry Project” was launched with the support of the World Bank to promote sustainable growth and green transformation. With a total budget of 450 million USD, the Project is implemented by the Ministry of Industry and Technology, TÜBİTAK, and KOSGEB, aiming to prepare Turkish industry for the new competitive conditions introduced by the EU Green Deal. The project is planned to run for six years, and the activities of each project partner are listed below:

- The Ministry of Industry and Technology, under the technical assistance component and with a budget of 25 million USD, the Ministry carries out technical assistance and

capacity-building activities for industrial enterprises, including the preparation of green transformation roadmaps.

- With a budget of 250 million USD, KOSGEB supports the activities of SMEs in thematic areas such as renewable energy, resource efficiency, waste management, circular economy, and sustainability. In this context, the Green Industry Support Program has launched calls for ‘Supporting Solar Energy Investments of Industrial SMEs’ and ‘Clean and Circular Economy in Industry’. Under these calls, 3,456 enterprises applied, and the applications of 2,368 enterprises were approved. Payments amounting to TRY 6.294 billion have been made to enterprises whose projects were approved, and disbursements are ongoing. The Project-based Green Industry Support Programme has been newly launched and the process for projects which is approved, is being still carried out. For this reason, it is difficult to make monitoring and evaluation for next few years. On the other hand, expected effects from the Activity are submitted below.
  - The total CO<sub>2</sub> emissions of the manufacturing sector was approximately 127 million tons in 2020 in Türkiye. Overall, Türkiye still has high fossil fuel dependency, and industry, in particular, has the highest energy consumption at 36 percent of the total, sources 28 percent of energy from natural gas, 26 percent from electricity, 21 percent from oil, and 18 percent from coal. In addition, water consumption is also high in industrial activities, calculated at 2,898 million m<sup>3</sup> in 2018. In this context, it is expected to decrease in carbon emission by installing solar energy systems in industrial SMEs and to improve these SMEs’ resource efficiency, with a focus on energy, water, and waste management efficiency to raise the awareness among SMEs about the current and future sustainability requirements in internal and foreign markets.
- With a budget of 175 million USD, TÜBİTAK supports all firms engaged in green innovation activities involving the development of new green technologies, products, or processes. Within this scope, the following programmes have been launched: “1831 – Green Innovation Technology Mentorship Support,” “1832 – Green Transformation Support in Industry,” and “1833 – SAYEM Green Transformation Support.”

### ***Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs***

To ensure digital transformation in SMEs, it is important to analyze their current situation, determine their digital transformation needs, and prepare their own digital transformation roadmaps in line with these needs.

In the “2023 Industry and Technology Strategy” announced by the Ministry of Industry and Technology in 2019, it was also aimed to develop a digital transformation maturity assessment system in order to determine the digital transformation roadmap of enterprises, make comparisons according to the size of the enterprise, monitor the impact of the investments made and provide data for industrial policies, and to develop a Türkiye model that will determine the digital transformation maturity levels and roadmaps of enterprises and reveal the areas to be invested. In line with this goal, the D3A digital transformation assessment and roadmap tool, which includes a software-based algorithm and was created by TÜBİTAK Türkiye Industrial Management and Administration Institute (TÜSSİDE) with stakeholder

institutions/organizations, was developed in order to standardize the digital maturity level of enterprises and develop a strategy regarding digitalization. A hybrid training program was also prepared to train Digital Transformation Consultants who will measure the digital maturity level of enterprises using D3A and create a roadmap in this context. 111 Digital Transformation Consultants who have completed their training and been certified have started to provide services.

In 2021, a cooperation protocol was signed between KOSGEB and TÜBİTAK TÜSSİDE covering the cooperation issues to be made for the establishment of the necessary mechanism for enterprises to provide digital transformation consultancy services in the most effective way. Within the framework of the protocol, digital transformation consultancy services received from Digital Transformation Consultants to small and medium-sized enterprises operating in the manufacturing sector were supported by KOSGEB with the Digital Transformation Consultancy Support included in the Enterprise Development Support Program, which was repealed on 15 April 2024. This support was later included in the YÖNDE - Guidance and Assessment Support Program, which was put into effect on August 1, 2024. Within the scope of the new support program, small and medium-sized enterprises operating in the manufacturing sector will receive; Digital transformation assessment analysis and roadmap service, Sustainability reporting service, Lean maturity assessment analysis (YODA) service will be provided with non-refundable support with an upper limit of 280,000 TL, and the support rate is 80 percent. With YÖNDE, the aim is to contribute to determining the current status of SMEs on priority issues, determining their problems and needs, creating the necessary strategies, developing their capacities in line with these strategies and meeting their needs.

The Memorandum of Understanding titled “Cooperation for Supporting SMEs within the Scope of Digital Transformation and Disaster Response Initiatives” was signed between KOSGEB and the EBRD on 2 August 2023. The aim of the said Memorandum of Understanding is to provide financing for the investments to be made by SMEs in the manufacturing sector for their digitalization. The SME Digital Transformation Support Program, which was launched in May 2024 in cooperation with KOSGEB, the EBRD, TÜBİTAK TÜSSİDE and contracted banks, focuses on contributing to the digitalization of small and medium-sized enterprises and increasing their productivity and competitive advantage. Within the scope of the program, SMEs are provided with financial support to improve, modernize and make their business processes more efficient in line with the solution suggestions included in the digital transformation/maturity assessment reports. Through stakeholder banks, businesses are provided with up to 20 million TL in loans for digitalization investments and a portion of the loan costs are supported by KOSGEB. In the support program, the implementation of digitalization strategies in line with the approved DDX Digital Transformation Assessment Reports prepared by consultants certified/authorized by TÜBİTAK TÜSSİDE have been prioritized, and the applications to be made with the approved SIRI digital maturity reports prepared by consultants certified/authorized by the Turkish Metal Industrialists' Union (MESS) Technology Center (MEXT) and Istanbul Apparel Exporters' Association (IHKIB) Digital Transformation Center have also been included in the scope of support at the last quarter of 2024. Within the scope of the SME Digital Transformation Support

Program, it is anticipated that the support applications of 150 enterprises will be approved to the end of 2025.

It is expected with supporting digital maturity roadmap to increase in awareness of SME on its current status to show the impact of investments made by enterprise, to set a course for needed and required steps. After the preparation of the roadmap, enterprises may benefit from KOSGEB SME Digital Transformation Support Program which provide credit for SMEs' digitalization investments made depending on suggestions in the roadmap. Monitoring and evaluating of these supports will be done in the future due to the fact that these programmes have been newly launched. Support programme aims to foster a transformation for Turkish manufacturing SMEs, prioritizing digital transformation as a driver for more global competitiveness. The anticipated impact of the programme is a strengthened position for Turkish SMEs in global markets. It is aimed to strengthen the financial resilience of SMEs by improving access to affordable financing. It is also expected that SMEs' awareness of digital transformation will increase and their digitalization levels will increase thanks to digital transformation investments.

#### ***Activity 4: Supporting the green transformation of Organized Industrial Zones***

The 12th Development Plan includes “designing green transformation projects for existing OIZs and Industrial Zones and promoting clean energy production and use by disseminating Green OIZs and Green Industrial Zones”. The Organized Industrial Zones Law No. 4562 was amended on 10 April 2023, and the “Green OIZ definition” was added. On this occasion, the Ministry of Industry and Technology has allowed the carrying out of green OIZ projects that will ensure the integration of OIZs into the green economy. To support the development of Türkiye, important studies are carried out in both the public and private sectors to turn concepts such as renewable energy, clean production, green infrastructure and resource efficiency into sustainable policies.

In this context, the Ministry of Industry and Technology carries out projects that contribute to the transformation of OIZs into “green/sustainable production areas” to use resources effectively and transform them into a greener and more competitive industrial structure. One of these projects is the World Bank-financed “Türkiye Organized Industrial Zone Project”. A loan agreement with a budget of 250.3 million Euros was signed with the World Bank. In this regard, subprojects deemed suitable for the project objectives are credited for 13 years with a 3-year grace period, with a 3 percent interest rate, if they are accepted into the investment program. Under the project, credit support is offered to 33 OIZs for 42 sub-projects. The project will be completed on December 31, 2028. The development goal of the project is to increase the efficiency, environmental sustainability and competitiveness of OIZs in Türkiye. Within the scope of the Green OIZ Project, supporting the infrastructure and suitable environment for the sustainability, competitiveness and efficiency of the OIZ and technical assistance, capacity development and project management activities will be carried out. The main components of the project consist of supporting the infrastructure and suitable environment for the sustainability, competitiveness, and efficiency of the Organized Industrial Zone (OSB), as well as technical assistance, capacity building, and project management activities. Investment projects within the scope of the project include wastewater treatment

plants, wastewater recovery and reuse facilities, sludge drying facilities, solar power plants, digital transformation, LED lighting systems, infrastructure, environmental laboratory, integrated communication, and security systems.

**i. Activities planned in 2026<sup>1</sup>:**

***Activity 1: Establishment of Model Factories (Competence and Digital Transformation Centers) to increase the productivity of SMEs and ensure their digital transformation***

- Efforts are ongoing to establish Model Factories in 3 new provinces (including facility construction, procurement of machinery and equipment, personnel recruitment, and service procurement for training and consultancy). It is also aimed to carry out activities for establishing, developing, and strengthening the digital transformation infrastructures of Model Factories, as well as enhancing their institutional capacities.

***Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs***

- It is anticipated that 300 businesses will be supported by KOSGEB, and 130 businesses will be supported within the scope of increasing the renewable energy capacities of Industrial SMEs. Support will be provided on a call basis.
- The Green Industry Project aims to carry out technical assistance and capacity-building activities for the Ministry of Industry and Technology and project partners, to carry out awareness-raising activities among organizations, companies, and individuals related to green transformation, and to increase the national visibility of green transformation efforts.

***Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs***

- It is expected that KOSGEB will determine the current status of approximately 200 manufacturing small and medium-sized enterprises regarding digital transformation and create road maps. It is planned to implement this support openly and continuously. It is anticipated that loan interest/profit share support will be provided to 156 businesses within the scope of providing SMEs with access to finance for their digitalization investments.

***Activity 4: Supporting the green transformation of Organized Industrial Zones***

- Within the scope of the Green OIZ Project, it is planned to complete the tender processes for wastewater treatment facilities, wastewater reclamation and reuse facilities, solar energy power plants, infrastructure investments, environmental laboratory, and integrated communication and security systems; furthermore, it is planned to ensure the uninterrupted continuation of manufacturing and implementation activities within the scope of signed contracts, in accordance with the relevant legislation and technical specifications.

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<sup>1</sup> Model Factory establishment works are ongoing in four provinces (Sakarya, Malatya, Trabzon, and Tekirdag) and will continue throughout 2026 and 2027.

**ii. Activities planned in 2027:**

***Activity 1: Establishment of Model Factories (Competence and Digital Transformation Centers) to increase the productivity of SMEs and ensure their digital transformation***

- Efforts to establish a Model Factory in one new province will continue (including facility construction, procurement of machinery and equipment, personnel recruitment, and service procurement for training and consultancy). It is also planned to carry out activities aimed at establishing, developing, and strengthening the digital transformation infrastructures of Model Factories, as well as enhancing their institutional capacities.

***Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs***

- It is anticipated that 250 businesses will be supported by KOSGEB, and 200 businesses will be supported within the scope of increasing the renewable energy capacities of Industrial SMEs. Support will be provided on a call basis.
- The Green Industry Project aims to carry out technical assistance and capacity-building activities for the Ministry of Industry and Technology and project partners, to carry out awareness-raising activities among organizations, companies, and individuals related to green transformation, and to increase the national visibility of green transformation efforts.

***Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs***

- KOSGEB is expected to determine the current status of approximately 200 small and medium-sized manufacturing enterprises regarding digital transformation and create road maps. It is planned to implement this support openly and continuously. It is anticipated that loan interest/dividend support will be provided to 172 businesses within the scope of providing SMEs with access to finance for their digitalization investments.

***Activity 4: Supporting the green transformation of Organized Industrial Zones***

- Within the scope of the Green OIZ Project, it is planned to complete the tender processes for water recovery plant, wastewater treatment plant, green infrastructure, solar power plants, LED lighting, and fiber infrastructure investments to continue ongoing implementation activities and to complete and commission certain projects.

**iii. Activities planned in 2028:**

***Activity 1: Establishment of Model Factories (Competence and Digital Transformation Centers) to increase the productivity of SMEs and ensure their digital transformation***

- Under the coordination of the Ministry of Industry and Technology, it is aimed to carry out activities for establishing, developing, and strengthening the digital transformation infrastructures of Model Factories, as well as enhancing their institutional capacities.

***Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs***

- It is anticipated that 250 businesses will be supported by KOSGEB, and 200 businesses will be supported within the scope of increasing the renewable energy capacities of Industrial SMEs. Support will be provided on a call basis.

- The Green Industry Project aims to carry out technical assistance and capacity-building activities for the Ministry of Industry and Technology and project partners, to carry out awareness-raising activities among organizations, companies, and individuals related to green transformation, and to increase the national visibility of green transformation efforts.

***Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs***

- It is expected that the current status of approximately 250 manufacturing small and medium-sized enterprises regarding digital transformation will be determined and road maps will be created. It is planned to implement this support openly and continuously. It is envisaged to provide loan interest/dividend support to 189 businesses within the scope of providing SMEs with access to finance for their digitalization investments.

***Activity 4: Supporting the green transformation of Organized Industrial Zones***

- Within the scope of the Green OIZ Project, the manufacturing of the tendered sub-projects will be completed and put into service.

**2. Result Indicators:**

Indicator	Current Situation	2026	2027	2028
<b><i>Activity 1: Establishment of Model Factories to increase the productivity of SMEs and ensure their digital transformation</i></b>				
Number of Capability and Digital Transformation Centers (Model Factory) in operation*	12	15	16	16
Number of businesses served by Capability and Digital Transformation Centers (Model Factory) that started operating**	4604	6500	8300	10150
<b><i>Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs</i></b>				
Decrease in Electricity Consumption per Production Unit by Beneficiary Companies (%)	0	10	10	10
Decrease in Water Consumption per Production Unit by Beneficiary Companies (%)	0	10	10	10
Decrease in Non-Circular Waste by Beneficiary Companies (%)	0	10	10	10
Annual Electricity Generated from Renewable Sources Used by Beneficiary Companies (MWh)	0	70	70	70
<b><i>Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs</i></b>				
Number of Businesses Where the Current State of Digital Transformation is Identified and a Roadmap is Prepared	214	1560	1720	1890
Number of Businesses Using Credit for Digitalization Investments	41	156	172	189

<b>Activity 4: Supporting the green transformation of Organized Industrial Zones</b>				
Energy savings from OIZ both basic and green infrastructure investments (MWh)	2,913.12	2,793	8,376	13,827.68
Water savings from OIZ green investments (m3)	0	662,800	1,988,400	3,976,800
Annual reduction in CO2 emissions due to supported investments (metric ton)	1,859.79	1,843	5,530	9,201
Wastewater treated in new/upgraded facilities (m3)	0	2,920,000	8,760,000	17,520,000

\* Since Model Factories are large-scale investments, ensuring the full involvement of local stakeholders and the completion of infrastructure works is essential. Changes in government support and incentives may affect the number of Model Factory services and the associated result indicators. In consideration of these factors, the result indicators specified in the previous ERP have been updated. The values are cumulative.

\*\* The relevant values also include the additional service types provided by the Model Factories (Learn-Transform Program, Experiential Trainings, Awareness Trainings, Project Implementation services, etc.). Considering the current service portfolio and the operational capacities of the centers, it is estimated that the Model Factories can serve an annual average of approximately 850 companies. In addition, within the scope of the Capacity Building Program carried out by KOSGEB in the coming period, an increase in demand is expected to reach approximately 1,500 companies annually. The values are cumulative.

### 3. Expected impact on competitiveness:

**Activity 1: Establishment of Model Factories to increase the productivity of SMEs and ensure their digital transformation:** The impacts of Model Factories on enterprises have been comprehensively assessed through field studies carried out by the Directorate General for Strategic Research and Productivity of the Ministry of Industry and Technology in cooperation with UNDP. The report titled “Impact of Model Factory Services: A Field Study on Firms” demonstrates that enterprises participating in the Learn–Transform Program achieved notable improvements in key performance indicators such as capacity utilization, cycle times, production area requirements, output per employee, and Overall Equipment Effectiveness (OEE), while significant reductions were observed in cost, defect rates, scrap, breakdowns, and energy consumption. These gains not only enhance enterprises’ competitiveness through direct productivity effects but also yield sustainable improvements in quality, delivery performance, and organizational capabilities. In addition, the document “Capability and Digital Transformation Centers: Model Factories,” prepared by the Directorate General for Strategic Research and Productivity, shows that the nationwide expansion of lean and digital transformation practices will strengthen productivity-based competitiveness in the manufacturing sector and contribute to the country’s digital and green transformation objectives. These effects indicate the potential for positive outcomes in macro-level indicators such as contribution to GDP, increased export capacity, resource efficiency, energy savings, and the reduction of carbon emissions.

On the other hand, it should be stated that the existing impact analysis methodology relies largely on theoretical assumptions and that these assumptions do not fully correspond to actual conditions on the ground; therefore, the resulting projections are insufficient to reflect the true potential of the reform. In this context, rather than producing reports based on speculative data, it is planned to conduct a large-scale impact analysis in 2026 covering all Model Factories in operation, based on direct data collection from the field. The real data to be obtained through these field studies to be carried out by the Ministry will enable the concrete outputs and economic impacts of the structural reforms under the Economic Reform Program (ERP) to be monitored in a much more robust, measurable, and evidence-based manner. For these reasons,

assumption-based analyses have not been included in the current reporting period, and it is envisaged that the impact analysis results to be developed using real data collected from the field will be reflected in the forthcoming monitoring periods.

**Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs:** Within the scope of the Green Industry Support Programme, it is expected that 700 industrial SMEs will benefit from the support over the next three years to increase their renewable energy capacities. As a result of this support, the generation of 210 MW of energy from renewable energy sources is anticipated. Additionally, approximately 630 enterprises are expected to benefit from the programme aimed at improving energy and resource efficiency in industry. Depending on their project topics, enterprises are expected to reduce their electricity and water consumption by 10 percent and increase their waste recycling rates by 10 percent.

Through the SME Digital Transformation Support Programme, which provides loans for SMEs' digitalisation investments, around 517 enterprises are expected to improve, modernise, and enhance the efficiency of their business processes over the next three years, in line with the solution recommendations set out in their digital transformation/maturity assessment reports.

#### **4. Estimated cost of the activities and the source of financing:**

##### **2026: 11,065,482,000 TL (Central Budget + Project Loans)**

**Activity 1:** Establishment of Model Factories to increase the productivity of SMEs and ensure their digital transformation 50,000,000 TL (Central Budget)

**Activity 2:** Ensuring the Effective Green Transformation of Industrial SMEs 1,898,125,000 TL (Project Loans)

**Activity 3:** Ensuring the Digital Transformation of Manufacturing SMEs 706,357,000 TL (Central Budget) (31,200,000 TL+675,157,000 TL (SME Digital Transformation SP))

**Activity 4:** Supporting the green transformation of Organized Industrial Zones 8,411,000,000 TL (Project Loans)

##### **2027: 5,547,173,850 TL (Central Budget + Project Loans)**

**Activity 1:** Establishment of Model Factories to increase the productivity of SMEs and ensure their digital transformation 80,000,000 TL (Central Budget)

**Activity 2:** Ensuring the Effective Green Transformation of Industrial SMEs 2,019,959,000 TL (Project Loans)

**Activity 3:** Ensuring the Digital Transformation of Manufacturing SMEs 747,214,850 TL (Central Budget) (34,400,000 TL+ 712,814,850 (SME Digital Transformation SP))

**Activity 4:** Supporting the green transformation of Organized Industrial Zones 2,700,000,000 TL (Project Loans)

##### **2028: 3,026,935,213 TL (Central Budget + Project Loans)**

**Activity 1:** Capacity and infrastructure development for Model Factories: 30,000,000

**Activity 2:** Ensuring the Effective Green Transformation of Industrial SMEs 2,141,156,540 TL (Project Loans)

**Activity 3:** Ensuring the Digital Transformation of Manufacturing SMEs 855,778,673 TL (Central Budget) 37,800,000TL+ 817,978,673 (SME Digital Transformation SP))

**5. Expected impact on social outcomes, such as employment, poverty reduction, gender equality and access to health care:**

**Activity 1: Establishment of Model Factories to increase the productivity of SMEs and ensure their digital transformation:** Employment will increase due to the employment of the personnel required by the project in the Model Factories to be established and in the project partners. In addition, an increase in employment is expected in the manufacturing industry due to the increase in productivity in the medium and long term.

**Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs:** With the Türkiye Green Industry Project, economic growth will be achieved and employment creation will be encouraged. In the project, individuals or groups with special needs were identified.<sup>2</sup> The ability of these groups to benefit from the project will be ensured through promotional activities. It is not thought that these groups will be negatively affected by the project.

**Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs:** It is expected that the activities to be carried out by KOSGEB will contribute to employment creation, but it is not foreseen that it will have a direct impact on groups that require special policies.

**6. Expected impact on environment and climate change:**

**Activity 1: Establishment of Model Factories to increase the productivity of SMEs and ensure their digital transformation:** In Model Factories, with the lean and efficient production techniques learned in Model Factories, companies will make serious improvements in resource use and waste production. With the activities of the Model Factory, it will be possible to develop new technologies for sustainable production.

**Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs & Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs:** In the Green Industry Project, based on a circular economy, manufacturing industry companies will benefit from the power of renewable energy, apply energy-efficient technologies, and pave the way for a sustainable future. It is aimed to ensure that companies transition towards a sustainable and durable future with low carbon emissions.

It will contribute to a good quality of life by reducing health risks arising from the negative environmental effects of traditional production. It will help preserve biological diversity and protect national resources by increasing usage efficiency. Investments financed by the project will create net employment as well as improve the quality of jobs, which will help eliminate poverty by promoting prosperity and social equality. It will motivate new foreign direct investment flows into the sector and promote an environmentally friendly business environment that uses resources efficiently. It is expected that digitalization of the manufacturing processes of small and medium-sized manufacturing enterprises will reduce carbon emissions and contribute to green growth.

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<sup>2</sup> Disadvantaged groups are recognized as businesses run by or owned by women, and businesses managed by or owned by refugees/immigrants. Vulnerable groups are recognized as young businesses with less than 5 years of operation, and businesses in underdeveloped regions located outside the borders of metropolitan cities.

**Activity 4: Supporting the green transformation of Organized Industrial Zones:** In the Green OIZ Project, potential subprojects are expected to have positive environmental and social impacts. The environmental risk of the project is rated as "significant". On the other hand, the social impacts of the project are expected to be lower and therefore its social risk has been determined as "medium". It is aimed to minimize or eliminate all environmental and social impacts that may arise during implementation with the environmental and social assessment tools to be prepared (ESIA: Environmental and Social Impact Assessment and ESMP: Environmental and Social Management Plan).

## 7. Potential Risks:

Risk	Probability	Planned mitigating action
<i>Activity 1: Establishment of Model Factories to increase the productivity of SMEs and ensure their digital transformation</i>		
Insufficient demand for training and consultancy services from businesses	Medium	Awareness raising activities for businesses will be organized.
Competence of the project partners in carrying out the activities and the negative effects of the periodic situations in the country on the budget and sustainability	Medium	The Project is strengthened due to its multi-structure involving public and private sectors, international organizations and universities in terms of capability and risk management.
<i>Activity 2: Ensuring the Effective Green Transformation of Industrial SMEs &amp; Activity 3: Ensuring the Digital Transformation of Manufacturing SMEs</i>		
Environmental and social impacts that may arise from activities planned to ensure the green and digital transformation of SMEs	Medium	Taking protective measures by evaluating environmental and social impacts
<i>Activity 4: Supporting the green transformation of Organized Industrial Zones</i>		
Environmental and social impacts that may occur during the implementation of sub-projects to be carried out under the Green OIZ Project	Medium	During project implementation, minimizing or eliminating risks/impacts with the environmental and social assessment tools to be prepared (ESIA: Environmental and Social Impact Assessment, and ESMP: Environmental and Social Management Plan).

**Table 10a: Cost of Structural Reform Measure**

Year	Salaries	Goods and Services	Subsidies and Transfers	Capital Expenditures	Total
<b>“Supporting the modernization of SMEs and increasing their efficiency and competitiveness through digital transformation and green transformation in the manufacturing industry”</b>					
<b>2026</b>			11,065,482,000		11,065,482,000
<b>2027</b>			5,547,173,850		5,547,173,850
<b>2028</b>			3,026,935,213		3,026,935,213

**Table 10b: Finance of Structural Reform Measure**

Year	Central Budget	Local Budget	Other National Public Finance Sources	IPA Funds	Other Grants	Project Loans	TBD	Total
<b>“Supporting the modernization of SMEs and increasing their efficiency and competitiveness through digital transformation and green transformation in the manufacturing industry”</b>								
<b>2026</b>	756,357,000					10,309,125,000		11,065,482,000
<b>2027</b>	827,214,850					4,719,959,000		5,547,173,850
<b>2028</b>	885,778,673					2,141,156,540		3,026,935,213

**Table 11: Reporting on the implementation of the Structural Reform Measures of ERP 2025-2027**

ERP (2025-2027) Measure 1: Supporting the modernization of SMEs and increasing their efficiency and competitiveness through digital transformation and green transformation in the manufacturing industry		Stage of reform implementation (0-5)*
Activities planned for 2025	<p><b>Activity 1</b></p> <ul style="list-style-type: none"> <li>The establishment of Model Factories in 2 provinces has been completed. The establishment processes for Model Factories in 4 provinces are currently ongoing.</li> </ul> <p><b>Activity 2</b></p> <ul style="list-style-type: none"> <li>Ensuring the Effective Green Transformation of Industrial SMEs.</li> </ul> <p><b>Activity 3</b></p> <ul style="list-style-type: none"> <li>Ensuring the Digital Transformation of Manufacturing SMEs.</li> </ul> <p><b>Activity 4</b></p> <ul style="list-style-type: none"> <li>Within the scope of the Green OIZ Project, it is planned to complete the tenders for solar power plants, infrastructure, wastewater treatment plants, LED lighting.</li> </ul>	<p>3</p> <p>5</p> <p>5</p> <p>5</p> <p><b>*Cumulative:4</b></p>
Description of implementation and explanation if partial or no implementation	<p><b>Activity 1</b></p> <ul style="list-style-type: none"> <li>Two new Model Factories planned for 2025 have become operational, and work continues for four others. Unlike the previous ERP period, establishment activities for a Model Factory have also been initiated in the province of Sakarya.</li> <li>To date, the 10 operational Model Factories have provided Learn–Transform services to more than 647 firms, Experiential Training services to over 799 firms, Project Implementation services to more than 214 firms, and Awareness Trainings to over 2,944 firms. These figures show that the target number of enterprises receiving services from Model Factories, as specified in the previous ERP, has been achieved and even exceeded.</li> </ul> <p><b>Activity 2</b></p> <ul style="list-style-type: none"> <li>Within the scope of improving energy and resource efficiency in industrial SMEs, the projects of 2,303 enterprises have been accepted, while 1,153 enterprises had their projects approved for increasing the renewable energy capacity of industrial SMEs. A total of 6.344 billion TL in support payments has been made to 1,938 of the enterprises whose projects were approved.</li> </ul> <p>Under Turkiye Green Industry Project;</p>	

	<ul style="list-style-type: none"><li>• “ISO 14064 Corporate Carbon Footprint Calculation, ISO 14067 Product Carbon Footprint Calculation, ISO 14046 Water Footprint Calculation, ISO/IEC 17029: 2020 General Principles and Requirements for Conformity Assessment, Verification and Validation Bodies Trainings Service Procurement” was carried out. The first face-to-face training program was held in 2024.</li><li>• In order to prepare the green transformation roadmaps of 100 enterprises that will apply to the Green Transformation Support Program carried out by the Ministry of Industry and Technology, a tender for “Consultancy Service Procurement for the Preparation of Roadmaps for the Green Transformation Support Program and Raising Awareness” was opened and the evaluation processes of the applications received are ongoing.</li><li>• Within the scope of efforts to improve the technical and institutional capacity of the Ministry's Central Units and Affiliated and Related Organizations regarding green transformation and to raise awareness in these areas; in order to follow the latest developments on net zero emission technologies, to increase competence in this field and to guide sectors with the information to be obtained, "Net Zero Emission: Technologies to Accelerate Transformation in Industry" online information meetings are planned to be organized. These meetings were started on 15 November 2024, and will continue with two technology presentations to be held every two weeks until 7 March 2025.</li><li>• At the third meeting of the “Sustainability of Industry Governance Board” established within the Ministry held on 4 September 2024, it was decided to “visit the legal entities of Organized Industrial Zones (OIZs) and the companies located in OIZs”. Accordingly, it was planned to visit the OIZs in Ankara and the companies located in these OIZs between 3 October 2024 and 28 November 2024. In this context, “Within the Scope of Türkiye Green Industry Project; OIZ and Company Visits Program with a Focus on Sustainability and Green Transformation” has been created. Visits to Başkent, ASO 1, ASO 2-3 OIZ and OSTİM OIZ were completed within this scope.</li></ul> <p><b>Activity 3</b></p> <ul style="list-style-type: none"><li>• The Digital Transformation Consultancy Support was incorporated into the YÖNDE – Leadership and Evaluation Support Program, which was launched on 1 August 2024. To date, 100 enterprises have been provided with Digital Transformation Consultancy Support amounting to 1,962,667 TL. In addition, within the scope of the SME Digital Transformation Support Program, 141 enterprises have had their applications approved, and 41 enterprises have been provided with loans totaling 347.17 million TL.</li></ul> <p><b>Activity 4</b></p> <ul style="list-style-type: none"><li>• Within the scope of the Green OIZ Project, as of 26 November 2025, 4 OIZ projects have been completed, the construction contracts for 18 OIZ projects have been signed and are ongoing, and the tender process for 9 OIZ projects is still underway. Under the project, a total of EUR 53,389,896.06 was spent during the years 2023–2025.</li></ul>
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\*: 0= no implementation, 1=implementation is being prepared, 2=initial steps have been taken, 3=implementation ongoing with some initial results, 4=implementation is advanced, 5=full implementation

Annex 2 Table: Links between Reform Areas and Relevant Policy Documents

Reform measures ERP 2026-2028	Commission Assessment of Key Structural Challenges in ERP (2025-2027)	ERP Policy Guidance 2025	Enlargement Package 2025	Sustainable Development Goals 2020-2030	European Green Deal	European Digital Agenda	IPA III projects supporting this reform
“Supporting the modernization of SMEs and increasing their efficiency and competitiveness through digital transformation and green transformation in the manufacturing industry”	All related actions under this measure should follow an integrated and coordinated approach towards the green transformation of industry, including the establishment of clear climate policies. To facilitate this transformation, the swift adoption of the National Circular Economy Strategy and Action Plan in Türkiye is encouraged, as the circular economy can also strengthen the industrial base and foster business creation and entrepreneurship among SMEs. For further improvements, an overall target regarding economic and industrial impact could also be included.	5. It is recommended that, in line with the Long-Term Climate Strategy 2053 published in November 2024, steps should be taken towards energy-intensive and hard-to-abate sectors, including increasing the use of renewable energy and alternative clean hydrogen.  6. It is suggested that the gap between women and men in the labour market should be reduced by increasing women’s skill levels through facilitating their access and participation in education and on-the-job training.	The activities and projects within the scope of this measure on Green Transformation, Clean Energy, and Digitalization mentioned in the Enlargement Package will contribute to the development and modernization of SMEs in Türkiye.	Main SDG:  SDG 9: Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation  Other significant SDGs:  SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all  SDG 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all  SDG 10: Reduced Inequalities Promote sustained,	2. Transforming the EU’s economy for a sustainable future  2.1. Designing a set of transformative policies  2.1.2. Goal to provide clean, affordable, and secure energy  2.1.3. Goal to drive industry for a clean and circular economy  In line with the EU’s goal of “Transforming the EU economy for a sustainable future”, the projects numbered 3, 4, 6, 7, 13 and 15 under the heading “IPA III Projects supporting this reform” of this table, which are proposed to be supported in the IPA III period, have been prepared in line with this Digital Agenda.  Moreover, with Türkiye’s accession to the Digital Europe Program, this agenda will be supported by the establishment of EDIHs.	The EU’s 2030 Digital Agenda has 3 pillars: 1-Democracy, 2-Rules and 3-Cutting-edge technologies for people.  In this context, the projects numbered 2, 7, 8, 9, 10, 11, 11, 12, 12, 13, 14, 16, 17 and 18 under the heading “IPA III Projects supporting this reform” of this table, which are proposed to be supported in the IPA III period, have been prepared in line with this Digital Agenda.	1-Technical Assistance for Türkiye in Horizon Europe, 4,431,150 EUR 2021.  2-Support for the Digital Transformation of Manufacturing Industry, 8,236,000 EUR, 2021.  3-Supporting the Sustainable Transformation of Industry in Key Sectors of Textiles, Chemicals and International Transportation, 7,060,000 EUR, 2021.  4-Turkish industry adapted and harmonised with EU legislation within the context of green and circular economy, 3,600,000 EUR, 2024.  5-Improved innovation ecosystem in Türkiye and integration with EU industrial value

				<p>inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>SDG 12: Responsible Consumption and Production Ensure sustainable consumption and production practices</p> <p>SDG 13: Climate Action Take urgent action to combat climate change and its impacts</p> <p>SDG 17. Partnership for Goals</p>	<p>Model Factories contribute to digitalization, green and circular economy, and sustainable production policies</p>		<p>chains and innovation networks promoted, 1,300,000 EUR, 2024.</p> <p><b>6</b>-Increased awareness, knowledge and capacities of private sector stakeholders on the green economy and resource efficiency, leading to improved resource use efficiency at industrial facilities, 4,500,000 EUR, 2024</p> <p><b>7</b>-Support to Low Carbon Pathways through Digital Transformation with the "Türkiye Industrial Decarbonization Investment Platform (TIDIP)", 5,700,000 EUR, 2025.</p> <p><b>8</b>-Metrology 4.0 - Establishment of Metrology Cloud System and integration of digital solutions to measuring instruments, 3,400,000 EUR, 2025.</p> <p><b>9</b>-Adaptation to the EU AI Act, 1,900,000 EUR, 2025.</p>
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## **Tourism**

The tourism sector is one of Türkiye's globally competitive sectors and accounts for a significant share of Türkiye's services exports. However, this sector stands out with its dependence on seasonality, complex structure that brings together different sectors, interdependence, labor-intensive structure and vulnerability to various external factors. Especially unexpected situations such as pandemics, economic crises and natural disasters can deeply affect the tourism sector.

Although tourism sector has been greatly affected by global crises such as the pandemic and the events in the Black Sea region and the Middle East since 2019, Türkiye has undertaken significant efforts to minimize these impacts on the sector. The results of these efforts can be observed in the tourism statistics that are regularly shared on a monthly and year-end basis.

While the total number of visitors to Türkiye was 51.7 million in 2019, this declined to 16 million and 30 million in 2020 and 2021 respectively, due to border closures and travel restrictions during the pandemic period. In 2022, despite the negative developments in the Black Sea region, intensive promotional activities prevented a decline in the targets and the total number of visitors to country reached 51.4 million, almost reaching the pre-pandemic level. Although 2023 started strongly in terms of tourism sector, in February, a devastating earthquake struck several provinces of Türkiye and the number of visitors from some countries was negatively affected. In line with the effective strategies, this negative situation was reversed and the total number of visitors reached 56.7 million by the end of 2023, exceeding the pre-pandemic level. In 2024, the positive momentum in the tourism sector continued, with Türkiye welcoming a total of 62.3 million visitors by the end of the year. In 2025, this strong performance persisted, and by October, 55.7 million visitors arrived in the country. All these developments clearly demonstrate the importance of maintaining a planned, data-driven, and comprehensive strategic approach to ensure the sustainability of the tourism sector.

The highly vulnerable tourism sector continues to evolve as an open and innovative industry in an extremely competitive environment where consumer demands change rapidly. Crises have significantly affected the tourism sector with the changes they have created in consumer behavior, and the rapid change in demand has made effective digital and sustainable transformation critical for the continuity of tourism activities and the competitiveness of tourism.

### **b) Reform measures**

#### **Measure 2: "Promoting Sustainable Tourism and Branding"**

**1. Description of measure:** As it is highly sensitive to global developments and crises, the tourism sector plays an important role in the country's development. Therefore, it is critical to ensure its continuity and resilience in order to maintain its competitive position in the world. In this context, this measure introduces sustainability-oriented promotion, branding, and destination-development strategies to enhance Türkiye's tourism competitiveness and climate resilience. At the same time, it aims to protect the country's cultural, natural, and historical assets while increasing brand value and reaching new high-income and sustainability-focused markets. The measure targets tourism enterprises, local stakeholders, and international visitors,

with the strategic objective of expanding tourism across 12 months and all 81 provinces through diversified, sustainable tourism products.

In line with the objectives of the 12th Development Plan, the priorities are to harmonize international criteria for sustainable tourism within the framework of national and local needs, increase the participation of local people in tourism sustainability, develop cooperation and good practices in sustainability, determine measurement tools to generate data on sustainability in tourism and creating platforms for data distribution, adopt a holistic approach in destination management planning by considering sensitivity to environmental and cultural values, protection-utilization balance and carrying capacity, increase the adaptation capacity of the sector against the dangers and risks arising from climate change and reduce its impact to climate change, ensure sustainability in product diversity and establish decision mechanisms, harmonize vocational training with sectoral requirements, sustainability principles and the conditions of the age, ensure the relationship and harmony of plan objectives, goals and policies with sustainable development aims and align tourism policies with sustainable development scopes.

In order to implement this measure, the development of branded tourism products that appeal to evolving and changing consumer preferences with a focus on sustainability, conducting effective digital promotion (social media, travel media, etc.) suitable for the target audience, as well as traditional promotion activities will be carried out. Furthermore, by deploying strategies that are put into an action by economic resilience and flexibility, Türkiye has focused on different markets and strengthened its portfolio with a variety of tourism products. In addition to mass tourism products focused on sea, sand and sun, different tourism products with a focus on sustainability are highlighted in promoted campaigns and diversity in tourism products is emphasized. In this way, it is aimed to contribute to increasing the resilience and sustainability of tourism by extending the tourism season to 12 months and encouraging tourism across the country.

The Safe Tourism Program, launched in June 2020 with the pandemic process, has ensured that tourism enterprises provide reliable services, and as of 2023, more than 12,000 facilities and vehicles have been audited by international audit firms authorized by the Tourism and Development Agency (TGA) within the scope of the program and have been awarded certificates. Due to the easing of Covid-19 measures across the country, the Safe Tourism Program became voluntary as of May 2023, and the criteria of the program were revised as general hygiene standards. These standards are ready to respond quickly to the needs of the industry in possible crisis situations such as Covid-19.

During the 2020-2021 pandemic period, “Safe Tourism” and “Safe in Istanbul” campaigns were launched with a focus on health and hygiene service approach in order to increase the market share and brand value of country and to instill a sense of trust in the continuity of tourism activities, and various promotional activities, especially on digital platforms, were carried out in this context.

In addition to Istanbul is the New Cool, Turkegian, Turkish Riviera regions, which were branded in 2021-2022 and continued to be communicated in 2023, promotional and branding activities were carried out globally on the themes of Anatolian Culture Routes, Cycling, and

Sustainability in 2023 in Cappadocia, the region that will be a "branded destination" in the world, and in the Black Sea Region.

In 2023-2024, the global communication campaign for the "Sustainable Türkiye" brand was successfully conducted, highlighting Türkiye's achievements in sustainable tourism worldwide. Additionally, to further develop the branding of gastronomy tourism, "Deliciously Türkiye" brand was launched. The "Eastern Anatolia" brand was also established, incorporating Eastern and Southeastern regions of among the "branded destinations."

As of 2024, insight-driven content directly appealing to target countries and audiences has been rolled out as part of the brand communication efforts of Türkiye as a prime tourism destination. In addition to all these, in order to take into consideration Türkiye's high potential in the field of Sustainable Gastronomy, the "Deliciously Sustainable" series, in which Michelin Green Star chefs explain how they continue the theme of sustainability in gastronomy, was published in December 2024.

Within the scope of updating the Safe Tourism Certification Program in line with new needs and demands, it is planned to transform the Safe and Sustainable tourism concept into an international program. Adopting the principle of sustainability in tourism planning, Türkiye has increased its efforts in this field with the cooperation agreement signed with the Global Sustainable Tourism Council (GSTC) in 2022 and launched the "Türkiye Environmental and Cultural Sustainability Program<sup>3</sup>" with international standards. Türkiye has taken a pioneering step in sustainability on a global scale by becoming the first country to reach a government-level agreement with the GSTC.

Türkiye Environmental and Cultural Sustainability Program is designed as a three-phase certification framework that aims to systematically manage the environmental, cultural, and socio-economic impacts of the tourism industry. Grounded in four principal pillars—sustainable management, socio-economic impacts, cultural impacts, and environmental impacts—the program requires tourism enterprises to achieve 30 percent, 70 percent, and 100 percent compliance across successive phases. The program is designed to be implemented in three phases: Stage 1 Verification, Stage 2 Verification, and Stage 3 Certification. The first phase of the programme is scheduled for completion in 2023, the second phase in 2025 and the third phase in 2030, with the aim of meeting all international standards throughout this process. Accommodation facilities that comply with the 14 criteria set for Stage 1 receive the Stage 1 Verification, which represents 30 percent compliance. Facilities that comply with the 14 Stage 1 criteria along with the 15 additional criteria for Stage 2, totaling 29 criteria, receive the Stage 2 Verification, which indicates 70 percent compliance. Facilities meeting all 42 criteria are obtained the Level 3 Certificate, which means 100 percent compliance and qualify for the Environmental and Cultural Sustainability Certification. These criteria encompass the establishment of a comprehensive sustainability management system, the support and engagement of local communities, the protection of cultural heritage, the implementation of energy and water efficiency measures, the reduction of pollution and waste, and the conservation of biodiversity and natural landscapes. Aligned with the standards of the Global

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<sup>3</sup> The program name, previously listed as "Sustainable Tourism Program" in the ERP 2025-2027 Program document, has been changed to "Türkiye Environmental and Cultural Sustainability Program".

Sustainable Tourism Council (GSTC), the program provides a strategic and nationally contextualized framework that seeks to safeguard Türkiye's natural and cultural assets while enhancing the long-term resilience and sustainability of its tourism sector.

As of 10 November 2025, 2,083 accommodation facilities have received a Stage 3 Certificate, 6,791 accommodation facilities have received a Stage 2 Verification, and 9,873 accommodation facilities have received a Stage 1 Verification. In total, 18,747 accommodation facilities have been registered as sustainable verified/certified.

Under the program, the Türkiye Sustainable Tourism Criteria (TR-I) for accommodation facilities were established and officially declared "recognized" according to GSTC standards in 2022. The program includes accommodation facilities, tour operators and destinations within its broad scope. The criteria contribute to the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs).

On 15 November 2022, Circular No. 2022/2 was published, making it mandatory for accommodation facilities to obtain at least Stage 1 Verification in the Program until 31 December 2023. This regulation represents an exemplary legal arrangement for the world. It also contributes to supporting the United Nations Sustainable Development Goals, ensuring compliance with legal regulations and commitments such as the Paris Climate Agreement, and protecting Türkiye's competitiveness in the tourism sector.

With the circular dated 25 July 2024 and numbered 2024/5, it is obligatory for all accommodation facilities, except for the facilities that already have a Stage 3 Certificate, to obtain a Stage 2 Verification until the end of 2025.

With the support of the Türkiye Tourism Promotion and Development Agency (TGA), the Global Sustainable Tourism Council (GSTC) is further developing a new standard for tourism food service providers. In addition, it is planned to launch a Pilot Certification Program for the Turkish Food and Beverage sector. This program will be implemented as a module of the Türkiye Environmental and Cultural Sustainability Program with the criteria and revised indicators in the GSTC Industry Criteria to assess the feasibility of restaurant certification.

In order to ensure the sustainable development of the tourism sector in country, primarily in line with the aim of determining the effects of climate change on the tourism sector, taking sectoral measures against these effects and increasing the adaptation capacity to climate change, as well as determining the principles for reducing the greenhouse gas emissions and climate change effects resulting from tourism activities and facilities in 2021;

- “Report on Determining the Conceptual Framework of Climate Change and Tourism Relations on a National Scale”,
- “Report on Determination of Spatial Planning Principles Compatible with Climate Change in Tourism Areas” were prepared and completed in 2022.

In order to reduce the impacts of climate change on the tourism sector and to enhance the sector's adaptive capacity, the provinces of Çanakkale, Mersin, and Kayseri were selected as pilot areas for climate analyses in 2024. In these provinces, studies on the Tourism Climate Index Analysis, Climate Suitability Assessment, Vulnerability and Risk Analysis, and the

Preparation of Adaptation Plans were completed in 2024. Through these studies, the interactions between climate change and tourism have been scientifically identified, and planning principles aimed at mitigating adverse impacts have been developed. Moreover, the integration of climate projections into tourism planning and the development of climate models have contributed to identifying new investment areas and strengthening sectoral resilience.

In 2025, efforts to enhance climate change adaptation in the tourism sector continue. In this context, based on the outcomes of the 2024 climate analyses, two key studies are being implemented: "Climate-Resilient Spatial Plan Preparation for Culture and Tourism Conservation and Development Regions and Tourism Centers: The Case of Çanakkale Tourism Center" and "Preparation of the Climate-Resilient Designation and Spatial Planning Guideline for Culture and Tourism Conservation and Development Regions and Tourism Centers". These studies aim to integrate climate change adaptation into tourism planning processes, guide investments in a climate-sensitive manner, and strengthen the understanding of sustainable tourism.

The Ministry of Culture and Tourism plans the necessary work to protect and increase the number of Blue Flags, which is one of the most important and effective issues in terms of the sustainability of sea, sand and sun themed tourism in coastal areas, and intervenes when necessary, by taking strict measures against possible problems.

In line with the SDGs, in order to realize the principles of sustainability at the destination, projects are planned and pilots are implemented to protect cultural and natural values, ensure energy efficiency, implement renewable energy applications, separate waste, expand tourism to four seasons, bring technology and art together, and increase the welfare of the people of the region. In addition, various pollution prevention projects are implemented regionally with the awareness of environmental protection.

A "Bicycle Friendly Hotel" concept will be implemented for bicycle tourism, which protects the nature by enabling emission-free travel and at the same time makes it possible to visit the environment in harmony with nature. It is aimed to increase the number of facilities included in the concept every year.

In line with the expectations and demands of consumers in terms of cultural sustainability, the region that encompasses many excavation sites in Şanlıurfa such as Göbeklitepe and Karahantepe, one of the most important archeological sites in the world, was branded as "Taş Tepeler - Land of Great Transformation" to raise awareness and emphasize the importance of the region. In 2023, "Taş Tepeler" brand was deemed worthy of an award among Türkiye's Superbrands (Superbrands Türkiye).

The pandemic process has once again revealed the importance of digitalization and information technologies, especially in tourism, and made it one of the indispensable elements for the continuity of tourism. Within the scope of the goal of increasing market diversity, cooperation with global channels, which started in 2022, continues in 2025.

In 2020, there was a need to create a "sustainability inventory" in Turkish tourism, which could serve as a basis for sustainability studies by TGA, and the Sustainability Atlas of Türkiye was prepared by Cappadocia University (KUN). Within the scope of this inventory, the

Sustainability GoTürkiye (<https://sustainable.goturkiye.com/>) microsite was created under GoTürkiye, Türkiye's official tourism platform, and launched in September 2021. In 2025, more than 50 sustainable tourism experiences in 7 regions and 81 provinces under the GoTürkiye portal are promoted in 10 different languages with a focus on sustainability.

In order to increase the number of visitors to the country and to create alternative markets, in addition to main market countries such as Germany, Russia and the UK, promotional and marketing activities have been prioritized in Scandinavian countries, where tourism spending is steadily increasing and demand for sustainable tourism is notable, as well as in emerging markets such as South American countries, Gulf countries, South Korea and India. Border and flight situations caused by the global pandemic are regularly monitored for the country's main markets and emerging markets, and communication activities are focused on the main markets. In promotional activities for the country's main and emerging markets, target audience-oriented promotional strategies are developed; in addition to digital promotional campaigns, press members, influencers, opinion leaders and tour operators from target countries are hosted, and special events and activities are organized. Social media accounts for 81 provinces are available to promote each region of Türkiye.

Product and destination promotions are carried out in the provinces, taking into account the guidance of the Provincial Promotion and Development Boards established to spread tourism to all 81 provinces of Türkiye and to implement sustainable tourism activities in destinations. With the development of Turkish tourism and raising awareness in overseas markets, joint advertising activities are organized with local tour operators and airline companies in many countries, where the advantage of quickly directing to hot sales is used, and these plans are developed according to the reports received at the end of the campaign.

GoTürkiye Destination Promotion Events are organized to support Türkiye's promotion by bringing together Turkish travel agencies and hotels with companies in target markets. These events provide opportunities for collaboration while highlighting potential destinations. In 2025, these events were held across 8 countries and 16 cities, where tourism industry stakeholders from Türkiye participated as sub-participants, representing both the country and their organizations.

Within the broad scope of the tourism sector, health tourism has become one of the most valuable field in efforts to increase product diversity in Türkiye's tourism promotion and to extend the tourism season across all twelve months. In the field of health tourism, it is of great importance not only to safeguard the health of tourists who travel to Türkiye for medical treatment, but also to protect the well-being of those who visit the country for leisure purposes. Ensuring greater health security for tourists travelling to Türkiye and providing them with enhanced comfort aims to increase visitor satisfaction and to encourage both repeat visits and a growing preference for Türkiye as a destination.

Thanks to its robust healthcare infrastructure, well-trained and experienced personnel, and high-standard facilities, Türkiye is one of the most preferred healthcare destinations in the world. The fact that the number of people visiting the country for medical tourism purposes exceeded 1.5 million in 2024, generating over 3 billion dollars in revenue, and this demonstrates not only current success of Türkiye but also its significant potential for the future.

The online training platform "All in Türkiye Specialist" was designed for international travel agencies, tour operators, and offers tourism professionals the most up-to-date and relevant information on Türkiye's destinations and tourism experiences, allowing them to promote Türkiye successfully and effectively. Participants who successfully complete the courses that are offered on the platform are granted the "Türkiye Tourism Specialist" certificate. Currently available in 14 languages, the platform plans to introduce additional language options by 2026.

In 2025, in line with the goal of expanding global networks, establishing and maintaining international collaborations, and implementing mutually beneficial projects through active communication with other members, Türkiye has become a member of 25 international associations such as including the World Travel & Tourism Council (WTTC), European Travel Commission (ETC), UN Tourism, and the Global Sustainable Tourism Council (GSTC).

Since 2018, the Ministry of Culture and Tourism has been a Party to the Enlarged Partial Agreement (EPA) on the Cultural Routes of the Council of Europe. Form this date onwards, the Ministry of Culture and Tourism actively work on the Cultural Routes of the Council of Europe programme. Between May 2021 and 2025, a representative of the Ministry served as Vice-Chair and Chair of the Governing Board of the Cultural Routes of the Council of Europe, respectively.

Thanks to the Provincial Promotion and Development Program in 81 provinces, Ministry of Culture and Tourism has ensured the interest and participation of local stakeholders to the Cultural Routes of the Council of Europe. In this context, the number of routes in Türkiye that are part of the Council of Europe Cultural Routes network has increased from 4 in 2018 to 11 in 2025. Türkiye has thus become one of the key countries within the Council of Europe Cultural Routes network. The number of participating provinces and institutions has also risen from 4 to 25. Moreover, on 22–24 October 2025, the 14th Annual Advisory Forum of the Council of Europe Cultural Routes was held in Cappadocia in cooperation with the Council of Europe, with the participation of 320 experts and professionals from the cultural heritage and tourism sectors. The Forum enhanced Türkiye's international visibility and strengthened its role in the protection and promotion of cultural heritage within a sustainable approach.

By the end of 2024, participation was ensured with a Türkiye pavilion in a total of 33 international tourism trade fairs, including 27 fairs in 24 countries abroad and 6 fairs domestically. Together with 434 tourism sector professional organizations participating in major fairs abroad, Türkiye's tourism promotion is being carried out effectively.

In order to strengthen the promotion of Türkiye both domestically and internationally, various activities have been hosted, supported, and participated in within the field of congress tourism. Comprehensive initiatives such as fairs, fam trip organizations, digital and printed publications, and international events have been carried out. These efforts have been conducted with the aim of diversifying tourism and enhancing Türkiye's promotion on the global stage. Under the MEET Türkiye brand strategy, lobbying activities at international congress tourism events and fairs (IMEX Frankfurt, IMEX Las Vegas, IBTM Barcelona) have effectively promoted Türkiye's destinations and tourism offerings. Collaborating with international

industry leaders and organizers, the goal is to position Türkiye as an attractive congress destination.

According to the 2023 global congress rankings of countries and cities released by ICCA—the International Congress and Convention Association, for which Türkiye has been a destination partner since 2022, Türkiye maintained its position in the world and European rankings compared to 2022. Meanwhile, Istanbul showed an upward trend in both world and European rankings. Globally, 9,042 congresses were held in 2022, this number was reported to be 10,197 in 2023 but this figure has not yet reached the 2019 level of 13,254. Compared to 2022 congress numbers, Türkiye hosted 119 congresses in 2023, reflecting a 45 percent increase, while Istanbul hosted 72 congresses, marking a 24 percent increase. Additionally, according to ICCA 2024 data, Türkiye ranks 31st worldwide with 119 international congresses; İstanbul with 86 congresses. has risen to 20th place among global cities and 15th among European cities In addition, İstanbul has been ranked 8th among the “Top 8 Cities in Medical Sciences.

To promote Türkiye’s tourism destinations and products, international conferences are brought to the country, and industry representatives are hosted as part of our efforts to enhance Türkiye’s visibility through promotional and lobbying activities. In this regard, sustainable event management is prioritized in all events organized, ensuring that sustainability principles are integrated throughout the entire lifecycle of the event—from planning to execution.

Within the scope of the Türkiye Environmental and Cultural Sustainability Program, event management is carried out in line with sustainability criteria. Environmental, socio-economic, and cultural sustainability practices are implemented at every stage of the event lifecycle. In this context, the use of FSC-certified or seed-embedded materials, reduction of plastic consumption, ensuring gender balance among staff, offering geographically indicated food and beverages, preparing menus with QR codes, selecting low-carbon footprint menu options, sourcing sustainable products, showcasing cultural heritage, and promoting and protecting cultural sites are among the key priorities. For example, The Second Dutch Tour Operators High-Level Meeting, organized in collaboration with ANVR (The Dutch Association of Travel Agents and Tour Operators), was conducted fully in accordance with these sustainability criteria. Following the event, a Sustainable Event Report was prepared, actions were taken to reduce the carbon footprint, and any unavoidable emissions were offset, resulting in a carbon-neutral event.

In 2022, advertising agreements were established globally with the most recognized Online Travel Agencies (OTAs), metasearch platforms, Price Comparison Websites (PCWs), and Global Distribution Systems (GDS). Budget allocation was planned according to the countries and regions where these companies are strongest, taking into account our target markets and tourism objectives. In 2024, additional agreements were made with digital travel channels. For the first time, agreements were signed in the APAC region, alongside existing collaborations in Europe, the Americas, Scandinavia, and the Gulf regions. As a result, by 2024, promotional campaigns were conducted across 15 platforms in 30 countries. In 2025, partnerships with digital travel channels continued, and promotional campaigns were carried

out across 31 countries with 16 platforms in Europe, the Americas, Scandinavia, the Gulf, and the APAC regions

To promote Türkiye globally, collaborative advertising partnerships are being implemented with tour operators to increase awareness of Türkiye as a destination and highlight its diverse tourism offerings. As part of this effort, 182 campaigns were carried out in collaboration with 95 tour operators across 39 countries by 2024. Since 2019, Ministry of Culture and Tourism initiated a study to improve Türkiye's current position and data sources in the Travel and Tourism Development Index published by the World Economic Forum (WEF). In this process, the necessary corrections to the index methodology and data sources were made in consultation with relevant non-governmental organizations and ministries. In the first version of this index prepared with 2019 data, Türkiye's ranking was 49, while in the version prepared with 2024 data, Türkiye's ranking increased to 29.

As part of gastronomic tourism promotion activities and the destination partnership agreement with the international restaurant rating system, the Michelin Guide, the Michelin Guide 2025 selection for İstanbul, İzmir and Muğla was announced at a ceremony held on December 5, 2024. This year's selection has been enriched with 32 new venues, bringing the total number of recommended establishments in Türkiye to 132, distributed as 77 in İstanbul, 24 in İzmir, and 31 in Muğla.

**i. Activities planned in 2026:**

**Activities Related to Sustainable Tourism Program**

- All accommodation facilities will be required to obtain at least the Stage 2 Verification of the Türkiye Environmental and Cultural Sustainability Program, and efforts will be made to increase the number of facilities achieving the Stage 3 Certificate through training and promotional activities.
- As a module of the Türkiye Environmental and Cultural Sustainability Program, initiatives will be conducted to position the food and beverage sector internationally by providing expert teams and technical support to the GSTC for the development of international food and beverages service providers standards.
- For the design and implementation of certification processes tailored to the food and beverage sector as a module of the Türkiye Environmental and Cultural Sustainability Program, consultancy support will be utilized. To execute operational processes, efforts will include training, capacity building, software and digital product development, legal consultancy, call and operations center services, collaboration, and promotional activities.
- To expand the scope of the Türkiye Environmental and Cultural Sustainability Program, activities will be carried out in categories such as destinations, tour operators, travel agencies, and MICE through consultancy support. Operational processes will be facilitated through training, software and digital product development, capacity building, legal consultancy, call and operations center services, collaboration, and promotional activities.

- To improve Türkiye's ranking in international sustainability competitiveness indices, collaborative and academic studies will be undertaken with relevant institutions and stakeholders.
- To promote sustainability labels and certifications, certification and promotional activities will be implemented for sustainable museums and cultural centers.
- In order to raise awareness on the climate-resilient designation and spatial planning process, capacity-building trainings and regulatory studies will be conducted in selected provinces.

#### **Activities Related to Promotion**

- Producing 81 new provincial films, creating content management and plans for 81 province's social media accounts, carrying out project-based paid social media advertisements, for social media accounts, continuation of domestic tourism activities by hosting 300 local social media influencers in 55 projects in 81 provinces, continuing brochure studies, working on all promotional materials for the needs of the provinces.
- Keeping sustainability in focus in every aspect of the brand development process and brand communication campaigns.
- Exploring new and alternative platforms for more effective and targeted brand communication to attract potential tourists belonging to the high-income group.
- Within the agreements with global channels, it is planned to continue the number of spots at least 5,000, digital screenings at least 15,000,000 and TV/digital promotional films at least 3 throughout the year. Additionally, in print media, planning will focus on the markets to be determined in the international arena, selecting the most prestigious and the highest-circulation media outlets with a frequency of at least 3 placements.
- Based on tourism goals and the campaign outcome reports provided by the companies, the digital travel channel campaigns and joint advertising investments with tour operators for 2026 will be revised.
- Positioning Türkiye as a suitable destination for filming and production of movies, documentaries, TV series and music videos through collaborations with globally accessible content producers and, through these productions, influencing new groups of travelers and positioning Türkiye as a must-visit country with a focus on sustainability.
- In 2026, participation will have been ensured with a Türkiye pavilion in a total of 23 international tourism trade fairs, including 17 fairs in 15 countries abroad and 6 fairs domestically.
- As a part of the GoTürkiye Destination Promotion Events, planned to contribute to the promotion of Türkiye, the aim is to bring together Turkish agencies and hotels with business partners in target markets in 2026, creating new cooperation opportunities and supporting the ongoing promotion of potential destinations.

### **Activities Related to Product and Destination Development**

- Focusing on the principle of sustainability within the framework of the Provincial Promotion and Development Program, a total of 324 Provincial Promotion and Development Board meetings will be held in 81 cities.
- Developing and using technology-oriented tools to attract tourists.
- Developing and promoting the products on the GoTürkiye digital platform focusing on the principle of sustainability.
- The number of road bicycle, mountain bike and electric bicycle routes introduced on the [gocyclingturkiye.com](http://gocyclingturkiye.com) platform will be increased to 3,000 and the bicycle network will be spread throughout Türkiye. In parallel to this study, carrying out various promotional activities to increase the number of facilities certified as bicycle-friendly hotels to 800 by 2026.
- To establish Türkiye as a recognized global destination for meetings and events by 2026, making infrastructure improvements in line with environmental sustainability principles, increasing the number of green-certified facilities, and ensuring the promotion of environmentally friendly practices.
- The village of Birgi, located in the Ödemiş district of İzmir, will be a pilot destination for the creation of a "Sustainable Green Destination Model" in collaboration with the United Nations Development Program (UNDP), Enerjisa and Ministry of Culture and Tourism (Türkiye Tourism Promotion and Development Agency (TGA) and General Directorate of Investments and Enterprises). It will be transformed into a Sustainable Energy-Based Tourism Application Center (SENTRUM) project to promote sustainable tourism and support local economic development.
- Providing vocational training to approximately 4,100 people in 2026 within the scope of Vocational On-the-Job Training Programs organized by the Ministry of Culture and Tourism, if requested by tourism facilities.
- Ministry of Culture and Tourism' efforts will continue to increase the number of Blue Flag facilities and aim to increase the number of Blue Flag beaches to over 617 by the end of year 2026 .
- In order to mitigate the impacts of climate change on the tourism sector and increase the adaptation capacity of the sector, it is aimed to carry out climate compatible spatial planning studies and prepare adaptation guides in selected case study areas (coastal and winter tourism centers) in 2024.
- In order to register and control the residences, which have an important place in accommodation activities by renting for short-term for tourism purposes in Türkiye, to prevent informality and to increase service standards in 2026 it is aimed at arrangement of 50,000 touristic rental residence licences for tourism purposes.
- For 2026, it is planned to continue the celebration of Turkish Cuisine Week to promote the sustainable heritage of Turkish cuisine in Türkiye and globally; to advance efforts for expanding the Michelin Guide's coverage nationwide; and to implement collaboration projects with domestic and international brands to support the development and enhanced promotion of Türkiye's gastronomic products.

- It is planned to strengthen the international brand positioning that highlights Türkiye's thermal and wellness potential, to reinforce the perception of "Türkiye as a Wellness Destination" through digital promotional activities, partnerships and targeted campaigns in key markets, to develop regional sub-brands that emphasise the unique values of thermal destinations, and to enhance sectoral promotion aimed at international stakeholders through participation in events, congresses and fairs. In addition, the development of multi-themed tourism products that integrate complementary experiences such as culture, gastronomy, nature and sports within thermal destinations is also envisaged.

Within the scope of the activities planned in 2026, the Ministry of Culture and Tourism (relevant units, especially the TGA), other relevant public institutions and organizations, NGOs, municipalities, academia and sector representatives will be responsibly included in the process.

**ii. Activities planned in 2027:**

**Activities Related to Sustainable Tourism Program**

- Efforts will be continued to increase the number of facilities achieving the Stage 3 Certificate through training and promotional activities.
- As a module of the Türkiye Environmental and Cultural Sustainability Program, initiatives will be conducted to position the food and beverage sector internationally by providing expert teams and technical support to the GSTC for the development of international standards.
- For the design and implementation of certification processes tailored to the food and beverage sector as a module of the Türkiye Environmental and Cultural Sustainability Program, consultancy support will be utilized. To execute operational processes, efforts will include training, capacity building, software and digital product development, legal consultancy, call and operations center services, collaboration, and promotional activities.
- To expand the scope of the Türkiye Environmental and Cultural Sustainability Program, activities will be carried out in categories such as destinations, tour operators, travel agencies, and MICE through consultancy support. Operational processes will be facilitated through training, software and digital product development, capacity building, legal consultancy, call and operations center services, collaboration, and promotional activities.
- To improve Türkiye's ranking in international sustainability competitiveness indices, collaborative and academic studies will be undertaken with relevant institutions and stakeholders.
- To promote sustainability labels and certifications, certification and promotional activities will be carried out for sustainable museums and cultural centers.
- It is planned to continue studying the legislation related to the Climate-Resilient Planning and Spatial Planning process.

### **Activities Related to Promotion**

- It is planned to continue to explore new, trendy and alternative platforms for effective and targeted brand communication to attract the attention of potential high-end tourists, in order to adopt a sustainability-focused approach in all aspects of the sustainability brand development process and brand communication campaigns.
- Within the agreements with global channels, it is planned to continue the number of spots at least 554,000, digital screenings at least 152,000,000 and TV/digital promotional films at least 3 throughout the year. Additionally, in print media, planning will focus on the markets to be determined in the international arena, selecting the most prestigious and high-circulation outlets with a frequency of at least 3 placements.
- Positioning Türkiye as a suitable destination for filming and production of movies, documentaries, TV series and music videos through collaborations with content producers with global reach and, through these productions, influencing new groups of travelers and positioning Türkiye as a must-visit country with a focus on sustainability.
- Studies on creating high-performance, desirable brands that maximize interest and developing potential new advertising campaigns for these brands in order to observe demand and trends in sustainable tourism by regularly monitoring demand and perception on social and digital platforms for target countries and tourist segments,
- Focusing on the principle of sustainability within the framework of the Provincial Promotion and Development Program; producing 81 new provincial films, creating content management and plans for social media accounts, making project-based paid social media advertisements for 81 cities, continuing domestic tourism activities will also be actively continued in 81 cities 70 projects with 350 local influencers, continuing brochure studies, and carrying out studies on all promotional materials for the needs of the provinces.
- Based on tourism goals and the campaign outcome reports provided by the companies, the digital travel channel campaigns and joint advertising investments with tour operators for 2027 will be revised.
- Like 2026, in 2027, participation is planned to be ensured with a Türkiye pavilion in a total of 23 international tourism trade fairs, including 17 fairs in 15 countries abroad and 6 fairs domestically.
- GoTürkiye Destination Promotion Events, planned to contribute to the promotion of Türkiye, aim to continue bringing Turkish agencies and hotels together with business partners in target markets in 2027, creating new cooperation opportunities and supporting the ongoing promotion of potential destinations.

### **Activities Related to Product and Destination Development**

- Efforts will maintain to effectively promote Türkiye's destinations that offer experiences for groups with special interests such as faith, health, sports, gastronomy, etc. during their travels, and to spread and distribute demand to off-season periods covering 81 provinces.
- With focusing on the principle of sustainability within the framework of the Provincial Promotion and Development Program, to carry on organizing 405 Provincial Promotion and Development Board meetings, at least 5 in each of 81 provinces.
- Providing vocational training to approximately 4.200 people in 2027 within the scope of Vocational On-the-Job Training Programs organized by the Ministry of Culture and Tourism, if requested by tourism facilities.
- It is aimed to reconsider existing frameworks and approaches to accelerate the sector's green transition in legal and spatial terms. Accordingly, spatial development principles on compatible with climate, water usage, energy consumption, etc. are the areas planned to be taken into consideration.
- Ministry of Culture and Tourism' efforts will continue to increase the number of Blue Flag facilities and aim to increase the number of Blue Flag beaches to over 639 by the end of 2027.
- In order to register and control the residences, which have an important place in accommodation activities by renting for short-term for tourism purposes in Türkiye; to prevent informality and to increase service standards in 2027 it is aimed at arrangement of 55.000 touristic rental residence licences for tourism purposes.

Within the scope of the activities planned in 2027, the Ministry of Culture and Tourism (relevant units, especially the TGA), other relevant public institutions and organizations, NGOs, municipalities, academia, sector representatives will be included in the process as responsible.

#### **iii. Activities planned in 2028:** **Activities Related to Sustainable Tourism Program**

- Efforts will be continue to increase the number of facilities achieving the Stage 3 Certificate through training and promotional activities.
- As a module of the Türkiye Environmental and Cultural Sustainability Program, initiatives will be conducted to position the food and beverage sector internationally by providing expert teams and technical support to the GSTC for the development of international restaurant standards.
- For the design and implementation of certification processes tailored to the food and beverage sector as a module of the Türkiye Environmental and Cultural Sustainability Program, consultancy support will be utilized. To execute operational processes, efforts will include training, capacity building, software and digital product development, legal consultancy, call and operations center services, collaboration, and promotional activities.
- To expand the scope of the Türkiye Environmental and Cultural Sustainability Program, activities will be carried out in categories such as destinations, tour

operators, travel agencies, and MICE through consultancy support. Operational processes will be facilitated through training, software and digital product development, capacity building, legal consultancy, call and operations center services, collaboration, and promotional activities.

- To improve Türkiye's ranking in international sustainability competitiveness indices, collaborative and academic studies will be undertaken with relevant institutions and stakeholders.
- To promote sustainability labels and certifications, certification and promotional activities will be carried out for sustainable museums and cultural centers.
- Continuation of the studies on preparation of a regulatory framework for the climate-resilient designation and spatial planning process.

#### **Activities Related to Promotion**

- To attract tourists in the potential high-income segment, new and alternative platforms shall be identified and utilized for effective and target-oriented brand communication, while maintaining a sustainability-focused approach in all ongoing campaigns.
- Within the agreements with global channels, it is planned to continue the number of spots at least 5,000, digital screenings at least 15,000,000 and TV/digital promotional films at least 3 throughout the year. Additionally, in print media, planning will focus on the markets to be determined in the international arena, selecting the most prestigious and high-circulation outlets with a frequency of at least 3 placements.
- Conducting comprehensive promotional activities on TV/digital broadcast channels in 2028, in line with effective and high-intensity communication strategies in the target markets.
- Positioning Türkiye as a suitable destination for filming and production of movies, documentaries, TV series and music videos through collaborations with content producers with global reach and, through these productions, influencing new groups of travelers and positioning Türkiye as a must-visit country with a focus on sustainability,
- Studies on creating high-performance, desirable brands that maximize interest and developing potential new advertising campaigns for these brands in order to observe demand and trends in sustainable tourism by regularly monitoring demand and perception on social and digital platforms for target countries and tourist segments,
- Focusing on the principle of sustainability within the framework of the Provincial Promotion and Development Program; producing 20 new provincial films, creating content management and plans for social media accounts, making project-based paid social media advertisements for 81 cities, continuing domestic tourism activities will also be actively continued in 81 cities 75 projects with 400 local influencers, continuing brochure studies, and carrying out studies on all promotional materials for the needs of the provinces.

- Based on tourism goals and the campaign outcome reports provided by the companies, the digital travel channel campaigns and joint advertising investments with tour operators for 2028 will be revised.
- Like 2026, in 2028, participation is planned to be ensured with a Türkiye pavilion in a total of 23 international tourism trade fairs, including 17 fairs in 15 countries abroad and 6 fairs domestically.
- GoTürkiye Destination Promotion Events, planned to contribute to the promotion of Türkiye, aim to continue bringing Turkish agencies and hotels together with business partners in target markets in 2028, creating new cooperation opportunities and supporting the ongoing promotion of potential destinations.

### **Activities Related to Product and Destination Development**

- With focusing on the principle of sustainability within the framework of the Provincial Promotion and Development Program, to carry on organizing 486 Provincial Promotion and Development Board meetings, at least 6 in each of 81 provinces.
- Efforts will maintain to effectively promote Türkiye's destinations that offer experiences for groups with special interests such as faith, health sports, gastronomy, etc. during their travels, and to spread and distribute demand to off-season periods covering 81 provinces.
- With focusing on the principle of sustainability within the framework of the Provincial Promotion and Development Program, to carry on organizing 405 Provincial Promotion and Development Board meetings, at least 5 in each of 81 provinces.
- Providing vocational training to approximately 4,300 people in 2028 within the scope of Vocational On-the-Job Training Programs organized by the Ministry of Culture and Tourism, if requested by tourism facilities.
- It is aimed to reconsider existing frameworks and approaches to accelerate the sector's green transition in legal and spatial terms. Accordingly, spatial development principles on compatible with climate, water usage, energy consumption, etc. are the areas planned to be taken into consideration.
- Ministry of Culture and Tourism' efforts will continue to increase the number of Blue Flag facilities and aim to increase the number of Blue Flag beaches to over 650 by the end of 2028.
- In order to register and control the residences, which have an important place in accommodation activities by renting for short-term for tourism purposes in Türkiye, to prevent informality and to increase service standards in 2028 it is aimed at arrangement of 60,000 touristic rental residence licences for tourism purposes.

Within the scope of the activities planned in 2028, the Ministry of Culture and Tourism (relevant units, especially the TGA), other relevant public institutions and organizations, NGOs, municipalities, academia, sector representatives will be included in the process as responsible.

## 2. Results indicators:

Indicator	Current Situation	2026	2027	2028
Number of facilities certified under the Sustainable Tourism Program	2,083	4,000	5,000	6,000
Number of interactions achieved for GoTürkiye accounts on digital channels related to Sustainable Tourism	38,238,526	44,846,143	48,962,444	52,879,440
Number of Blue Flag Beaches	577	617	639	650
The Completion rate of analyzes and spatial studies that will provide tourism development compatible with climate, revealing the relationship between tourism and climate change (%)	60	80	90	100
Tourism Income	50.0 Billion \$ (Jan-Sep. 2025)	68.0 Billion \$	71.0 Billion \$	75.0 Billion \$
Number of Tourist Arrivals in Türkiye	55.7 Million (Jan-Oct. 2025)	65.5 Million		

**3. Expected impact on competitiveness:** By integrating sustainability criteria into tourism planning, branding, and certification processes, the reform enhances the perceived quality and reliability of Türkiye's tourism offerings, thereby increasing visitor demand and spending. Expanded product diversity—such as gastronomy, cycling, cultural routes, and climate-resilient destinations—helps attract new market segments and extend the tourism season beyond peak months. Strengthened international branding campaigns and collaboration with global travel platforms improve Türkiye's visibility and competitiveness, generating higher tourist inflows. As facilities adopt sustainability standards and climate-resilient planning expands, the sector becomes more stable, reducing vulnerability and supporting long-term investment and employment. In addition, this measure is expected to increase tourism revenues from the global tourism sector, increase the share of tourism revenues in gross national product, make a positive contribution to the foreign trade balance, and contribute to the reduction of the current account deficit. The restructuring of the Türkiye brand aims to create a sustainable tourism economy by increasing Türkiye's competitiveness in the global tourism market.

Türkiye's Environmental and Cultural Sustainability Program is planned in three phases, aiming to initiate sustainability practices in all accommodation facilities, regardless of size, location and capacity. Scheduled to be completed by 2030, the first phase of the program took place in 2023, the second phase will take place in 2025 and the final phase in 2030, with the aim of meeting all international standards. In the first phase, accommodation facilities will comply with 30 percent of the standards set, in the second phase 70 percent, and in the third phase 100 percent, and by 2030 all facilities will be Environmental and Cultural Sustainability Certified. In this regard, the reform is expected to accelerate Türkiye's transition toward sustainable tourism, with 100 percent coverage of more than 22,000 accommodation facilities becoming sustainability-verified or certified by 2030, strengthening long-term competitiveness, brand value, and environmental resilience. The program is the first mandatory national

hospitality program under the guidance of the GSTC and based on the GSTC Criteria. The pioneering program, thanks to the government agreement with the Global Sustainable Tourism Council (GSTC), is expected to serve as a model for other countries.

According to the World Economic Forum (WEF) Travel and Tourism Development Index 2024 report, Türkiye ranked 29th in 2024, rising 20 places compared to 2019. Thanks to the measures taken and promotions made after the pandemic, Turkish tourism is expected to perform better than other countries and rise in the competitiveness index.

Between 2018 and 2024, the total number of visitors to our country increased by 35.03 percent over a seven-year period, reaching 62.3 million people. In 2024, the total number of visitors to our country increased by 9.84 percent compared to the previous year. In the January-October period of 2025, the total number of visitors to our country increased by 1.92 percent compared to the same period of the previous year, reaching 55.7 million people. These data show that Türkiye continues to experience steady growth in total visitor flow.

The total number of foreign visitors to our country has increased by 33.3 percent over the past seven years, reaching 52.6 million visitors. In 2024, the number of foreign visitors to our country increased by 6.95 percent compared to the previous year. In the January-October period of 2025, the number of foreign visitors to our country decreased by 0.12 percent compared to the same period of the previous year, reaching 47.3 million people. This shows that demand has remained largely stable.

Tourism revenue increased by 70.1 percent over the seven-year period between 2018 and 2024, reaching \$61.1 billion. Average spending per visitor increased by 23.5 percent during this period, rising to \$972. Overnight revenue increased by 31.1 percent over the last seven years, rising to \$97. Tourism revenue reached \$50 billion in the January-September period of 2025. During this period, the average expenditure per person was \$1,006 and the nightly revenue was \$103. These developments reveal that Türkiye continues to experience a long-term upward trend in tourism revenue and visitor spending. Furthermore, tourism revenues, which amounted to \$50 billion in the January-September period of 2025, are projected to rise to \$68 billion in 2026, \$71 billion in 2027, and \$75 billion in 2028. This will make a positive contribution to the current account balance.

**Preparation of Climate-Resilient Spatial Plans for Cultural and Tourism Conservation and Development Zones and Tourism Centers within the Scope of Climate Change and Tourism Relations:** The effects of the studies conducted within the framework of the “Çanakkale Tourism Center Example” and the “Preparation of a Climate-Resilient Declaration and Spatial Planning Guide for Cultural and Tourism Protection and Development Regions and Tourism Centers” are becoming apparent in tourism areas in terms of a clearer understanding of climate risks and the shaping of plans accordingly. The effects expected to be seen in the long term are: regions becoming more resilient to climate change, the protection of the tourism season, and the strengthening of infrastructure investments in line with climate adaptation.

**Climate Change and Tourism Relations: Preparation of Climate-Resilient Spatial Plans for Cultural and Tourism Conservation and Development Zones and Tourism Centers: The Çanakkale Tourism Center Example' and 'Preparation of a Climate-Resilient Declaration and**

Spatial Planning Guide for Cultural and Tourism Protection and Development Areas and Tourism Centers' provide the opportunity to systematically identify climate risks in tourism areas and integrate these risks into spatial planning processes. The findings obtained within this scope contribute to the more predictable management of the development of tourism areas in terms of climate risk, natural resource sensitivities, and climate vulnerabilities.

In the long term, these efforts are expected to significantly enhance Türkiye's international competitiveness in the tourism sector by increasing the resilience of tourism destinations to climate change, maintaining the stability of tourism seasons, strengthening infrastructure investments in line with climate-resilient principles, and developing sustainable destination management capacity. This creates a strategic impact in making our country's tourism value chain more resilient to climate risks, ensuring the continuity of tourism revenues, and improving destination quality.

As part of the Blue Flag initiative, in 2018, 459 beaches, 22 marinas, and 10 yachts in our country were awarded the Blue Flag. By 2025, 577 beaches, 29 marinas, 8 individual yachts, and 18 tourist boats in our country have been awarded the Blue Flag, making our country third in the world in terms of the number of beaches. Accommodation statistics for provinces with Blue Flag beaches in our country, including facility entry and overnight stay figures, were compared with the total for all of Türkiye, and according to this data, the share of Blue Flag provinces in the total number of arrivals at facilities in Türkiye was 75.2 percent in 2022, 75.1 percent in 2023, and 75.5 percent in 2024. Similarly, looking at the overnight stays, the share of the total number of overnight stays in Blue Flag provinces within all provinces was 83.9 percent in 2022, 83.4 percent in 2023, and 83.5 percent in 2024. These data show that Blue Flag applications have created a stable attraction in regions with high tourist traffic and that these provinces continue to have a decisive share in Türkiye's overall accommodation performance. When the increase in Blue Flag beaches is evaluated in terms of tourist preferences and destination choices in the long term, it is expected that compliance with environmental criteria will strengthen the regional tourism brand, and Blue Flag applications will become increasingly dynamic.

In order to improve service quality by developing the professional knowledge and skills of personnel working in accommodation and food and beverage establishments, comprehensive vocational tourism training activities continue to increase. Between 2018 and 2025, 20,152 sector employees were certified under the training programs that were organized. These data show that service quality in tourism is steadily improving through staff training.

#### **4. Estimated cost of the activities and the source of financing:**

**2026:** 7,517,130,206 TL (Central Budget + TGA Budget)

**2027:** 8,539,717,866 TL (Central Budget + TGA Budget)

**2028:** 9,563,160,850 TL (Central Budget + TGA Budget)

Between 2026 and 2028, in line with the objective of mitigating the impacts of climate change on the tourism sector and increasing the adaptation capacity of the sector the following activities are covered by the budget of the General Directorate of Investments and Enterprises.

- In 2025 and 2026, the works of producing risk maps, conducting spatial planning studies compatible with climate change and preparing a climate adaptation guide will be completed in the pilot tourism regions to be selected. Since these works require expertise, the service procurement method will be used and the cost for 2025 and 2026 is 1 million 560.000 + VAT TL and 2 million TL, respectively.
- In 2027-2028, it is envisaged to complete the necessary legislative work that will form the basis for climate change compatible planning studies on the subject (circular and regulation work including the regulation of indications and technical requirements) and to work in coordination with central and local governments in order to spread climate change compatible tourism plans throughout the country. The estimated cost of these activities cannot be estimated at this stage.
- Under the protocol between the Ministry of Culture and Tourism and the Ministry of Health, funds are transferred annually from the Ministry of Culture and Tourism to the Ministry of Health for microbiological analysis of swimming water. Within this framework, 6,000,000 TL has been allocated for 2026, 6,250,000 TL for 2027, and 7,250,000 TL for 2028.
- Costs related to the activities planned within the Türkiye Environmental and Cultural Sustainability Programme by the Ministry of Culture and Tourism of the Directorate General for Türkiye Tourism Promotion and Development Agency (TGA) are indicated below for each year and these activities are planned to be financed by the budget of the TGA.

**5. Expected impact on social outcomes, such as employment, poverty reduction, gender equality and access to health care:** This measure will increase employment and thus contribute to reducing poverty. In addition, the tourism sector is expected to make a positive contribution to reducing gender discrimination as it offers opportunities suitable for the employment of women. From a healthcare perspective, this measure is neutral.

As of November 4, 2025, the number of people who participated in the training in 2025 was 534. It was decided to conduct operations and deliver the theoretical parts of training online through an online education platform belonging to our Ministry. Program purchase procedures have been completed, training content has been uploaded to the system, and the testing phase has begun. Following the activation of the online training platform, the aim is to make the prepared content available to users.

**6. Expected impact on environment and climate change:** The concept of sustainability has gained importance in the development of tourism products and consumer destination preferences. Emphasizing this concept in the promotional campaigns of the country will contribute positively to the planning and supply creation process of the tourism sector and will contribute to the reduction of environmental pressure caused by tourism.

Within the scope of the ongoing studies on the relationship between climate change and tourism, namely the projects “Climate-Resilient Spatial Plan Preparation for Culture and Tourism Conservation and Development Regions and Tourism Centers: The Case of Çanakkale Tourism Center” and “Preparation of the Climate-Resilient Designation and Spatial Planning

Guideline for Culture and Tourism Conservation and Development Regions and Tourism Centers,” as well as subsequent activities, the following impacts are expected:

**Short Term (1–3 years):**

- Climate risk analyses (such as temperature increase, forest fires, floods, and coastal erosion) will be conducted for all Tourism Centers and Culture and Tourism Conservation and Development Regions (CTCDRs), and climate-resilient spatial planning decisions will be developed. Through the guideline documents prepared under this scope, new tourism plans are expected to incorporate “climate sensitivity” criteria.

**Medium Term (3–7 years):**

- The integration of climate-sensitive planning approaches into local governance and investment processes is expected to result in savings in energy and water consumption.

**Long Term (7 years and beyond):**

- The tourism sector will become more resilient to disasters and climate risks by increasing its capacity to adapt to climate change.
- The long-term goal is to reduce greenhouse gas emissions.

On the other hand, the Blue Flag Program carried out by TÜRÇEV with the support of Ministry of Culture and Tourism, Ministry of Environment, Urbanization and Climate Change and the Ministry of Health aims to protect and use seas in a clean and sustainable way without damaging their ecosystem. Türkiye is currently ranked third in the world with 577 blue flag beaches. In addition, in order to eliminate polluting elements that will directly affect the quality of urban infrastructure, especially the swimming water, in coastal areas, Ministry of Culture and Tourism carries out studies to ensure that infrastructure facilities such as wastewater treatment plant, deep sea discharge, sewage network and collector lines are completed immediately and sea water quality complies with the EU criteria.

**7. Potential risks:**

Risk	Probability	Planned mitigating action
Geopolitical developments and possible natural disasters in the country and in the world	Medium	Preparation of Contingency Plans to be prepared for possible crisis
Difficulties that may be experienced in accessing the financing needed for investments that accommodation facilities need to realize in order to obtain certification	Medium	Reducing the risks with the Investment Commitment Advance Loan, which is currently being implemented, and the loan methods to be applied in the upcoming period in agreement with the relevant public institutions and organizations and financial institutions
Decrease in airline traffic, border closures due to unforeseen pandemics	Medium	Expanding the scope of the Safe Tourism Certification Program to be valid for other unforeseen or infectious diseases, and making it permanent

**Table 10a: Cost of Structural Reform Measure**

Year	Salaries	Goods and Services	Subsidies and Transfers	Capital Expenditures	Total
<b>“Promoting Sustainable Tourism and Branding”</b>					
<b>2026</b>		7.515.130.206		2.000.000	7.517.130.206
<b>2027</b>		8.539.717.866			8.539.717.866
<b>2028</b>		9.563.160.850			9.563.160.850

**Table 10b: Finance of Structural Reform Measure**

Year	Central Budget	Local Budget	Other National Public Finance Sources	IPA Funds	Other Grants	Project Loans	TBD	Total
<b>“Promoting Sustainable Tourism and Branding”</b>								
<b>2026</b>	8.000.000		7.509.130.206					7.517.130.206
<b>2027</b>	6.750.000		8.532.967.866					8.539.717.866
<b>2028</b>	7.250.000		9.555.910.850					9.563.160.850

**Table 11: Reporting on the implementation of the Structural Reform Measures of ERP 2025-2027**

ERP (2025-2027) Measure 2: Promoting sustainable tourism and branding		Reformun Durumunun (0-5)*	Uygulanma Değerlendirilmesi
Activities planned for 2025	<ul style="list-style-type: none"> <li>• All accommodation facilities will be required to obtain at least the Stage 2 Verification of the Türkiye Environmental and Cultural Sustainability Program by the end of 2025 and efforts will be made to increase the number of facilities achieving the Stage 3 Certificate through training and promotional activities.</li> </ul>	5	
	<ul style="list-style-type: none"> <li>• As a module of the Türkiye Environmental and Cultural Sustainability Program, expert teams and technical support will be provided to the GSTC for the development of international food and beverages service providers standards to position the food and beverage sector internationally.</li> </ul>	2	
	<ul style="list-style-type: none"> <li>• To expand the scope of the Türkiye Environmental and Cultural Sustainability Program, activities in categories such as destinations, tour operators, travel agencies, and MICE will be conducted with consultancy support. Operational processes will be facilitated through training, software and digital product development, capacity building, legal consultancy, call and operations center services, collaboration, and promotional activities.</li> </ul>	1	
	<ul style="list-style-type: none"> <li>• To enhance Türkiye's ranking in international sustainability competitiveness indices, collaborative and academic studies will be carried out with relevant institutions and stakeholders.</li> </ul>	5	
	<ul style="list-style-type: none"> <li>• To promote sustainability labels and certifications, certification and promotional activities will be implemented for sustainable museums and cultural centers.</li> </ul>	3	
	<ul style="list-style-type: none"> <li>• In line with Türkiye's sustainable tourism vision to expand tourism in Türkiye to 12 months and 81 provinces, Türkiye's promotions on TV, digital and printed media as well as hosting press members, digital content producers, opinion leaders and tour operators from target countries will be organized to strengthen the perception that Türkiye has alternative and especially sustainable tourism products other than sea-sand-sun tourism and to ensure branding in this context.</li> </ul> <p>Within the framework of agreements with global channels, it has been planned to complete the number of spots at least 5,000, digital screenings at least 15,000,000 and TV/digital promotional films at least 4 throughout the year. Additionally, in print media, planning will focus on the markets to be determined in the</p>	5	

	<p>international arena, selecting the most prestigious and high-circulation outlets with a frequency of at least 3 placements.</p> <p><b>DIGITAL MARKETING:</b> GoTürkiye achieved its 2025 target with over 38 million impressions on social media channels.</p> <p><b>MARKETING EVENTS:</b> Between January and October 2025, a total of 5,226 participants were hosted in 62 cities, including 2,053 members of the press and influencers from 100 countries, as well as 3,173 tour operators, within the scope of 325 events. The targeted figures were achieved. Sustainability was incorporated into the programs of the events and hosting activities carried out, and it is planned to integrate the sustainability theme even more into the events and hosting activities scheduled for 2026.</p> <p><b>GLOBAL MEDIA:</b> The targets have been achieved across all platforms.</p>	
	<ul style="list-style-type: none"> <li>Within the scope of sustainable tourism communications, digital broadcasts were carried out in 12 countries as part of the promotional film communication for the Türkiye Environmental and Cultural Sustainability Program. In order to promote sustainable tourism in Türkiye and increase the number of visitors to the website <a href="http://sustainable.goturkiye.com">sustainable.goturkiye.com</a>, digital communication activities were carried out in 22 countries.</li> </ul> <p><b>MARCOM:</b> During the January–October 2025 period, within the scope of sustainability-themed digital publications, film, traffic, and search campaigns were carried out in 27 countries, resulting in 95 million impressions.</p>	5
	<ul style="list-style-type: none"> <li>Increasing demand and raising awareness for Türkiye by establishing sustainable collaborations with airlines operating flights to Türkiye, tour operators and Online Travel Agencies's (OTA) selling Türkiye and Mediterranean destinations. Due to underperformance of local Chinese OTAs in 2025, it has been decided not to continue working with these platforms (Qunar, Fliggy, Tuniu) in 2026</li> <li>Continuing to diversify Türkiye's tourism branding strategies to include new destinations, tourism products and themes in line with sustainability principles; raising awareness on different tourism products that can be experienced across Türkiye throughout all four seasons; promoting new branded destinations under Türkiye's umbrella brand communication by implementing thematic brand communication strategies for gastronomy, Eastern and Southeastern Anatolia, sports, health and faith tourism.</li> <li>The planned cultural route promotion activities for 2025 are continuing effectively.</li> </ul>	4
	<ul style="list-style-type: none"> <li>Creating promotional materials specific to the needs of the provinces and continuing their work on behalf of sustainable tourism. Domestic Tourism activities should also be actively continued in 81 cities 50 projects with 300 social media local personalities this process.</li> </ul> <p>The number of projects and influencers reached has exceeded the initially targeted figures.</p>	5
	<ul style="list-style-type: none"> <li>To promote Türkiye internationally, campaign collaborations have been planned with globally recognized Online Travel Agencies (OTAs) and tour operators. These initiatives aim to enhance awareness of Türkiye as a destination and showcase its diverse tourism offerings.</li> </ul>	4

	<ul style="list-style-type: none"> <li>Following China's opening to tourism, agreements were made with leading companies in China to effectively promote Türkiye in China. Due to underperformance of local Chinese OTAs in 2025, it has been decided not to continue working with these platforms (Qunar, Fliggy, Tuniu) in 2026.</li> </ul>	4
	<ul style="list-style-type: none"> <li>By the end of 2025 participation will have been ensured with a Türkiye pavilion in a total of 28 international tourism trade fairs, including 22 fairs in 20 countries abroad and 6 fairs domestically. Together with 496 tourism sector professional organizations participating in major fairs abroad, Türkiye's tourism promotion is being carried out effectively.</li> </ul>	4
	<ul style="list-style-type: none"> <li>The promotional activities planned for 2025 are being effectively carried out, and participation in the 28 fairs scheduled for this year will be completed by year-end.</li> </ul>	4
	<ul style="list-style-type: none"> <li>Total of 243 Provincial Promotion and Development Board meetings will be held in 81 cities. In all 81 provinces, the Provincial Promotion and Development Board meetings continue to be held regularly.</li> </ul>	4
	<ul style="list-style-type: none"> <li>To advance gastronomic tourism - one of the key pillars of sustainability in tourism - Turkish Cuisine Week (May 21-27) was celebrated for the fourth time in 2025 with the theme "Classics of Turkish Cuisine." Within the scope of the events, activities were carried out to promote the healthy, traditional, and zero-waste values of Turkish cuisine through curated menus in international gastronomy platforms. As part of efforts to enhance Türkiye's visibility in the Michelin Guide, Cappadocia was added as a new destination, with the 2025 selection scheduled to be announced on 4 December 2025. In addition, a gastronomy-focused filming project was launched to highlight the local and sustainable culinary assets of provinces for the Institution's social media channels.</li> </ul> <p>Turkish Cuisine Week was celebrated in 81 provinces and 108 countries. A total of 54 original videos were produced and shared across all accounts.</p> <p>With the addition of Cappadocia to the Michelin Guide, its coverage expanded to four destinations.</p> <p>Filming was completed in 8 of the 13 selected provinces, and the remaining 5 will be finalized by the end of 2025.</p>	5
	<ul style="list-style-type: none"> <li>The village of Birgi, located in the Ödemiş district of İzmir, will be a pilot destination for the creation of a "Sustainable Green Destination Model" in collaboration with the United Nations Development Program (UNDP), Enerjisa and Ministry of Culture and Tourism (Türkiye Tourism Promotion and Development Agency (TGA) and General Directorate of Investments and Enterprises). It will be transformed into a Sustainable Energy-Based Tourism Application Center (SENTRUM) project to promote sustainable tourism and support local economic development.</li> </ul> <p>Within the scope of the project in Birgi, the SENTRUM office has been established, energy-efficiency and sustainable tourism infrastructure improvements have been completed, and a sustainable destination management model has been implemented in cooperation with local stakeholders.</p>	5

	<ul style="list-style-type: none"> <li>Preparation of Climate-Resilient Spatial Plans for Cultural and Tourism Conservation and Development Zones and Tourism Centers: The Case of Çanakkale Tourism Center and Preparation of a Climate-Resilient Declaration and Spatial Planning Guide for Cultural and Tourism Conservation and Development Zones and Tourism Centers</li> </ul>	4
	<ul style="list-style-type: none"> <li>Providing vocational training to approximately 4,100 people in 2025 within the scope of Vocational On-the-Job Training Programs organized by the Ministry of Culture and Tourism, if requested by tourism facilities.</li> </ul>	4
	<ul style="list-style-type: none"> <li>Ministry of Culture and Tourism' efforts will continue to increase the number of Blue Flag facilities</li> </ul>	5
	<ul style="list-style-type: none"> <li>Accommodation activities by renting for short-term for tourism purposes in Türkiye</li> </ul>	4
Description of implementation and explanation if partial or no implementation	<ul style="list-style-type: none"> <li>Projects are proceeding as planned, including data collection, analysis, and action recommendations.</li> </ul>	

\*: 0= no implementation, 1=implementation is being prepared, 2=initial steps have been taken, 3=implementation ongoing with some initial results, 4=implementation is advanced, 5=full implementation

## Annex 2 Table: Links between Reform Areas and Relevant Policy Documents

Reform measures ERP 2026-2028	Commission Assessment of Key Structural Challenges in ERP (2025-2027)	ERP Policy Guidance 2025	Enlargement Package 2025	Sustainable Development Goals 2020-2030	European Green Deal	European Digital Agenda	IPA III projects supporting this reform
“Promoting Sustainable Tourism and Branding”				<p>SDG 8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products</p> <p>SDG 12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products</p> <p>SDG 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>2.1.5. Accelerating the shift to sustainable and smart mobility</p> <p>2.1.7. Preserving and restoring ecosystems and biodiversity</p>		

				SDG 13.2 Integrate climate change measures into national policies, strategies and planning			
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**v. Research, development and innovation****a) Analysis of main obstacles**

Recently, it has been observed that issues such as resilience to environmental and technological risks, sustainability, social inclusion and competitiveness address the country's science, technology and innovation policies. The importance of people-oriented and collaborative policies and activities that increase the capacity to develop high value-added products and services, produce solutions to social challenges, especially by focusing on green and digital transformation, has increased. In this context, studies are ongoing to develop qualified R&D human resources in priority sectors and areas in order to adapt to green and digital transformation, to increase the organization and innovation capabilities of the private sector for this transformation, and to establish effective mechanisms and alternative sources for the financing of R&D and innovation.

R&D and innovation activities in Türkiye have increased in recent years, and the ratio of R&D expenditures to GDP realized at 1.42 percent in 2023. However, the need to increase and develop R&D and innovation activities in line with global developments and country priorities, to allocate more resources to R&D and innovation activities by both the public and private sectors, and to increase the number and quality of R&D labour force continues. In this direction, steps are being taken to increase the effectiveness of R&D and innovation activities carried out at universities and research infrastructures in the R&D and innovation ecosystem in order to support high value-added production. An important development initiated in recent years is the research university application and 23 universities have been designated as research universities. Within the framework of the Law No. 6550 on Supporting Research Infrastructures, which is one of the studies aimed at strengthening the R&D capacities of research infrastructures, eleven research infrastructures are supported and the process of monitoring the performances of these infrastructures continues.

## 5.2. Sustainability and Resilience

### i. Green Transition

#### a) Analysis of main obstacles

Türkiye's green transformation efforts are aligned to the European Green Deal. To adapt to these policy changes, Türkiye published its Green Deal Action Plan, a comprehensive road map for a green, sustainable and resource-efficient economy, in July 2021. While these efforts aim to achieve Türkiye's 2053 net zero emission target, they also aim to protect its rights arising from the Customs Union and maintain its competitiveness in the EU market.

The action plan aims to maintain and develop a high level of integration with EU policies, especially the protection of the free movement of goods, which will be greatly affected by the policies and legislation within the scope of the Green Deal, and includes a total of 32 targets and 81 actions to ensure green transformation. In the plan, the relevant institutions responsible for each action are defined and a calendar for the completion of the actions is determined.

While the Action Plan provides the general framework of the alignment to European Green Deal, more focused and sectoral work has been ongoing under the 20 Specialized Working Groups, which are coordinated by relevant Ministries in an inclusive and transparent manner, with the participation of all relevant stakeholders from public, private sector, academia and the civil society. The progress of the Action Plan was reported and the Activity Report of Green Deal Action Plan during the year of 2023 was published by the Ministry of Trade.

Furthermore, due to the dynamic structure of the European Green Deal, efforts have been initiated to update the Action Plan according to new developments and priority actions that have arisen in the context of the European Green Deal.

In line with the main objectives and actions within the Green Deal Action Plan initiated efforts for preparation of sectoral documents such as national strategies on circular economy, green energy transition etc. The Action Plan also forms the basis for green transition policies within the framework of top policy documents such as the 12th Development Plan (2024- 2028) and the Medium Term Program (2024-2026), which lay down the economic and social strategies of Türkiye.

The green transition is one of the key focus areas of the 12th Development Plan. Under the axis of "Competitive Production through Green and Digital Transformation", the Plan outlines policies and measures aimed at achieving green and digital transformation in production, particularly in priority sectors and development areas. These efforts are designed to enhance competitiveness and efficiency in the economy, thereby contributing to increased prosperity. Implementing these policies aims to boost technology, innovation, product quality, productivity, and export capacity; transform production processes; improve the business and investment environment; and enhance competitiveness.

To achieve sustainable and robust growth dynamics, it is crucial to support the necessary technology and infrastructure investments, particularly in the energy, manufacturing, transportation, and agriculture sectors, in line with the 2053 net zero emission target and to develop green and digital skills as well as to enhance financing and incentive mechanisms.

In this context, green taxonomy establishes a common, transparent, and measurable set of criteria for defining which economic activities can be considered environmentally sustainable, thereby providing a comprehensive reference framework for both public policymaking and financial decision-making.

Certification systems based on green taxonomy render the environmental performance of industrial enterprises tangible, comparable, and verifiable; moreover, low-cost financing opportunities, incentives, and support mechanisms provided on the basis of such certifications contribute significantly to reducing the high upfront costs associated with the transition to green technologies.

In the context of Türkiye's 2053 Net Zero Emissions target and the need to safeguard competitiveness in international trade, ensuring the effective and cost-efficient reduction of greenhouse gas emissions has become essential. The absence of a market-based mechanism to steer emission reductions in emission-intensive sectors limits the full utilisation of low-cost abatement opportunities and complicates the ability of industry to adapt to the transition within a predictable and gradual policy framework. In this regard, the implementation of an emissions trading system based on monitoring, reporting and verification is important for effectively supporting the green transition process.

### **b) Reform measures**

#### **Measure 3: “Accelerating green transformation”**

**1. Description of measure:** Türkiye has enacted the Climate Law No. 7552, published in the Official Gazette No. 32951 dated 9 July 2025, as part of its efforts to accelerate the green transition and combat climate change, and work is ongoing to establish a Carbon Border Adjustment Mechanism (CBAM)-aligned Turkish Emissions Trading System (ETS). This system is positioned as one of the most important mitigation tools. Furthermore, as stated in the Green Deal Action Plan, the National Green Taxonomy, is being developed in line with the European Union Taxonomy and it will support efforts to ensure that the financial resources needed to achieve a green transformation are allocated to green investments. Finally, with the establishment of the Green Transformation Certification System in Industry, industrial facilities that engage in clean production are enabled to access financial facilitation mechanisms more easily.

#### ***Activity 1: Establishment of the Turkish Emission Trading System***

The Climate Law has established the legal basis for the establishment of the Türkiye Emissions Trading System (TR ETS). Through the TR ETS, market-based mechanisms aimed at reducing greenhouse gas emissions will be implemented. The process is being carried out under the responsibility of the Directorate of Climate Change in close cooperation with relevant stakeholders.

Under the EU Instrument for Pre-Accession Assistance (IPA)-funded ‘Project on the Transposition of EU ETS Legislation’, planned to commence in 2026, the EU ETS acquis will be analysed, draft legislative arrangements will be prepared, and sectoral economic impact assessments will be conducted. Capacity-building activities on an EU-aligned national ETS will also constitute key outputs of the project.

Efforts related to the design of the Emissions Trading System and the preparation of relevant legislation by stakeholder institutions are progressing rapidly. Technical meetings with the Energy Market Regulatory Authority (EMRA) and the Energy Exchange Istanbul (EXIST) continue regarding the establishment and operationalization of the ETS market. Within the scope of the Green Deal Action Plan, a Carbon Pricing Working Group has been established to support the development of a national ETS, and continuous consultation is being carried out with all relevant institutions and organizations.

### ***Activity 2: Preparation of Turkish Green Taxonomy***

Within the scope of the 2021 Green Deal Action Plan, which aims to mobilise green finance and support green transformation in all relevant policy areas in our country, national taxonomy legislation is being prepared, which determines the qualities that an economic activity must have to be sustainable.

Taxonomy is a classification system that translates climate and environmental objectives into criteria for specific economic activities for investment purposes. The taxonomy establishes a list of environmentally sustainable economic activities, thus indicating to companies, investors and policy makers which economic activities are environmentally sustainable. The taxonomy is intended to be a tool that reassures investors, protects private investors from greenwashing, and supports companies to direct their investments to the areas of greatest need.

A regulation on the Türkiye Green Taxonomy, which classifies the sustainability of investments and integrates financial flows into green investments, will be introduced. The Türkiye Green Taxonomy consists of six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Within the scope of the taxonomy, it is planned to publish technical screening criteria for 141 economic activities under 18 sectors in the first phase. The regulation is planned to enter into force in 2026, and mandatory reporting requirements for financial institutions will be introduced starting from 2028.

### ***Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production***

With the Regulation on the Management of Industrial Emissions, which was entered into force on 1 December 2025, both the EU-aligned permitting procedures, including those related to the Waste Shipment Regulation and the documentation of cleaner production on product labels, and the requirements targeting emission reduction and zero pollution set out in the decarbonization and taxonomy regulations will be fulfilled, and the Green Transition in Industry (SYD) Certificate, which will be equivalent to the EU Integrated Pollution Prevention and Control (IPPC) Certificate, will facilitate easier access for industry to national and international credit funds for industry. Approximately 6,000 facilities operate in sectors falling within the scope of the Regulation, including energy, metals, minerals, chemicals, waste management, as well as textiles, automotive, leather, paper, food and livestock production. Taking as a basis the

The industrial facilities will be certified with the SYD Certificate, taking into account the technical, technological, and emission levels in these sectoral communiqués, which were published in the Turkish Official Gazette No.33093 on November 30, 2025 and entered into force on December 1, 2025. Facilities demonstrating full (100%) compliance with the BAT requirements will be issued a Category A SYD Certificate following a conformity assessment carried out by an accredited third-party verification body, while Categories B (90–99 points), C (80–89 points), D (70–79 points), E (60–69 points) and F (50–59 points) will be issued in accordance with the established scoring methodology.

New facility investments to be established in Türkiye shall be planned, constructed and commissioned at a minimum of Category D as of the date on which the Regulation enters into force. Industrial facilities that are in operation on the date of entry into force of this Regulation, or that have submitted an application under the environmental impact assessment legislation, shall be required to obtain, through a phased transition process, at least a Category F Green Transition in Industry Certificate by 31 December 2028 and at least a Category D Certificate by 31 December 2030.

In addition to the European Union and credit institutions, environmental performance criteria, which are also included in the certification systems related to energy and production models of our ministries such as the Ministry of Industry and Technology, the Ministry of Trade, and the Ministry of Energy and Natural Resources, will also be documented. In order to cover the investment costs arising from all these trade-related regulatory requirements, a new financial support initiative has been launched under the leadership of the Ministry of Environment, Urbanization and Climate Change within the framework of Türkiye's Emission Reduction Project, for which the Ministry serves as a steering committee member. Under this initiative, a five-year loan agreement was concluded in 2024 between the World Bank and the Development and Investment Bank of Türkiye, and, in accordance with this agreement, credit is being provided to industrialists holding a Green Transition in Industry Certificate. Starting in 2024, a five-year loan agreement for a total of \$416 million has been established for industrialists who hold the Green Transition Certificate, and applications are being accepted from industries listed in Annex I of the EED. Applicants must demonstrate that the modernization or new production they are applying for financing has resulted in reductions of particulate matter, nitrogen dioxide, and greenhouse gases. The target of 70 million USD projected for 2025 has been exceeded, and a total of 110 million EUR in credit has been made available to the sectors within the scope of the Green Transition in Industry. In addition, the World Bank has indicated that an additional budget allocation will be provided for 2026.

#### ***Relationship of the measure with top policy documents/national strategic documents***

As stated in the 12th Development Plan (2024-2028), policy and measures no. 297, 317, 865 and 866; "865.4. "Within the scope of the "Green Deal Action Plan", sectoral road maps will be updated, monitoring and evaluation systems will be developed, and legislative studies will be carried out." "866.1. "Efforts will be carried out to disseminate the best existing environmental practices regarding sustainable consumption and production." "297. In line with net zero emission targets, regulations will be implemented that will minimize the economic costs of combating climate change and ensure maximum benefit from the opportunities brought

by digital transition and green transition.” “317. Sustainable, low emission, integrated and environmentally friendly policies with digital production techniques will be adopted, especially in the energy, transportation, industry and agriculture sectors, and the necessary regulations for green transition will be implemented in line with net zero emission targets.”

The Medium-Term Program (2025-2027) includes a similar goal: "Accelerating Green Transition: Policies will be implemented to accelerate the green transition process for sustainable growth, strengthening alignment with international regulations, increasing the use of renewable energy sources, and improving energy efficiency."

Additionally, **the Investment Environment Improvement Coordination Council (YOİKK)** and the **Türkiye's International Direct Investment Strategy (UDYS)** have developed actions under the responsibility of the Ministry's General Directorate of Environmental Management, with details provided below, and these actions are monitored on a monthly basis:

- “Promoting the green transition in industry certificates and carrying out studies to support their use in public procurement”.

**2026 Presidential Annual Programme:** Activities under the policy: “*Within the framework of the transition to a circular economy, sustainable production and consumption patterns will be implemented to ensure the efficient use of resources.*”

- A data-sharing infrastructure on Green Transition in Industry categories and environmental performance will be established to strengthen access to green financing.
- Sector-specific scoring matrices will be developed within the framework of the legislation issued under the Green Transformation in Industry.
- An algorithm for calculating the environmental performance of industrial facilities implementing clean and resource-efficient production will be determined and published within the scope of the Green Transition in Industry.
- A Green Transition in Industry Hub will be established by developing a portal that enables all stakeholders involved in the Green Transition in Industry process to communicate through a single integrated platform.
- The National Action Plan on Sustainable Consumption and Production will be prepared, and its monitoring will be ensured through a single software system incorporating data inputs from the relevant institutions.
- Activities aimed at raising awareness and enhancing capacity within the framework of Sustainable Consumption and Production will be carried out.
- Guidelines on environmental best practices for the seven sectors included in the National Action Plan on Sustainable Consumption and Production will be published.

Activities under the policy: “*Green transition in the manufacturing industry will be supported, and circular and sustainable production practices will be enhanced.*”

- Applications for the Green Transition in Industry will be received from industrial facilities implementing clean and resource-efficient production, in accordance with the Regulation on the Management of Industrial Emissions.
- Work will be undertaken to enhance the Green Transition in Industry certification system through the integration of Artificial Intelligence.
- Activities will be carried out to prioritize the Green Transition in Industry Certificate in public procurement processes with the aim of improving access to green financing.

A sector-specific expert pool will be established for experts taking part in the Green Transition in Industry process, and training and information activities will be organized.

#### **i. Activities planned in 2026:**

##### ***Activity 1: Establishment of the Turkish Emission Trading System***

- Launching the Pilot ETS phase
- Starting work on the harmonization of the Turkish ETS with the EU ETS by means of a project within the scope of the Instrument for Pre-Accession Assistance (IPA) program.
- Operating the ETSPYS (ETS Market Management System) platform, developed by EPIAŞ, in the test environment, and completing the security tests of the Transaction Registry System (İKS)
- Integrating the Emission Monitoring, Reporting and Verification (MRV) systems into the EPIAŞ's software infrastructure
- Completing the participant training programs and the online guidance for facilities to be included in the ETS
- Operating the Transaction Registry System and executing the allocation processes, operating the primary and secondary markets as well as the financial procedures related to these markets

##### ***Activity 2: Preparation of Turkish Green Taxonomy***

- In line with the feedback received from institutions and organizations on the Türkiye Green Taxonomy Regulation, the regulation will be revised and the necessary actions will be carried out by the Climate Change Presidency.

##### ***Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production***

- With the publication of the Regulation on the Management of Industrial Emissions, the certification software, which has begun receiving applications, will continue to accept and evaluate certificate applications.
- In accordance with the five-year loan agreement signed in 2024 between the World Bank and the Development and Investment Bank of Türkiye, under the Türkiye Emission Reduction Project for which the Ministry of Environment, Urbanization and

Climate Change serves as a steering committee member, credit continues to be provided to industrialists holding a Green Transition in Industry Certificate.

**ii. Activities planned in 2027:**

***Activity 1: Establishment of the Turkish Emission Trading System***

- Continuing the Pilot ETS phase
- Determining the benchmark values of 2026 and the execution of the compliance processes of the facilities
- Continuing of the participant training programs for facilities to be included in the ETS
- Operating the Transaction Registry System and executing the allocation processes, operating the primary and secondary markets as well as the financial procedures related to these markets

***Activity 2: Preparation of Turkish Green Taxonomy***

- Within the scope of the Türkiye Green Taxonomy Regulation, institutions and organizations will be informed regarding compliance reporting, and the necessary infrastructure will be established to provide related training.

***Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production.***

- With the publication of the Regulation on the Management of Industrial Emissions, the certification software, which has begun receiving applications, will continue to accept and evaluate certificate applications.
- In accordance with the five-year loan agreement signed in 2024 between the World Bank and the Development and Investment Bank of Türkiye, under the Türkiye Emission Reduction Project for which the Ministry of Environment, Urbanization and Climate Change serves as a steering committee member, credit continues to be provided to industrialists holding a Green Transition in Industry Certificate

**iii. Activities planned in 2028:**

***Activity 1: Establishment of the Turkish Emission Trading System***

- Ending the pilot period and starting the ETS 1st Implementation period
- Evaluating the impact of ETS application on sectors
- Continuing the operation of ETSPYS, launched by EPIAŞ during the pilot phase, with updated data during the implementation period
- Operating the Transaction Registry System and executing the allocation processes, operating the primary and secondary markets as well as the financial procedures related to these markets
- Determining ETS market related indicators and initiating the public disclosure of these indicators through the online portal

**Activity 2: Preparation of Turkish Green Taxonomy**

- In accordance with the Türkiye Green Taxonomy Regulation, mandatory reporting will be required from financial institutions.

**Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production**

- With the publication of the Regulation on the Management of Industrial Emissions, the certification software, which has begun receiving applications, will continue to accept and evaluate certificate applications.
- In accordance with the five-year loan agreement signed in 2024 between the World Bank and the Development and Investment Bank of Türkiye, under the Türkiye Emission Reduction Project for which the Ministry of Environment, Urbanization and Climate Change serves as a steering committee member, credit continues to be provided to industrialists holding a Green Transition in Industry Certificate.

**2. Result indicators:**

Indicator	Current Situation	2026	2027	2028
<b>Activity 1: Establishment of the Turkish Emission Trading System</b>				
Publishing the regulatory legislation for the Turkish ETS	-	1	1	1
Operation of the ETS pilot period	-	1	1	-
Launch of ETS First Implementation Period	-	-	-	1
Development of the ETSPYS	-	1	-	-
<b>Activity 2: Preparation of Turkish Green Taxonomy</b>				
Türkiye Green Taxonomy Regulation entered into force	-	1	-	-
Informing institutions about compliance reporting and establishing the training infrastructure related to reporting	-	-	1	-
Mandatory taxonomy compliance reporting by financial institutions	-	-	-	1
<b>Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production</b>				
Number of Green Transition Certificate Applications	-	100	200	500
Number of Green Transition Financial Support Applications*	-	10	20	30
Financial Support Amount of Green Transition (million dollars)	-	290	200	200

### **3. Expected impact on competitiveness:**

#### ***Activity 1: Establishment of the Turkish Emission Trading System***

It is thought that the implementation of carbon pricing for the emission trading system in Türkiye will accelerate the green transformation process.

In this respect, the carbon pricing is considered to have a positive impact on our country's competitiveness, especially considering the impact of the EU CBAM on trade.

The study 'The Potential Impact of the Carbon Border Adjustment Mechanism on the Turkish Economy', conducted in cooperation with the European Bank for Reconstruction and Development, quantitatively assesses the competitiveness impacts of establishing a national emissions trading system (ETS) in Türkiye under alternative scenarios. These impacts are evaluated primarily in terms of potential cost savings.

The analysis considers two carbon price levels, EUR 75/tCO<sub>2</sub>e and EUR 150/tCO<sub>2</sub>e. Under a continuation of the current policy framework, the application of a CBAM price of EUR 75/tCO<sub>2</sub>e by the European Union is estimated to impose annual costs of approximately EUR 138 million on Turkish industry by 2027. Under a CBAM price of EUR 150/tCO<sub>2</sub>e, these annual costs are projected to increase to around EUR 2.6 billion by 2032.

The findings indicate that the establishment of a national ETS in Türkiye could substantially reduce the costs arising from the implementation of CBAM. Specifically, the estimated cost of EUR 138 million in 2027 could be reduced to EUR 56 million, while the projected cost of EUR 2.579 billion in 2032 could be reduced to approximately EUR 1.079 billion. These results demonstrate that a domestic ETS would enable Türkiye to internalize a significant share of the CBAM-related cost burden and strategically channel the associated resources toward accelerating its low-carbon development pathway.

#### ***Activity 2: Preparation of Turkish Green Taxonomy***

Through the disclosure and reporting to be made within the scope of the Türkiye Green Taxonomy, market actors will have easier access to financing provided by investors with environmental and social sensitivities. Thus, green investments will be encouraged and the development of environmentally friendly technologies and products will accelerate. This will create new business opportunities and increase competition.

#### ***Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production***

With the publication of the Industrial Emissions Management Regulation, a legal basis will be laid for the actions included in the measure to be carried out. In this respect, it is aimed to prevent and reduce emissions (in air, water, soil, noise environments) and waste originating from industrial facilities with high pollution by using the best techniques and technologies at their source.

In the green transition process, which aims at EU-compatible production, the production stages of the industry will be evaluated and scored according to the best available techniques. A Green Transition in Industry Certificate, which is valid nationally and internationally,

facilitates access to green financing, and will be equivalent to the EU Certificate, will be issued to the facilities that receive the required minimum score, stating that they carry out environmentally friendly and sustainable production. It will be necessary to ensure technological transition in existing facilities that causes minimal damage to the environment and is based on the entire enterprise. It is aimed planning new investments in this direction during the design phase.

It will be shown that full compliance has been achieved in sectors such as iron and steel, scrap imports, batteries and fertilizers, which are mandatory to remain competitive within the framework of trade relations with the EU. With the green transition process, high-pollution sectors such as textile, chemistry and automotive will be added to these sectors, and certification of environmental production in trade will become increasingly mandatory for other sectors. Again, the "minimum damage to the environment" prerequisite of the EU taxonomy, which affects competition in trade and regulates access to green finance, will be met with this document. It is evaluated that sectors that are currently exporting and have a high level of compliance will be able to overcome the bottlenecks that may occur in trade with this document.

It is aimed to ensure that our country's industry does not fall behind in trade and competition and remains in the race by obtaining "green transition in industry certificates", which are indicators of environmentally sustainable production, which is a prerequisite for the loan and grant agreements provided to industrialists at the point of access to finance.

#### **4. Estimated cost of the activities and the source of financing:**

##### ***Activity 1: Establishment of the Turkish Emission Trading System<sup>4</sup>***

**2026:** 76,874,000 TL (1.65 Million USD) (World Bank)

43,768,000 TL (800 Thousand €) (IPA)

**2027:** 69,885,000 TL (1.5 Million USD) (World Bank)

65,652,000 TL (1.2 Milyon €) (IPA)

**2028:** 60,567,000 TL (1.3 Million USD) (World Bank)

43,768,000 TL (800 Thousand €) (IPA)

##### **Aktivite 2) Türkiye Yeşil Taksonomisinin Hazırlanması**

**2026:** 78,782,000 TL (1.44 Million €) (IPA)

**2027:** 52,522,000 TL (960 Thousand €) (IPA)

**2028:** ---

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<sup>4</sup> The project implemented within the scope of the establishment of the Emissions Trading System Market and the Transaction Registry System under the Türkiye Emissions Trading System is being developed using EPİAŞ's internal resources.

***Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production***

**2026:** 290 Million Dollars (Foreign Financed Budget- Loans)

It is anticipated that in 2026, there will be approximately twice as much credit opportunity compared to the previous period, assuming that the project announcement reaches a larger audience.

**2027:** 200 Million Dollars (Foreign Financed Budget- Loans)

As the allocation of the 416 million USD loan for 2027 has been successfully completed and the World Bank has notified that an additional 500 million USD in financing will be provided, it is planned that the remaining portion will be allocated as additional credit for 2027 and 2028.

**2028:** 200 Million Dollars (Foreign Financed Budget- Loans)

As the allocation of the 416 million USD loan for 2028 has been successfully completed and the World Bank has announced that an additional 500 million USD in financing will be provided, it is planned that the remaining portion will be allocated as additional credit in 2028.

**5. Expected impact on social outcomes, such as employment, poverty reduction, gender equality and access to health care:** With the green transition, there will be impacts on employment as new regulations include environmental regulations in trade in line with EU and world norms. If the regulations are implemented within the scope of the measure, the negative impact on employment will be minimized and it will even be possible to open new employment areas if domestic production technologies are introduced in the industry along with the green transition.

**6. Expected impact on environment and climate change:**

***Activity 1: Establishment of the Turkish Emission Trading System***

With the activation of the emission trading system, which is determined as a reduction tool in Türkiye's updated 1st nationally determined contribution (NDC), it is expected that policies for the market-based and cost-effective reduction of greenhouse gas emissions will be strengthened, and an important step will be taken in terms of contributing to the global fight against climate change.

***Activity 2: Preparation of Turkish Green Taxonomy***

Markets will be created for new environmentally friendly technologies and products. New business models and collaborations will be developed to improve environmental performance. Supporting efforts to reduce greenhouse gas emissions and adapt to the effects of climate change.

**Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production**

The measure has a direct impact on environmental and climate change policies. With the publication of the Industrial Emissions Management Regulation on green transition, the industry will need to operate within stricter emission ranges than those specified in the environmental legislation currently in force, and with lower emission levels, an increase in air, water and soil quality and waste reduction will be possible.

**7. Potential risks:**

Risk	Probability	Planned mitigating action
<b>Activity 1: Establishment of the Turkish Emission Trading System</b>		
Difficulty in compliance of compliance entities with the ETS	Medium	Ensuring close cooperation and coordination with all stakeholders during the ETS design and implementation process
<b>Activity 2: Preparation of Turkish Green Taxonomy</b>		
The effectiveness of the taxonomy may be reduced if those responsible do not have sufficient data to accurately measure and report their environmental impacts.	Medium	Preparation of guidelines for implementation, organisation of trainings to increase capacity
<b>Activity 3: Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production</b>		
Applications not at the expected level	Low	Increasing promotional activities regarding financial support and carrying out the work of the support program by holding meetings with the target audience through the relevant industry chambers, and making updates to the program if necessary according to the feedback.

**Table 10a: Costing of structural reform measure (TL)**

Year	Salaries	Goods and Services	Subsidies and transfers	Capital expenditure	Total
<i>Accelerating green transformation</i>					
2026	10.000.000	189.424.000			199.424.000
2027	12.000.000	176.059.000			188.059.000
2028	15.000.000	89.335.000			104.335.000

**Table 10a: Costing of structural reform measure (Euro)**

Year	Wages	Goods and Services	Subsidies and Transfers	Capital Expenditures	Total
<b><u>Activity 3: Providing green financial support to those who document the use of best environmental practices in production within industrial sectors listed in Annex I of the Industrial Emissions Directive, by obtaining a Green Transition Certificate.</u></b>					
2026			290 Million Dollars		290 Million Dollars
2027			200 Million Dollars		200 Million Dollars
2028			200 Million Dollars		200 Million Dollars

The above figures are derived from the Investment Analysis and Final Reports obtained from the DIES Project (Determination of Industrial Emissions Strategy of Türkiye in Accordance with Integrated Pollution Prevention and Control, funded by IPA 2). The costs were calculated for short, medium, and long-term, considering minimum, average, and maximum costs.

**Table 10b: Financing of structural reform measure (TL)**

Year	Central budget	Local budgets	Other national public finance sources	IPA Funds	Other grants	Project loans	To be determined	Total
<i>Accelerating green transformation</i>								
2026				122.550.000	76.874.000			199.424.000
2027				118.174.000	69.885.000			188.059.000
2028				43.768.000	60.567.000			104.335.000

**Table 10b: Financing of structural reform measure (Euro)**

Year	Central Budget	Local Budget	Other National Public Finance Sources	IPA Funds	Other Grants	Project Loans	To be determined	Total
<b><u>Activity 3: Providing green financial support to those who document the use of best environmental practices in production within industrial sectors listed in Annex I of the Regulation on the Management of Industrial Emissions, by obtaining a Green Transition Certificate.</u></b>								
2026						290 Million Dollars		290 Million Dollars
2027						200 Million Dollars		200 Million Dollars
2028						200 Million Dollars		200 Million Dollars

**Table 11: Reporting on the implementation of the structural reform measures of the ERP 2025-2027**

	<b>Measure 3: “Accelerating green transformation”</b>	<b>Stage of reform implementation (1-5)*</b>
Activities planned for 2025	<b>Activity 1) Establishment of Türkiye Emissions Trading System</b>	4
	Significant progress has been made in identifying the design elements of the Türkiye ETS as a result of the activities carried out under the Directorate of Climate Change including information sessions, consultations, technical meetings, and site visits with public institutions, private sector representatives, and verification bodies. With the adoption of the Climate Law, the ETS process has been placed within a legal framework, and the preparation of secondary legislation is proceeding in parallel. It is aimed to complete the work on defining the design elements by the end of the year.	
Activities planned for 2025	Development of the ETSPYS	4
Activities planned for 2025	<b>Activity 2) Preparation of Türkiye Green Taxonomy</b>	4
	Within the framework of the Green Deal Action Plan, within the authority of preparing a national green taxonomy legislation, our Presidency held 15 technical consultation meetings with users in 2024 regarding the disregard for those listed in the EU Taxonomy. The results of these meetings and processes include the preparation of the Draft Green Taxonomy Regulation for Türkiye, and requests for opinions were made twice from institutions and organizations in 2024 and 2025. Furthermore, Technical Screening Criteria were developed for the regular list of sectors and economic activities, taking into account the EU Taxonomy, and scenarios for taxonomy implementation were presented. The comments and assessments received from institutions and organizations based on the latest request for opinions are currently under review, and the final draft guidance will be ready by the end of 2025.	
Activities planned for 2025	<b>Activity 3) Establishing a Green Transition Certification System for industry to facilitate easy access to financial mechanisms for industrial facilities that engage in clean production</b>	2
	<p>The “Regulation on the Management of Industrial Emissions” was published in the Official Gazette No. 32782 on 14 January 2025 and entered into force on 1 December 2025. With this Regulation, the EU-aligned permitting procedures—such as the waste shipment regulation and the documentation of cleaner production on product labels—as well as the emission-reduction and zero-pollution requirements referenced in decarbonisation and taxonomy regulations will be ensured. Furthermore, the Green Transition in Industry Certificate, which will be equivalent to the EU Integrated Pollution Prevention and Control Certificate, will facilitate industrial access to national and international credit funds.</p> <p>Approximately 6,000 facilities operate in sectors falling within the scope of the Regulation, including energy, metals, minerals, chemicals, waste management, as well as textiles, automotive, leather, paper, food and livestock production. Taking as a basis the Sectoral Best Available Techniques (BAT) Reference Documents and BAT Conclusions prepared by the European Union and published in the Official Journal, sectoral communiqués developed under six main categories covering 33 sectors. These communiqués were published in the Turkish Official Gazette No.33093 on November 30,2025 and entered into force on December 1, 2025. The industrial facilities will be certified with the SYD Certificate, taking into account the technical, technological, and emission levels in these documents. Facilities demonstrating full (100%) compliance with the BAT requirements will be issued a Category A SYD Certificate following a conformity assessment carried out by an accredited third-party verification body, while Categories B (90–99 points), C (80–89 points), D (70–79 points), E (60–69 points) and F (50–59 points) will be issued in accordance with the established scoring methodology.</p>	

	<p>New facility investments to be established in Türkiye shall be planned, constructed and commissioned at a minimum of Category D as of the date on which the Regulation enters into force. Industrial facilities that are in operation on the date of entry into force of this Regulation, or that have submitted an application under the environmental impact assessment legislation, shall be required to obtain, through a phased transition process, at least a Category F Green Transition in Industry Certificate by 31 December 2028 and at least a Category D Certificate by 31 December 2030.</p> <p>In addition to the European Union and credit institutions, environmental performance criteria, which are also included in the certification systems related to energy and production models of our ministries such as the Ministry of Industry and Technology, the Ministry of Trade, and the Ministry of Energy and Natural Resources, will also be documented. In order to cover the investment costs arising from all these trade-related regulatory requirements, a new financial support initiative has been launched under the leadership of the Ministry of Environment, Urbanization and Climate Change within the framework of Türkiye's Emission Reduction Project, for which the Ministry serves as a steering committee member. Under this initiative, a five-year loan agreement was concluded in 2024 between the World Bank and the Development and Investment Bank of Türkiye, and, in accordance with this agreement, credit is being provided to industrialists holding a Green Transition in Industry Certificate. Starting in 2024, a five-year loan agreement for a total of \$416 million has been established for industrialists who hold the Green Transition Certificate, and applications are being accepted from industries listed in Annex I of the EED. Applicants must demonstrate that the modernization or new production they are applying for financing has resulted in reductions of particulate matter, nitrogen dioxide, and greenhouse gases. The target of 70 million USD projected for 2025 has been exceeded, and a total of 110 million EUR in credit has been made available to the sectors within the scope of the Green Transition in Industry. In addition, the World Bank has indicated that an additional budget allocation will be provided for 2026.</p>
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**Annex 2: Links Between Reforms And Relevant Policy Documents**

Reform measures ERP 2025-2027	Key structural challenges (Commission assessment of ERP 2025-2027)	ERP Policy Guidance 2025	Enlargement Package 2025	Sustainable development goals 2020- 2030	European Green Deal / Green Agenda for Western Balkans	European Digital Agenda / Digital Agenda of Western Balkans	IPA projects supporting this reform
Accelerating green transformation	PG 5: Adopt the Climate Law focusing on enhancing climate governance, fair transition and the establishment of an Emission Trading System (ETS) aligned with the EU ETS.	5. Adoption of the climate law focused on establishing an emissions trading system (ETS) compatible with the EU ETS.  Green Transition and Digitalization	Economic Reform and Green Transition in Industry	SDG 7: Affordable and Clean Energy  SDG 9: Industry, Innovation, and Infrastructure  SDG 12: Responsible Consumption and Production  SDG 13: Climate Action	Financing Green Transition  EU Zero Pollution Action  Green Transition in Industry	Digital and Green Transition	1. EU Emissions Trading System Legislation Transposition Project  2. Strengthening National Capacity for Climate Finance Project  3. Green Agenda and Sustainable Development

## ii. Digital Transformation

### a) Analysis of main obstacles

Türkiye is highly ambitious regarding the digital transformation of its industry, guided by the Twelfth Development Plan's approach of increasing productivity and competitiveness in priority sectors through the acceleration of digital transformation. Within the framework of the 2024–2030 Industry and Technology Strategy, Türkiye aims to transform its industry into a more innovative and advanced structure. In line with the target of achieving USD 400 billion in manufacturing industry exports by 2030, digitalisation will support Türkiye in attaining a stronger position in international trade. Accordingly, Türkiye aims to increase the value added per employee in industry and manufacturing industry exports, as well as to raise the share of medium- and high-technology products in total manufacturing industry output. To achieve these objectives and to fully realise the benefits offered by digital technologies, Türkiye needs to strengthen its digital innovation capacity across all sectors. In this context, the need for a public sector that is pioneering and provides guidance in digital transformation remains critical in order to enhance efficiency and ensure the delivery of high-quality services to all citizens. Enterprises remain hesitant to prioritize digital transformation. The level of investment in digital technologies is still below expectations. Moreover, the limited technical capacity and shortage of qualified human resources to prepare and implement digital transformation plans further slow down progress. Consequently, it has been assessed that there is a strong need to raise awareness and encourage participation in digital transformation processes in the manufacturing sector.

### b) Reform measures

#### **Reform recommendation: “Increasing secure sharing and accessibility of public sector data with the new data strategy”**

**1. Description of measure:** The Digital Transformation Programme aims to encourage digital transformation investments in the manufacturing sector, increase the digital maturity of enterprises, and ensure the integration of high-value-added technologies into production processes. The Programme was incorporated under the Strategic Move Programme and Priority Investments Scheme by Presidential Decree No. 9903, published in the Official Gazette on 30 May 2025. In this program, businesses looking to invest in digital technologies are not provided with direct cash support. Instead, during or upon the completion of the investment, the expenses related to the investment are indirectly incentivized, mainly through tax reductions, using tools such as corporate tax reductions, Social Security Institution (SGK) employer share premium support, VAT and customs duty exemptions. This system is very similar to the "Priority Investments" and "Strategic Initiative Program" framework within the known Incentive Application System (or Investment Incentive System). In this sense, by integrating digital technologies into business processes, with objectives such as reducing costs, increasing productivity, and improving quality, the program offers a more comprehensive and strategic approach to businesses' digital transformation processes. This program differs from other applications within the Incentive Application System in several respects. Under the regular incentive schemes, a formal preliminary study is generally not required. However, companies wishing to benefit from the Digital Transformation Program are required to submit a digital

maturity assessment and a digitalisation roadmap. Based on the needs identified through these studies, the enterprise prepares an investment plan focused solely on its digitalisation objectives and subsequently submits its application. Within the scope of the Digital Transformation Program, investments aimed at capacity expansion are not supported; instead, investments that enhance efficiency, digitalisation, and quality are eligible for support.

**i. Activities planned in 2026:**

- Enhancing programme awareness and ensuring participation of relevant service-sector areas.

**ii. Activities planned in 2027:**

- Expanding awareness activities; providing closed-loop digitalisation video-training services (digital transformation training) to beneficiary enterprises in cooperation with programme partners.

**iii. Activities planned in 2028:**

- Re-measurement of the digital maturity levels of businesses that have completed their investments and monitoring their progress

**2. Result indicators:**

Indicator	Current Situation	2026	2027	2028
Number of businesses applying for the digital transformation program	30	70	100	150

**3. Expected impact on competitiveness:** Wider adoption of digital technologies in manufacturing will enhance production efficiency and product quality, reduce operational costs, and strengthen competitiveness in global markets.

**4. Estimated cost of the activities and source of financing:** Since the activity provides businesses with tax reductions, VAT exemptions, customs duty exemptions, and employer social security premium support, there is no direct transfer of funds from the central budget. The interest or profit share support to be financed from the central budget will be limited to no more than 10 to 15 percent of the investment amount and will be determined based on the enterprises' demand for credit.

**5. Expected impact on employment, poverty, equality, gender and health care:** Digital transformation investments will create new qualified job opportunities and support the inclusion of women and young people in technology-related professions.

**6. Expected impact on the environment and climate change:** Paperless business processes will become widespread, stock and logistics costs will be optimised, data-driven decision-making systems will be strengthened, and the carbon footprint will be reduced.

**7. Potential risks:**

Risk	Probability	Planned mitigating action
Lower-than-expected number of applications	Low	Increase awareness activities and review the situation of evaluation and advisory institutions

Annex 2 Table: Links between Reform Areas and Relevant Policy Documents

Reform measures ERP 2026-2028	Commission Assessment of Key Structural Challenges in ERP (2025-2027)	ERP Policy Guidance 2025	Enlargement Package 2025	Sustainable Development Goals 2020-2030	European Green Deal	European Digital Agenda	IPA III projects supporting this reform
“Enhancing digitalisation-oriented investments in industries”		Sustainability and Resilience: Digital Transformation	Economic Criteria – Functioning Market Economy:  Enhancing productivity through digitalisation in industries  Alignment with the Single Market and Digital Readiness	SDG 9: Industry, Innovation and Infrastructure  Target 9.2: Promoting high value-added and sustainable industrialisation  Target 9.4: Enhancing resource efficiency and promoting the adoption of clean technologies  SDG 12: Responsible Consumption and Production  Target 12.2. &12.6: Promoting efficient use of resources and sustainable business practices	Green and Digital Transformation  Industrial Strategy for a Climate-Neutral Europe  Sustainable and Smart Industry	EU Digital Compass  Digitalisation of businesses  Digital Innovation Network approach	IPA III – Policy Window 3: Competitiveness and Innovation

### **iii. Energy Market Reforms**

#### **a) Analysis of main obstacles**

The two main factors shaping the Türkiye's energy sector are considered to be rapid demand growth and import dependency. In this regard, top priority is improving security of supply by decreasing the import dependency and utilizing domestic and renewable energy sources to the maximum extent in an environmentally sound manner.

Türkiye attaches utmost importance and gives priority to realizing energy market reforms and adapting the national energy legislation fully with the EU energy legislation. In this context, fundamental sectoral laws were completed at great extent and efforts for establishing a fully competitive energy market are ongoing. Adapting to the needs and necessities of the European Green Deal is another important milestone for Türkiye. Within this context for accomplishment of green energy transition, increasing energy efficiency in industry, buildings and energy production and transmission; increasing the share of renewable energy in energy mix; support the utilization of hydrogen; integration and digitalization of the energy systems to provide sustainable and uninterrupted energy supply and resilient energy market are the main targets of the Turkish energy sector.

The “Strategic Plan 2024-2028” prepared by the Ministry of Energy and Natural Resources was shared with the public on 11 November 2024. This plan, which includes critical targets such as ensuring sustainable energy supply security, reducing carbon emissions, supporting domestic technologies and improving institutional capacity, includes strategic steps in areas such as increasing diversity in energy production and encouraging the use of domestic resources, accelerating renewable energy investments in line with the 2053 net zero emission target, increasing domestic production capacity in the energy sector and encouraging innovation, as well as strengthening human resources capacity by activating management and audit processes.

Within the scope of the plan, the installed capacity of renewable energy is planned to increase from 68.8 GW in 2024 to 91 GW by 2028. Within this increase, it is aimed to increase the installed capacity of solar energy from 19.9 GW to 33 GW and wind energy from 12.8 GW to 19 GW.

The share of renewable energy sources in electricity generation is targeted to reach 50 percent in 2028, up from 45 percent in 2024. In addition, the share of solar and wind energy in total electricity generation is planned to increase from 18 percent to 26 percent.

Several studies have been carried out to develop the energy market. Within this context, electricity and natural gas markets were liberalized to provide the platform for the commercial transactions. In order to ensure supply and system security, Ancillary Service Market and Capacity Mechanism are included to electricity market activities.

An amendment was made to the Electricity Market Licensing Regulation and published in the Official Gazette dated 8 March 2020 and numbered 31062 to allow electricity generation projects which have more than one renewable resource. In addition, the By-Law on Storage Activities in the Electricity Market, prepared by EMRA, was published in the Official Gazette in May 2021 and entered into force, allowing generation or supply companies to establish

electricity storage units or facilities. In addition, the RES-G (YEK-G) system and the Organized RES-G (YEK-G) Market, based on the proof, disclosure and tracking of electrical energy produced from renewable energy sources, were opened by Energy Market Operation Company (EPIAS) in June 2021. These regulation are expected to provide an increase in the capacity of renewables in electricity generation and a decrease in the carbon emission level.

Power futures market (PFM) was opened by EPIAS on 1 June 2021. The PFM enables market participants to preserve their positions and protect themselves from market price fluctuations and anticipate futures price expectations (price discovery). Moreover, it provides price signals for investors and hence will support long-term security of supply. Likewise, market operations on the Gas Futures Market (GFM) were started as of 1 October 2021.

The Intraday Market (IDM), launched on July 1, 2015, has been updated with increased performance and new offer types within the scope of “GİP Phase 2.0” project. The project went live on 31 December 2023.

The YEK-G Charging Stations Project aims to contribute to Türkiye's green transformation with YEK-G certificates by successfully integrating participants holding charging network operator licenses into the YEK-G System and further developing the YEK-G System. The project was completed on 15 December 2023.

The Transparency Platform, which was commissioned by EPIAS in 2016 and where energy market data is shared centrally, was launched with its new version on 23 December 2023.

The Spot Natural Gas Market 2.0 Project was successfully completed on 13 May 2024. Aimed at ensuring the pricing of natural gas in the market under objective and transparent conditions, the project resulted in enhanced overall system performance and reliability, improved user experience, and the establishment of a more robust infrastructure.

The software and infrastructure development activities for the Emissions Trading System Market (ETS Market), under the framework of the Türkiye Emissions Trading System planned to be implemented in Türkiye, have been completed, and integration activities are ongoing. Under the Climate Law, enacted following its adoption by the Grand National Assembly of Türkiye on 2 July 2025, EPIAS has been designated as the Market Operator for the Emissions Trading System Market.

Ongoing enhancements related to the aggregation license are being carried out in EPIAS's Energy Markets Management System (EPYS). This project is intended to accelerate digitalization processes for aggregators, license holders and other relevant stakeholders, thereby facilitating the development and execution of procedures related to aggregation activities.

In order for consumers whose electricity consumption is above a certain level to be able to obtain electricity from any supplier they wish as eligible consumers, with the Energy Market Regulatory Authority Decision published in the Official Gazette dated 17 December 2024 and numbered 32755, the eligibility threshold for 2025 was determined as 750 kWh/year.

The Regulation on Aggregator Activities in the Electricity Market was published in the Official Gazette No. 32755 dated December 17, 2024, and entered into force on January 1,

2025. Board decisions and secondary legislative regulations regarding aggregation activities have been completed. In this context, aggregator licenses began to be issued in February, allowing aggregators to begin operating as market participants.

The widespread adoption of electric vehicles plays a significant role in reducing carbon emissions by decreasing the share of fossil fuel-based vehicles in transportation, which cause environmental pollution. The number of electric vehicles in Türkiye, which was 185,513 at the beginning of 2025, increased to 321,710 by the end of September. According to the "Electric Vehicle and Charging Infrastructure Projection," prepared and published by the EMRA, which addresses electric vehicle use, development, and charging infrastructure needs, the number of electric vehicles in the country is expected to reach approximately 1,300,000 in the medium scenario for 2030. Regulatory and investment activities are ongoing to develop Türkiye's charging service infrastructure in line with this projected increase.

The "Charging Service Regulation," which specifies the procedures and principles regarding the establishment of charging units and stations that supply electric energy to electric vehicles, the operation of charging networks and charging stations connected to the charging network, and the provision of charging services, entered into force in April 2022. Within this framework, the number of companies operating in the charging service market with charging network operator licenses obtained from the EMRA reached 178. The number of charging stations, which was 1,719 at the beginning of 2023 across Türkiye, increased to 13,381 by the end of September, and the number of charging points, which was 3,081, reached 35,460. The number of charging points is expected to continue to increase nationwide.

On 19 September 2019 in Official Gazette No. 30893, the Rules and Procedures for the Spot Pipeline Gas Import was published and the legal basis was provided to import spot pipeline gas with yearly, quarterly and monthly agreements in order to welcome new suppliers and lower prices.

The project proposal prepared under the 2014–2020 period of the Instrument for Pre-Accession Assistance (IPA II) was deemed eligible in April 2018 and was formally approved by the World Bank in 2021. During the implementation phase, the project title was revised as "CS04b – Consultancy Services for Increasing Competition and Transparency in the Natural Gas Market." The tendering and implementation procedures for the project were initiated by the Ministry of Energy and Natural Resources in April 2023. Subsequently, the contract signing phase was finalized in December 2024, thereby marking the commencement of the project's implementation period. The project outputs are expected to enhance the effectiveness of the market-making and Supplier of Last Resort mechanisms with a view to increasing liquidity and market depth in the organized wholesale natural gas market, while also contributing to strengthening competitiveness, transparency, and security of supply in natural gas markets.

Türkiye's total underground natural gas storage capacity is 5.8 billion m<sup>3</sup> consisting of the Northern Marmara Natural Gas Underground Storage Expansion Project with a storage capacity of 4.6 billion m<sup>3</sup> and withdraw capacity of 75 million m<sup>3</sup>/day and the Tuz Gölü Natural Gas Underground Storage Project with a storage capacity of 1.2 billion m<sup>3</sup> and withdraw capacity of 40 million m<sup>3</sup>/day. In addition, the total natural gas input capacity of Türkiye has

exceeded 455 mcm/day with the underground storage capacity increase and other investments. Efforts to increase Türkiye's underground natural gas storage capacity continue.

The dissemination of the Floating Storage and Regasification Units (FSRUs) is a significant step towards ensuring the diversity of resources and routes in natural gas markets. In this context, Türkiye's first FSRU vessel, Ertuğrul Gazi, was commissioned by BOTAS at the Hatay-Dörtyol Terminal in 2021. With the commissioning of BOTAS's second FSRU terminal in the Gulf of Saros and improvements to terminals, LNG regasification capacity has increased fivefold over the past eight years, exceeding 161 million m<sup>3</sup>/day.

TANAP has started to supply natural gas to Türkiye in 2018 and to Europe in 2020. The construction of the TurkStream Pipeline, which will carry Russian gas to Türkiye and Europe under Black Sea has been completed and the pipeline has been put into operation as of 1 January 2020.

IPA 2018 BOTAS "Feasibility of Reducing the Amount of Gas Burned in Flare with Flare Gas Recovery (FGR)" project is a technical assistance project to ensure the recovery of pilot gas and waste gas generated during ship unloading with the Flare Gas Recovery System at BOTAS LNG Operation Directorate. The procurement unit of this project is the World Bank. The tender process for the project has been finalized, and the contract of project was signed between the contractor and MENR on 22 May 2025. The project is currently under implementation and is expected to be completed in July 2026. Within the scope of the project, information will be obtained on different types of FGRS and energy efficiency practices at LNG terminals, as well as on applicable FGRS and efficiency technologies for BOTAS's Marmara Ereğlisi LNG Terminal.

As part of the IPA 2018 program, the "Equipment Supply Project for Photovoltaic Applications for BOTAS", the installation of solar power plants (SPPs) with a total installed capacity of 8 MW at seven different locations owned by BOTAS (Sarıl/Kahramanmaraş, PS-5/Kahramanmaraş, Silopi/Şırnak, İdil/Şırnak, PS-3/A/Şırnak, Pirinçlik/Diyarbakır, Sultanhanı/Aksaray) was completed on 22 September 2023. Additionally, the installation of a 1 MW capacity SPP (Solar Power Plant) at the Ankara Yapraklı site was completed in 2023, increasing total installed capacity to 10 MW.

Since 2022, the entire electricity demand of the Silivri Natural Gas Storage Facility has been met by wind power plant with an installed capacity of 4.2 MW. Furthermore a second wind power plant with the same capacity was established in 2025, bringing the total installed wind power capacity to 8.4 MW. In 2026, among green transformation technologies which aims reducing greenhouse gas emissions, BOTAS plans to conduct an analysis of its role in carbon capture and storage (CCS). BOTAS "Boosting Green and Low Carbon Hydrogen in Türkiye" project which has been proposed within the scope of IPA 2023 has been approved by the EU Delegation. The Financing Agreement for the project entered into force upon its publication in the Official Gazette on 16 December 2024. The European Commission launched the tender for the project on 12 June, and applications were collected until 15 July. The tender evaluation process by the EU Delegation to Türkiye is currently ongoing, and the project is expected to commence in the first quarter of 2026. The project outputs include an analysis of Türkiye's potential for green hydrogen production and consumption, recommendations for the preparation

of hydrogen legislation, the creation of a hydrogen network plan, a feasibility study on the hydrogen value chain at the Tuz Gölü underground storage facility, and capacity-building activities such as training, seminars, and site visits.

Within the framework of “Türkiye National Energy Plan” and “the 2053 net-zero target”, the installed nuclear capacity is targeted to reach 7.2 GW by 2035. The Akkuyu Nuclear Power Plant (NPP), which will consist of four VVER 1200-type reactors with a total installed capacity of 4,800 MW, has received a commissioning permit for the first reactor, and construction activities are ongoing. The nuclear fuel required for the first and second units has already arrived on site. All units of the Akkuyu Nuclear Power Plant are planned to be commissioned by the end of 2028.

For the Sinop NPP Project, negotiations with potential vendor countries are on-going. “Positive EIA Decision” has been obtained for the project in 2020. “Türkiye Nuclear Energy Company (TÜNAŞ)”, as the founder of the Sinop NPP recognized by Nuclear Regulatory Authority (NDK), received site approval from the NDK in 2024, confirming the site's suitability for the construction of NPP.

In addition to Akkuyu and Sinop NPP projects, site characterization activities and negotiations with vendor countries are being conducted simultaneously for the Thrace NPP Project.

Furthermore, collaboration opportunities are being evaluated for small modular reactors and in order to prepare the comprehensive legal framework in Türkiye, discussions with technology owners/developers, and domestic and international stakeholders are being performed under the coordination of Ministry of Energy and Natural Resources.

In addition to nuclear fission technologies, fusion technologies are of increasing importance in terms of strengthening the national nuclear infrastructure. In this context, TENMAK aims to support R&D projects for IV generation reactors, SMRs (small modular reactors) and micro reactors, multi-purpose research reactors with high neutron flux and fusion technologies.

Within the scope of the efforts for Türkiye to reach the net zero emission target of 2053, Türkiye Hydrogen Technologies Strategy and Roadmap has been published in 2023 to establish the infrastructure of hydrogen technology, which is rapidly developing in the world, in Türkiye with a focus on developing electrolyzers using domestic and national capabilities. In line with the targets set out in Türkiye's Hydrogen Technologies Strategy and Roadmap, R&D and P&D activities are carried out on hydrogen production via electrolyzers, transmission, storage, fuel cells applications, and industrial uses. Since hydrogen must be produced from renewable sources or nuclear energy to contribute to decarbonisation, it is targeted to develop new technologies that will allow hydrogen to be produced in different and more efficient ways in the medium term, including fossil fuels combined with carbon capture, and advanced nuclear technologies such as next-generation small modular reactors (SMRs). In this context, additional efforts are focused on carbon storage and conversion to valuable products for sectors where decarbonization is challenging, as well as on the production of advanced carbon materials from domestic resources. In addition, Türkiye Hydrogen Technologies Action Plan is also being

prepared in collaboration with the World Bank and is planned to be published by the end of 2025 achieve the targets and policies set out in the roadmap. The plan aims to create the necessary regulatory framework for the hydrogen economy and support the safe integration of hydrogen into Türkiye's energy system.

Considering Türkiye's current and potential resources, the development and application of innovative technologies in hydrogen are essential for establishing a competitive edge in both domestic and international markets. In this context, the TENMAK R&D Incentives Hydrogen Technologies and Fuel Cell Call has been launched in accordance with the TENMAK Technology and Product Development Projects (TUGEP) Support Program Implementation Principles, with the aim of supporting R&D projects that bring together public institutions, universities, and industry partners to advance hydrogen and fuel cell technologies. In addition, as a complement to this framework, TENMAK has published new TUGEP calls for solar and wind technologies, aiming to support commercializable, scalable, and localization-focused projects in solar cell-module production processes, power electronics/inverters, storage and grid integration, and domestic component development, measurement-digitalization, predictive maintenance, and grid integration for wind.

In addition, draft reports have been prepared for the Türkiye CO2 Capture, Utilization and Storage Technologies Strategy and Action Plan; Türkiye Solar Energy Technologies Strategy and Action Plan; Türkiye Wind Energy Technologies Strategy and Action Plan; Türkiye Rare Earth Elements Strategy and Action Plan; Türkiye Boron Energy Technologies Strategy and Action Plan; Türkiye Energy Storage Technologies Strategy and Action Plan; and Türkiye Energy Digitalization Technologies Strategy and Action Plan.

Rare Earth Elements (REE) are called “green elements” due to their use in clean and renewable energy technologies and are in the class of critically important raw materials. In addition, it is also important to recover REE from secondary sources (NiMH battery, permanent magnet, electronic waste and fluorescent lamp, etc.) in order to develop the circular economy by providing a sustainable raw material supply. With the projects carried out in country, it is focused to obtain REE from primary and secondary sources in an environmentally friendly and economic manner and on the production of high-tech end products containing REE.

With the enactment of the Climate Law No. 7552, published in the Official Gazette on July 9, 2025, the framework of Türkiye's Emissions Trading System (ETS) has been defined, and EPIAŞ has been designated as the market operator. The establishment and implementation of the ETS will be carried out through a regulation to be issued by the Directorate of the Climate Change. Besides, within the scope of the Climate Law, the principles and criteria for economic activities that contribute to the fight against climate change have been determined and the framework of the Türkiye Green Taxonomy Regulation has been defined for the mobilization of climate finance. The establishment and implementation of the National Green Taxonomy will be carried out through a regulation to be issued by the Directorate of the Climate Change.

Primary energy consumption of Türkiye in 2024 has increased at a rate of 0.9 percent compared to the previous year and realized as 125 toe/thousand 2015 USD. The energy intensity of Türkiye has decreased in a rate of 34.6 percent in last 24 years.

In 2024, the increase in energy intensity was driven by several factors such as the growing share of the industrial sector in total energy consumption, rising cooling demand and air-conditioner ownership, and the increase in per-household natural gas consumption despite of no significant change in heating degree-day data compared to the previous year.

The first Energy Efficiency Strategy (2012-2023) was based on the target of reducing Türkiye's energy intensity in 2023 by 20 percent compared to the 2011 level. By 2023, Türkiye's energy intensity had been reduced by 24 percent compared to 2011, an improvement over the 20 percent reduction target envisaged in the Strategy Document.

With the National Energy Efficiency Action Plan (2017-2023) (I. NEEAP), a total of USD 8.47 billion was invested in energy efficiency according to 2017 prices, resulting in energy savings of 24.7 Mtoe. With the investments and savings, cumulatively 68.62 million tons of CO<sub>2</sub> equivalent reduction have been achieved. It is expected that the investments made in this period will provide savings in the same way in the future and the total monetary savings by 2033 is expected to be 30.2 billion USD cumulatively.

Türkiye's Energy Efficiency 2030 Strategy and the 2nd National Energy Efficiency Action Plan, which will be implemented between 2024 and 2030, have been launched at the meeting on 8 January 2024. In the Energy Efficiency 2030 Strategy Document of Türkiye, which was developed with the participation of a diverse range of stakeholders, including the public, private sector, non-governmental organizations, universities, and new entrepreneurs, 10 strategic goals and 23 objectives have been outlined. The II. NEEAP, which aims to achieve these goals, includes 61 actions and 265 activities divided totally into seven categories of industry and technology, buildings and services, energy, transportation, agriculture, horizontal topics, start-ups, and digitalization.

Through the implementation of the II. NEEAP, by 2030, an energy consumption reduction of 16 percent is targeted along with a reduction of 100 million tons of emissions. To reach these targets, it is aimed to invest 20.2 billion USD in energy efficiency projects both in the public and private sectors and to obtain a cumulative final energy savings of 37.1 mtoe by 2030. This will not only create new employment opportunities by supporting companies engaged in energy efficiency but will also result in 46 billion USD in energy savings by 2040.

In the conducted year 2024 impact analysis of II. NEEAP, it has been determined that the total amount of investment to energy efficiency was 3 billion 352 million US \$ and an amount of 1 million 544 ktoe energy savings and 4 million 775 ktonne CO<sub>2</sub> equivalent emission reduction were obtained. In the II. NEEAP the savings target of 1 million 197 ktoe TL, defined for the year 2024, have been accessed and a realization in the rate of 129 percent have been obtained.

The Energy Efficiency investments have been granted with the programs of Efficiency Improvement Projects (EIP) and Voluntary Agreements (VA) since 2009 for the purpose of bringing the energy savings potential into the economy, replacing inefficient equipment with the efficient ones, rising the energy efficiency awareness level and technological development level and increasing energy efficiency implementations.

Within the scope of EIP support program, a grant payment of 249 million TL has been made for 731 projects, which had a total investment amount of 1.06 billion TL, completed according to the application projects since 2009 and as a result of implementation of these projects an annual emission of 646 thousand tonnes CO<sub>2</sub> equivalent have been prevented.

Also for those who want to benefit from EIP supports, the sectoral restrictions have been lifted and project support amount have been increased 10 times.

Within the scope of VA support program, an invoice grant amount of 14.8 million TL (at current prices of 26.4 million TL) has been paid for 16 industrial enterprises, reducing energy intensity at the promised rate since 2009. The procedure and principles studies for the mechanism of Energy and Carbon Reduction (E&CR) Grant Program, which would be applied instead of VA, have been continued. With this E&CR grant program the applicant, who decrease determined carbon intensity/energy intensity/specific energy consumption in the reference term in a rate of foreseen amount in the monitoring phase, would be granted as 30 percent of their energy expenses which would have been at most 10 Million TL.

By the ESCO companies the studies of training, auditing, consultancy and implementation activities, EIP and E&CR grants activities, periodical mandatory audits and ESCO market development by Energy Performance Contracts are being carried out. An authorization certificate is issued to universities and to professional chambers for practical training and authorizing the ESCO companies with the approval of NEEAP M&E Council and now there have been 68 authorized ESCO companies and 6 authorized universities and/or professional chambers.

In order for public buildings to play a leading role in energy efficiency, a 15 percent energy saving target was defined for public buildings by the end of 2023 with a Presidential Circular in 2019. Considering successful implementations, in order to tighten the targets and ensure higher energy efficiency, the 15 percent energy saving target was updated with a Presidential Circular to be at least 30 percent by 2030. Thanks to the energy efficiency measures implemented in public buildings covered by the year 2025, savings of 2.6 billion TL/year have been achieved. In addition, the necessary legislation and technical infrastructure have been established for the implementation of energy performance contracts in the public sector.

Within the framework of the ongoing studies cooperation under the “Strategic Sector Cooperation (SSC) on Heating and Cooling between Türkiye and Denmark,” the Energy Efficient and Low Carbon Heating and Cooling Project was implemented in two phases — the first between 2018 and 2019, and the second between 2020 and 2022. With the activities carried out under Phases I and II of the Project, the development of efficient and low-carbon heating and cooling systems were supported. In this context, a policy gap analysis was conducted, and mapping and forecasting studies were carried out to assess heating and cooling demand in Türkiye. Additionally, cost-benefit analysis, impact assessment, policy options analysis, and capacity-building activities for district heating and cooling were realized. In the third phase of the Project, which commenced in the second half of 2023, it has been planned to develop various templates and enhance capacities for the preparation of national and local heat plans by using the outputs and best practices from the first two phases. In this scope, twinning activities have been organized between Danish and Turkish municipalities. Erzurum Municipality and

Afyon Sandıklı Municipality from Türkiye, and Aarhus and Kalundborg Municipalities from Denmark were selected, and a field visits to Erzurum and Sandıklı have been conducted with the Danish experts.

Türkiye aims to increase the share of domestic and renewable energy in the total power generation. In this context, Renewable Energy Resources Zone (YEKA) projects are being implemented to increase energy production and commission innovative solutions and technologies. To date, within the scope of the YEKA model, tenders for solar energy projects with a total installed capacity of 3.820 MW and tenders for wind energy projects with a total installed capacity of 4,000 MW have been completed.

Contest	Total Interconnection Capacity (MWe)	Installed (MWe)	Power to be Deployed in the Future (MWe)
YEKA-GES-1	1000	1000	0
YEKA-RES-2	1000	434,8	565,2
YEKA-GES-3	370	50	320
YEKA-GES-4	1000	1000	0
YEKA-RES-3	650	428,4	221,6
YEKA-GES-2024	800	0	800
YEKA-RES-2024	1200	0	1200
YEKA-GES-2025	650	0	650
YEKA-RES-2025	1150	0	1150

YEKA projects, comprising 2,050 MW of solar and 863 MW of wind power has been commissioned. The YEKA RES-2025 tenders, with a connection capacity of 1,150 MWe, were held on December 9, 2025, and plans are in place to conduct YEKA tenders for 2,000 MW of connection capacity annually in the coming periods.

Tender studies have been completed with the World Bank for IPA 2018 “Improvement of TEİAŞ's Planning and R&D Capacity” project and the implementation of the project have been initiated on 2nd of July 2025. The pre-tender preparations are ongoing with Word Bank for IPA 2019 “Offshore Wind Site Investigations” project.

Under IPA 2018, the project titled “Consultancy Services of Capacity Building for Sustainable Public Procurement, Awareness Raising and Increasing Energy Efficiency in Households & Buildings” has been developed. Within the scope of the project, it is planned to prepare, over the next year, an household energy efficiency campaign plan, a roadmap for the harmonization of the eco-design and labelling regulations, a gap analysis report, a guide and calculation tool for the public procurement of energy-efficient products, a report on the auditing and monitoring of the buildings, a report on a sustainable energy efficiency financing mechanism, and demand side participation reports. The project, which will be implemented through a service procurement model, has a budget of 1,700,000 euros and is expected to contribute to the development of the energy efficiency market.

#### **iv. Transport Market Reforms**

##### **a) Analysis of main obstacles**

Türkiye's transportation system, which has grown with a strong focus on highways, has led to the allocation of resources predominantly to road transport, resulting in excess capacity within the highway network, the majority of which already operates at a high level of service. Within this framework, the National Transportation and Logistics Master Plan, which aims to establish a balanced and complementary transportation system among modes based on key elements such as transportation costs, accessibility, and traffic safety, has been revised and published.

Road traffic safety in Türkiye constitutes a significant socioeconomic problem area, and measures aimed at preventing traffic accidents continue to be of critical importance. In this context, the "Road Traffic Safety Strategy Document (2021–2030) and Road Traffic Safety Action Plan (2021–2023)" was published on 3 February 2021 through Presidential Circular No. 2021/2. Within this framework, the "2024–2027 Road Traffic Safety Action Plan," which constitutes the second implementation phase of the Road Traffic Safety Strategy Document, has been published, and the steps to be taken in the field of road traffic safety over the forthcoming four-year period have been planned with the aim of clearly defining institutional responsibilities.

In addition, the insufficiency of secure and safe truck parking areas (SSTPAs) constitutes another risk factor by increasing fatigue among professional heavy vehicle drivers engaged in national and international commercial freight transport, thereby leading to traffic accidents, loss of life, and material damage. This situation also represents a structural barrier in terms of cargo and vehicle security as well as working conditions. Türkiye prioritizes gradual alignment with European Union requirements regarding the development of SSTPA facilities along the TEN-T core, extended core, and comprehensive networks. In this context, preparatory efforts are being carried out by the Ministry of Transport and Infrastructure focusing on legislative alignment, needs assessments, and the establishment of technical design standards in line with EU classifications.

As a result of these efforts, beyond demonstrating the strategic importance of SSTPAs in enhancing cargo and vehicle security and contributing to national road traffic safety objectives, social goals such as improving overall working conditions in the sector and increasing female employment in the profession of heavy vehicle driving may also be supported. Furthermore, it is aimed to establish a sustainable SSTPA implementation framework aligned with EU standards through appropriate financing and operational models, including public-private partnerships. Within this framework, coordination is also being ensured with ESPORG, the competent civil society organization at the European Union level, and it is planned that national legislation on SSTPAs will be brought into full alignment with the EU acquis by the end of 2028.

As of the end of 2025, Türkiye's existing railway network totals 13,919 km, comprising 2,251 km of high-speed railway lines, 9,235 km of conventional main lines, and 2,433 km of connection and station lines. Of the total network, 58 percent is signaled and 52 percent is

electrified. With projects to be completed in the coming years, a significant increase in the length of electrified and signaled lines is expected.

According to data from the Directorate General of Maritime Affairs, container handling in Türkiye reached 13.53 million TEU and total cargo handling amounted to 531,7 million tons by the end of 2024. In 2025, total container handling is expected to increase by approximately 3.2 percent to 14.0 million TEU, while total cargo handling is projected to rise by approximately 3.7 percent to 550 million tons. Türkiye's small-scale, inefficient, and fragmented port infrastructure increases logistics costs and, at the same time, leads to excessive competition within the sector, reducing the profitability of port operators and hindering the development of high-quality port infrastructure. Within this framework, port investments in Türkiye will be evaluated through a holistic perspective. In addition, efforts aimed at reducing greenhouse gas emissions originating from the maritime sector and supporting green shipping continue.

In 2024, passenger traffic at airports increased by 9.4 percent in international flights to 134.9 million passengers, by 5.5 percent in domestic flights to 95.4 million passengers, and by 7.8 percent overall to reach 230.8 million passengers compared to the previous year. By the end of 2025, total passenger traffic is expected to exceed 246 million.

At Sabiha Gökçen Airport, which serves more than 41 million passengers annually, the construction works for the TEM Tunnel, the new Air Traffic Control Tower, and the second runway were carried out during the 2024–2025 period. Çukurova Airport, whose infrastructure works were completed by the General Directorate of State Airports Authority (DHMİ) and whose superstructure works were carried out under a Public-Private Partnership (PPP) model, with an initial annual capacity of 8 million passengers, was opened to service as of 10 August 2024. The Antalya Airport Capacity Expansion Project, under which the investments planned for the initial 36-month period were completed, was commissioned and put into service on 12 April 2025. Due to capacity constraints experienced at Trabzon Airport, a tender for the expansion of existing superstructure facilities was held in 2023, and the International Arrivals Passenger Terminal and CIP building were opened to service in August 2024. The Esenboğa Airport Capacity Expansion Project reached partial provisional acceptance for the investments planned within the initial 24-month period on 9 July 2025. Within this scope, the construction of the new runway, the Technical Block and Control Tower, and the Security Gate Building was completed.

The new terminal building of Kayseri Airport, with an annual passenger capacity of 6 million, was put into service on 4 February 2024, and its official inauguration was held on 17 January 2025. In addition, works for the construction of the new terminal building at Malatya Airport, as well as the renovation of the terminal buildings at Cappadocia Airport and Siirt Airport, are ongoing.

At Istanbul Airport, which served more than approximately 80 million passengers in 2024 and is ranked as the second busiest airport in Europe and among the top ten airports worldwide, second-stage first-phase works are ongoing. Within this scope, during the 2024–2025 period, the construction of a new runway and the DHMİ Administration Building was carried out.

Investments aimed at increasing the capacities of existing airports that have reached their operational limits, enhancing service standards, improving flight safety, and implementing projects related to air traffic management continue to remain sectoral priorities.

### 5.3. Human Capital and Social Policies

#### i. Education and Skills

##### a) Analysis of main obstacles

During the 2023–2025 period, the curricula of compulsory subjects at the pre-primary, primary, and lower secondary levels have been updated in line with a skills-based holistic approach within the scope of green and digital transformation. These revised curricula have been gradually implemented starting from the 2024–2025 academic year. However, the curricula of elective courses offered at the lower secondary level are still acquisition-based. This inconsistency creates misalignment in teaching and learning processes and prevents students from achieving the skill levels expected in international contexts through elective courses.

At the lower secondary level of basic education, there are issues concerning the availability and accessibility of supplementary learning resources that support students in strengthening their learning within their current grade and consolidating what they have learned at school as preparation for the next educational stage. Since these supplementary resources are not equally accessible to students from all backgrounds and are mostly provided in printed format, they do not contribute to the green and digital transformation in education, which constitutes a significant challenge.

Continuous updating of curricula requires strong sectoral cooperation and a qualified human resource base; however, in some fields, insufficient sector engagement makes it difficult to implement updates into practice. The lack of workshop infrastructure, equipment, software, and materials aligned with digital and green skills in educational institutions constitutes a significant barrier that slows down the process.

Teachers need ongoing in-service training to adapt to new technologies; yet the uneven distribution of qualified trainers across regions weakens the consistency of implementation. Moreover, public perception issues regarding addressing students into vocational training centres persist, so limits the enrollment of student participation in vocational education.

In the process of recognizing and certifying non-formal learning, the limited dissemination of standards across all sectors and the need to strengthen assessment and evaluation infrastructure remain key factors reducing efficiency. All these issues make it challenging to realize the transformation expected in development plans and sustainability goals.

##### b) Reform measures

**Measure 5: “Skill-based updating of curriculum at all levels within the scope of green and digital transformation and developing a system for recognizing previous learning by strengthening vocational training centers”**

**1. Description of measure:** In line with the objectives stated at the Articles 658 and 669 in the Twelfth Development Plan and "providing inclusive and quality education for all" in the Sustainable Development Goals of the United Nations Development Program, the curricula at the basic education level from pre-school to 8th grade will be renewed with a skill-based holistic approach, with priority given to basic courses.

The definition of Measure: vocational and technical education is an effective tool in accelerating employment and providing a balanced supply-demand. Therefore, VET programs are constantly updated in a dynamic process in order to train qualified workforce that meets sector expectations. In VET, National Occupational Standards (NOS) prepared by the Vocational Qualifications Authority (VQA) will also be taken into account along with the competencies required by sector demands. Efforts to prepare teaching materials that are suitable for the updated curriculum content will continue.

Moreover, the aim is to train individuals equipped with digital skills in parallel with the “Digital and Green Skills” policy, which is one of the priorities within the scope of the European Union Strategies.

Vocational training centers are programs where students gain knowledge, skills and competence by receiving training in real business environments. Studies will be carried out to enroll more students in these programs. In addition, studies will be carried out to recognize and certify professional skills acquired through non-formal or informal learning, so that more people will be able to obtain certification.

It is significant to develop vocational education by creating a vocational skills inventory, skill needs mapping and skill sets throughout the country on the axis of green and digital transformation in order to give direction to vocational education, to bring the skills needed to make human resources qualified to the workforce through vocational education and higher education, and to develop vocational education by taking into account the supply and demand balance of labor markets in line with changing technology, production structure and service delivery forms.

In the Weekly Lesson Schedule for Primary Education Institutions (Primary and Lower Secondary Schools), the curricula of elective courses offered at the lower secondary level will be updated in line with a skills-based holistic approach that supports green and digital transformation. Educational materials will be developed for the courses identified in accordance with the new curricula.

Content will be developed for the MEBİ Platform, which was established to help lower secondary school students reinforce the knowledge they acquire in lessons, identify their learning gaps, and enrich their learning experiences.

#### **i. Activities planned in 2026:**

- Updating the curricula in a dynamic process in line with sector demands, changing and developing technologies, and the national occupational standards and national qualifications prepared by the Vocational Qualifications Authority (VQA)
- Preparing printed instructional materials appropriate to the content of vocational and technical secondary education programs
- Diversifying methods for the recognition and certification of vocational skills acquired through non-formal or informal learning
- At the upper-secondary education level, curricula, course materials, educational tools and digital content will be prepared/updated in cooperation with the sector in line with digital and green skills

- Developing curricula, infrastructure and internship opportunities to train teachers in accordance with the requirements of the age, particularly regarding digital and green transformation
- Activities for directing individuals to vocational training centers within the scope of the IMEP-2 project
- Through modules titled " Vocational and Technical Education in the Century of Türkiye " prepared in collaboration with the General Directorate of Vocational and Technical Education and the General Directorate of Innovation and Educational Technologies, teachers will be enabled to provide students and parents with comprehensive information regarding the vocational and technical education process.
- Printing and distributing the promotion and guidance booklet.
- The curricula of the 25 courses included in the schedule will be updated. After the curriculum development process is completed, educational materials will be developed accordingly.
- Content will be developed for 7th-grade students on the MEBİ platform.

**ii. Activities planned in 2027:**

- Updating the curricula in a dynamic process in line with sector demands, changing and developing technologies, and the national occupational standards prepared by the Vocational Qualifications Authority (VQA)
- Preparing printed instructional materials appropriate to the content of vocational and technical secondary education programs
- Diversifying the methods for recognizing and certifying vocational skills acquired through non-formal or informal learning
- Ensuring the development of curricula, infrastructure, and internship opportunities suitable for contemporary requirements—particularly digital and green transformation—in the training of teachers
- At the upper-secondary education level, curricula, course materials, educational tools, and digital content will be prepared/updated in cooperation with the sector in line with digital and green skills
- Activities for directing individuals to vocational training centers within the scope of the IMEP-2 project
- Through modules titled " Vocational and Technical Education in the Century of Türkiye " prepared in collaboration with the General Directorate of Vocational and Technical Education and the General Directorate of Innovation and Educational Technologies, teachers will be enabled to provide students and parents with comprehensive information regarding the vocational and technical education process.
- Printing and distributing the promotion and guidance booklet.
- Content for 8th-grade students will be comprehensively redeveloped in line with TYMM (Century of Türkiye Maarif Model) for MEBİ Platform.

### iii. Activities planned in 2028:

- Transforming vocational and technical education programs into a modular and dynamic structure and integrating digital and green skills into all fields.
- Developing digital instructional materials, interactive content, simulations, and personalized learning platforms.
- Expanding specialist programs and sector-based practical training aimed at enhancing teachers' competencies in digital and green transformation.
- Increasing activities to direct individuals to vocational training centers and developing digital matching and cooperation mechanisms to strengthen apprenticeship processes.
- Using AI-supported guidance and career counseling tools and effectively evaluating graduate tracking data in educational planning.
- Expanding joint curriculum development efforts with the sector, updating green occupations, and strengthening quality assurance systems.
- Activities for directing individuals to vocational training centers within the scope of the IMEP-2 project.
- Promotion and guidance activities for Vocational and Technical Secondary Education Institutions.
- Printing and distributing the promotion and guidance booklet.
- The MEBİ platform will be expanded to include live lessons, guidance services, audio summaries (podcasts), and workbooks.

## 2. Results Indicators:

Indicators	Current Situation	2026	2027	2028
Number of Updated/New Curricula in Vocational and Technical Anatolian High Schools	Framework Curricula for 56 Fields and 116 Branches. This year, 3 fields and 5 branches were added.	Updates will be made in 5 fields per year.	Updates will be made in 5 fields per year.	Updates will be made in 5 fields per year.
Number of Updated/New Curricula in Vocational Training Centres (MESEM)	Framework Curricula for 39 Fields and 193 Branches. (It is planned to update all fields and branches within 3 years.)	15	15	9
Number of Printed Instructional Materials (Directorate General of Vocational and Technical Education)	986	1057	1107	1157
Vocational Pedagogy Course – Master Instructor Training Material (MESEM-UNICEF)	It will begin in the last quarter of 2025.	1000 copies	-	-
Number of Individuals Certified Through Recognition of Prior Learning (RPL)	189.274	193.059	196.921	200.859

Number of Students Enrolled in Vocational Training Centre Programmes (Grade 9)	171.490	174.919	178.418	181.986
Number of Curricula Developed	30 (learning outcome based)	25 (competency based)	-	-
Number of Educational Materials Developed (textbooks, teacher guides)	13 (It will be prepared according to learning outcome based)	14 (It will be prepared according to competency based program)	-	-
Number of content (Readiness questions, context-based questions, assessment questions, instructional videos, skills-based interactive content, activities, gamified learning content, live lessons, guidance services, audio summaries (podcasts), workbooks) developed for the MEBİ Platform	<p>For 5th grade:            Readiness questions: 189            Context-based questions: 156            Assessment questions: 579            Instructional videos: 43            Skill-based interactive content: 106            Activities: 165            Gamified learning content: 43</p> <p>For 6th grade:            Readiness questions: 187            Context-based questions: 392            Assessment questions: 891            Instructional videos: 54            Interactive content: 116            Activities: 531            Gamified learning content: 58</p> <p>For 8th grade:            Readiness questions: 232            Assessment questions: 468            Instructional videos: 59            Topic summaries: 59            Question-solving videos: 583            Past exam questions: 351</p>	<p>For 7th grade:            Readiness questions: 302            Context-based questions: 250            Assessment questions: 926            Instructional videos: 69            Skill-based interactive content: 170            Activities: 264            Gamified learning content: 69</p> <p>(Content development for the topics of the second semester of the 2025-2026 academic year at the 7th grade level is ongoing.)</p>	<p>For 8th grade:            Readiness questions: 299            Context-based questions: 627            Assessment questions: 1,426            Instructional videos: 86            Interactive content: 186            Activities: 850            Gamified learning content: 93</p>	<p>For 8th grade:            Live lessons: 86            Audio summaries: 86            Workbooks: 5</p>

**3. Expected impact on competitiveness:** As a result of implementing the updated curricula in Vocational and Technical Education, students are expected to acquire the knowledge and skills required by the era in terms of digital, green, and sectoral competencies. Aligning the programs with the qualifications demanded by the labor market will increase the employability of graduates and facilitate access to a skilled workforce.

The reform measure is not expected to have a direct impact on competitiveness. However, in the long term, if individuals educated through this program are assumed to have acquired the skills required by the contemporary era, its impact on competitiveness may become evident.

In the medium term, this will enhance productivity in business production processes, accelerate technology adaptation, and strengthen the competitiveness of sectors. In addition, the participation of a workforce equipped with up-to-date vocational skills in the labor market will contribute to the widespread adoption of innovative production practices, an increase in the production of value-added goods and services, and the sustainable development of national competitiveness.

#### **4. Estimated cost of the activities and the source of financing:**

**2026:** 3.676.281.000 TL (Central Budget + UNICEF grant + FRiT (The EU Facility for Refugees in Türkiye))

**2027:** 3.668.781.000 TL (Central Budget + UNICEF + FRiT)

**2028:** 5.007.500.000 TL (Central Budget + UNICEF + FRiT)

**5. Expected impact on social outcomes, such as employment, poverty reduction, gender equality and access to health care:** The Vocational Education Policy Document, revised in 2024, defines the primary objective of the reforms implemented in the field of vocational and technical education as the establishment of a more labour-market-aligned, dynamic, and inclusive education system. Within this framework, strengthening the interaction between education, production, and employment aims to ensure that graduates achieve a higher level of alignment with the knowledge, skills, and competencies demanded by the labour market. This approach is expected to contribute to increased employment rates and a reduction in unemployment. Rising employment levels, particularly among low-income groups, are anticipated to improve income levels and have a positive impact on reducing the risk of poverty.

The policy document also identifies the strengthening of equal opportunities and gender-responsive approaches as key priorities, with a specific focus on increasing access to vocational education for women and disadvantaged groups. The measures to be taken in this direction are expected to support the labour-force participation of these groups and contribute to the reduction of social inequalities.

While the reform measures envisaged in vocational education are not expected to generate immediate and direct short-term impacts on employment, poverty, equality, gender, and health services, the provision of educational materials to all students through online platforms is expected to represent a significant improvement in terms of equal access to education. Through this practice, it will be possible to strengthen learning outcomes and ensure more equitable access to education.

The measures envisaged to enhance the employability of vocational and technical education graduates, as well as their potential impacts on employment, are presented below:

- It is targeted to increase the number of students enrolled in the 9th grade of Vocational Training Centres by 2 percent annually and this increase is projected to contribute approximately 40 percent to employment on a yearly basis. In this context, the

interaction between education, production, and employment within vocational and technical education will be further strengthened.

- Through practical training programmes conducted in cooperation with industry, work-based learning processes, and the recognition of prior learning, it is aimed to shorten individuals' transition period into the labour market and facilitate employers' access to a qualified workforce. This approach is expected to reduce skills mismatches, strengthen employment sustainability for both individuals and employers, and lead to an estimated 50 percent increase in employment.
- Reducing skills mismatches in the labour market and meeting the demand for qualified intermediate staff through the certification of prior learning, alongside strengthening the lifelong learning approach, are among the core policy objectives. Within this framework, an annual increase of 2 percent is anticipated, with the expectation that this growth will contribute approximately 50 percent to employment.
- In order to support individuals' transition into employment with broader and more transferable skills, excessive fragmentation of occupations into narrowly defined tasks will be avoided, and certification programmes targeting technical specialisation skills required by the labour market will be developed.
- Cooperation mechanisms with the Turkish Employment Agency (İŞKUR) will be strengthened to ensure that graduates are employed in jobs aligned with the vocational fields in which they have been trained.
- To enhance the employability of vocational and technical education graduates, modernise educational environments with up-to-date technologies, and promote practice-based learning within the enterprise ecosystem, cooperation models such as “industry-based schools” and “industry-integrated schools” will be expanded.

**6. Expected impact on environment and climate change:** In the competency-based holistic approach that underpins the newly developed curricula, the theme of a “livable environment” emerges as a core domain of the value model intended to be instilled in students. Additionally, branch programs prepared with a competency-based approach may emphasize environment and climate change in alignment with the relevant courses and skills. This can positively influence children’s adherence to social rules and their development of behaviors aimed at protecting the environment in which they live.

The reform measure is largely not expected to have a direct impact on the environment. However, one of the elective courses whose curriculum will be updated is “Environmental Education and Climate Change.” This course is expected to have direct effects such as raising students’ awareness of environmental and climate change issues, helping them develop conscious behaviors in line with what they have learned, and encouraging them to serve as role models within their social environment. In other courses, topics related to the environment and climate change may be emphasized within the framework of values education and sustainability skills, as appropriate to the content of each subject, through skills-based holistic curricula. In this way, the reform may have a positive effect on students’ compliance with social norms and their adoption of behaviors that protect their environment.

## 7. Potential risks:

Risk	Probability	Planned mitigating action
Problems due to lack of budget	Medium	Budget may cause problems in the continuation of the projects in the following years. A separate budget should be allocated for these projects from the general budget for the following years. Furthermore, the curriculum development and educational material preparation processes are carried out through in-person workshops and online meetings. In the event of budget constraints, these activities can be conducted entirely online.
Disruption of the tender process in the preparation of digital content	Low	Giving importance to planning and coordination for the healthy progress of the process
Non-approval of central budget projects	Medium	The preparatory work for the project has been completed and it has been stated that the project will receive approval as a result of the preliminary meeting.

**Table 10a: Cost of Structural Reform Measure**

Year	Salaries	Goods and Services	Subsidies and Transfers	Capital Expenditures	Total
<b>“Skill-based updating of curriculum at all levels within the scope of green and digital transformation and developing a system for recognizing previous learning by strengthening vocational training centers”</b>					
2026		5,000,000		3,671,281,000	3,676,281,000
2027		9,965,714		3,668,781,000	3,668,781,000
2028		14,160,279		5,007,500,000	5,007,500,000

**Table 10b: Finance of Structural Reform Measure**

Year	Central Budget	Local Budget	Other National Public Finance Sources	IPA Funds	Other Grants	Project Loans	TBD	Total
<b>“Skill-based updating of curriculum at all levels within the scope of green and digital transformation and developing a system for recognizing previous learning by strengthening vocational training centers”</b>								
2026	2,176,281,000				1,500,000,000			3,676,281,000
2027	2,168,781,000				1,500,000,000			3,668,781,000
2028	3,507,500,000				1,500,000,000			5,007,500,000

**Table 11: Reporting on the implementation of the Structural Reform Measures of ERP 2025-2027**

ERP (2025-2027) Measure 5: Skill-based updating of curriculum at all levels within the scope of green and digital transformation and developing a system for recognizing previous learning by strengthening vocational training centers		Reformun Durumunun Değerlendirilmesi (0-5)*	Uygulanma
Activities planned for 2025	<ul style="list-style-type: none"> <li>The dynamic updating of educational programs in line with sectoral demands, evolving technology, and national occupational standards prepared by VQA.</li> <li>In order to enable all relevant fields to benefit from it as part of future professions, printed teaching materials and digital content suitable for the curriculum of elective vocational courses such as "Artificial Intelligence", "Robotics Coding" and "Digital Technologies" are being prepared.</li> <li>Preparation of program studies and the creation of printed educational materials and digital content tailored to the curriculum for Aviation and Space Technology, Cybersecurity, and Agriculture fields. <ul style="list-style-type: none"> <li>- Preparing printed teaching materials suitable for vocational and technical secondary education program contents.</li> <li>- Preparing application videos,</li> <li>- Creating simulation and animation content,</li> </ul> </li> <li>Updating the curricula of all compulsory subjects for all grades at the primary and lower secondary levels. Developing textbooks for the grades in which the updated curricula are implemented</li> </ul>		5
Description of implementation and explanation if partial or no implementation	<ul style="list-style-type: none"> <li>In 2025, vocational and technical education curricula have been continuously updated in line with emerging technological innovations and sectoral needs. While education is currently provided in 53 fields and 114 branches, efforts to update the curricula based on labor market demands and technological developments through sectoral cooperation are being carried out continuously. Within the framework of the work conducted in 2025, significant steps were taken to update vocational and technical education programs and to develop new fields. During this process, three new fields were designed and submitted for approval to the Board of Education and Discipline. In preparing these programs, the opinions of sector representatives, technological innovations, and the current and future needs of the labor market were taken into account. The approved programs have begun to be implemented in the relevant educational institutions, aiming to equip students with the knowledge and skills required by the era. As a result, program diversity in vocational and technical education has increased, the relevance and alignment of curricula with the sector have been strengthened, and the development of a qualified workforce has been supported.</li> <li>In addition, elective courses on entrepreneurship have been added to all vocational and technical secondary education programs. All vocational and technical secondary education programs and course materials are published digitally at <a href="http://meslek.eba.gov.tr/">http://meslek.eba.gov.tr/</a>.</li> <li>The Directorate General of Secondary Education has added the following modules to the "Information Technologies and Software" course: "Introduction to Programming and Algorithms, Robotics Coding, Programming Languages, Mobile Application Development, and Artificial Intelligence Applications." All students may take this course as an elective.</li> <li>Framework Curricula for the fields of Aviation and Space Technology, Cybersecurity, and Agriculture have been prepared/updated and published at <a href="http://meslek.eba.gov.tr/">http://meslek.eba.gov.tr/</a>. In addition, course materials for these fields have been prepared and are also published at <a href="http://meslek.eba.gov.tr/">http://meslek.eba.gov.tr/</a>.</li> <li>In 2025, 883 printed instructional materials were prepared in accordance with the content of vocational and technical secondary education programs.</li> <li>The curricula of all compulsory subjects for all grades at the primary and lower secondary levels have been updated. In line with the updated curricula, textbooks for grades 2 and 6 have been completed, while the preparation of textbooks for grades 3, 4, 7, and 8 is still ongoing due to the gradual implementation process.</li> </ul>		

\*: 0= no implementation, 1=implementation is being prepared, 2=initial steps have been taken, 3=implementation ongoing with some initial results, 4=implementation is advanced, 5=full implementation

## Annex 2 Table: Links between Reform Areas and Relevant Policy Documents

Reform measures ERP 2026-2028	Commission Assessment of Key Structural Challenges in ERP (2025-2027)	ERP Policy Guidance 2025	Enlargement Package 2025	Sustainable Development Goals 2020-2030	European Green Deal	European Digital Agenda	IPA III projects supporting this reform
“Skill-based updating of curriculum at all levels within the scope of green and digital transformation and developing a system for recognizing previous learning by strengthening vocational training centers”	Measure 5			UN Development Program SDG-4: Quality Education 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education, leading to relevant and effective learning outcomes	Within the scope of the European Green Deal, efforts will be undertaken to promote the digital transformation of education, and digital platforms will be developed for education and skills programs.	According to the Digital Education Action Plan within the European Digital Agenda, actions are taken based on “Priority 1: Making better use of digital technology for teaching and learning.”	

## ii. Employment and labor markets

### a) Analysis of main obstacles

Sustaining economic and social welfare is possible not only by providing citizens with jobs but also by creating decent work conditions. Creating jobs that are productive and bringing a fair wage, where occupational health and safety conditions are ensured, where employees can be organized and participate in decision-making processes, and where all the citizens benefit from equal opportunities is a vital element of a labour market that would contribute to the economic and social development of Türkiye. It is of great importance that the jobs which will emerge with the changes and transformations in working life comply with the decent work criteria and that the policies are made in this context.

On the other hand, in today's labour market, radical changes such as digital and green transformation are taking place. These transformations significantly affect the nature of employment and the structure of the labour market, resulting in the need for the labour force to adapt to new job opportunities by improving technological and green skills. In order to adapt to these transformations and to prepare the labour force for the future, determining policies that are compatible with the developments in the world and in Türkiye is critical.

Within this scope, the National Employment Strategy for the 2025–2028 period was prepared under the coordination of the Directorate General of Labour (ÇGM) of the Ministry of Labour and Social Security (ÇSGB), taking into account the current needs of labour markets and future expectations, with contributions from all relevant stakeholders. The Strategy entered into force as a Presidential Decision published in the Official Gazette No. 32800 on 1 February 2025.

The Strategy is structured around four main policy areas: “Enhancing Green and Digital Transformation and Skills Adaptation in Labour Markets,” “Promoting Inclusive Employment,” “Strengthening the Social Protection–Employment Nexus,” and “Developing Sustainable Employment in Rural Areas.” The goals and policies determined under each main policy area are implemented through action plans. In this context, the Action Plan includes a total of 90 actions. The Action Plans are implemented under the coordination of the ÇGM, with the contributions and support of the institutions and organizations assigned responsibility and cooperation roles within the Action Plans.

As part of the just transition efforts, activities have been carried out to reflect just transition policies in national policy documents, raise awareness, and build capacity. Under the “Project to Develop Workers' Skills Adaptation in the Green and Digital Transformation Process,” Worker-Employer Meetings are being held in 10 provinces as part of awareness-raising and capacity-building activities. Within the scope of the work of the Just Transition Policies Expert Working Group (AGEP), established as a member of the “Green Deal Working Group” and within the Working Group, sectoral and thematic studies on just transition are being carried out under the headings of “Empowering Women,” “Energy,” “Skill Adaptation Development,” and “Social Dialogue” are ongoing to establish Sub-Working Groups for sectoral and thematic studies on just transition. For the effective preparation of the National Just Transition Strategy and the implementation of related policies, it is of critical importance

to strengthen institutional capacities, ensure ownership of the process by relevant institutions and social partners, and establish supportive mechanisms.

With the changes to be experienced in production processes as a result of the digitalization of sectors, especially industry, it is expected that the most destructive effects will be on working life and employment, profession-job preferences and business models.

As for all countries and institutions, it has vital importance for Türkiye and considering the labor-intensive production structure, it is necessary to be prepared for this process of change and transformation.

Increasing the positive expectations of young people for the future, closing the gap between technology and qualified labour force, getting out of the middle income trap by increasing global competitiveness and developing new policies, especially in the field of education, by properly identifying the effects of the increasingly digitalised labour force are significant actors for Turkish economy to combat unemployment effectively.

It is observed that the Turkish economy has recently achieved a rapid and stable growth momentum. This trend has brought a high employment growth and an intense job creation process. In addition to the driving force of high growth, labour supply is also supported by structural factors such as rapidly increasing female labour force participation and social security reforms. In order to ensure that this potential does not remain idle and is utilized efficiently, it is crucial that the labour market has a competitive structure and functions properly. On the other hand, creating job opportunities that will ensure a certain level of welfare for the society as a whole and supporting vulnerable segments of society in the labour market are also among the important priorities. In this context, a reform infrastructure was adopted aiming to reach a competitive and well-functioning labor market and taking the social inclusion into account. It is aimed to harmonize social assistance policies with labour market dynamics and simultaneously support vulnerable segments of society in the labour market.

Within the scope of active labour market programmes, on-the-job training programmes are implemented by İŞKUR to increase the employability of the labour force.

As of 2025, on the basis of the days they actually participate in the programme and for those participating in the on-the-job training program, İŞKUR will provide:

- 850.18 TL per day for participants with the status of job seeker, 637.63 TL for students, 425.09 TL per day for those receiving unemployment benefits,
- General health insurance and occupational accident and disease insurance premiums throughout the programme period.

Young people registered to İŞKUR benefit intensively from on-the-job training programmes, and as of 2024, 55 percent of those who benefit from on-the-job training programmes are young people aged 15-24.

İŞKUR initiated its employment and vocational counseling services in 1991. These services were significantly expanded and strengthened in 2012 and 2013 through the recruitment of 4,000 Employment and Vocational Counselors, enabling the institution to reach broader segments of the population and to deliver its services more effectively. Today, with

both internal and external counselor appointments, the effectiveness of these services continues to increase day by day. As of the end of October 2025, there are 4,532 job and career counselors in İŞKUR.

Employment and vocational counselors provide comprehensive counseling services to jobseekers, employers, and students based on their needs, following a portfolio-based system. This system requires counselors to focus on numerous individuals and employment opportunities simultaneously, rather than a single activity or person. To address this challenge and enhance service quality, İŞKUR transitioned to the Profile-Based Counseling System, which emphasizes a more personalized and targeted approach to counseling.

Between the start of the counselor recruitment process in 2012 and the end of October 2025 — a period of 13 years — counselors conducted 46.5 million individual interviews, 7.37 million workplace visits, and 221 thousand school visits. Through these activities, İŞKUR has reached a large number of jobseekers, employers, and students, facilitating employment matching and providing guidance on career and occupational choices.

Within this framework, it is considered that the counseling services—already achieving significant quantitative progress with the existing system and personnel structure—have transitioned to a system based on individual-oriented service delivery. Drawing on the experiences gained during this process, and in line with the meetings and evaluations conducted with human resources managers, private employment agencies, job seekers, and other stakeholders, a new Profile-Based Counseling System has been implemented. This system places the individual at the center and classifies job seekers into three different profiles according to their risk of remaining unemployed for more than six months, aiming to provide services tailored to each profile. The model envisions delivering faster and lighter counseling to those with lower risk profiles, while also developing specialized sub-units within counseling services to address the needs of disadvantaged groups. In this context, specialization units have been established in the areas of disability job coaching, job club leadership, and vocational counseling.

İŞKUR already offers also consultancy activities, incentives and active labour market programmes in order to increase the employability of groups that require special policies, especially women, young people and the persons with disabilities. In addition, it is aimed to increase the employability of the groups that require special policies through a labour force adaptation programme that combines theoretical soft skills training and on-the-job learning.

Households with no registered employee (households with no income items other than social assistance) are among the groups where poverty is experienced most intensely, and social exclusion and involvement in crime are the highest. For this reason, provision of specific services to these groups by İŞKUR through job and vocational consultants is an important step towards ensuring both social justice and social peace.

As is well known, the difficulties experienced in reducing the degree of permanent disability and/or integrating into employment for insured individuals who have experienced a work-related accident, the difficulties experienced in insured individuals who are deemed disabled subject to a physical examination and the subsequent termination of their disability

pensions, and the resulting increase in disability claims, necessitate a more effective implementation of the current assessment system. Therefore, there is a need for proactive incentive policies to ensure fair and sustainable employment. Within this framework, risk-preventive social policies should include increasing the number of active insured individuals, encouraging them to remain in the system for longer periods, and reducing or eliminating the risk levels of those exposed to risk.

In this context, under the heading “Stable Growth, Strong Economy” in the 12th Development Plan, the highest policy document of our country covering the years 2024-2028, with the TBMM Decision numbered 1396 dated 31.1.2023, article 407 in the subheading 3.1.7. Social Security System and Financing was modified as “407. Care insurance and vocational rehabilitation practices will be implemented to reduce the effects of the aging population on the social security system.” And article 407.2, a subheading of this article, was defined as “Vocational rehabilitation practices will be implemented to ensure that individuals receiving permanent disability income or disability pensions return to the labor market.” It is also included in the Presidential Annual Program for 2025 and 2026 with the same number as stated above.

**b) Reform measures**

***Measure 6: “Enhancing and improving the employment services and policies in line with the needs of the labor market”***

**1. Description of measure:** Under the National Employment Strategy (2025–2028) Action Plan, implemented under the coordination of the Directorate General of Labour of the Ministry of Labour and Social Security, monitoring and evaluation activities are carried out twice a year. The monitoring activities of the Strategy enhance the effectiveness of employment policies, enabling faster and more accurate responses to labour market needs. In this way, while the performance of institutions and organizations regarding the actions is assessed comprehensively, additional actions are developed to address newly emerging problem areas, thereby contributing to employment growth and economic development.

The Climate Law that has entered into force includes important provisions regarding a just transition in terms of effectively managing the social and economic negative impacts and evaluating the opportunities associated with the net-zero target in achieving Türkiye's sustainable development goals. In this process, the planning of the just transition process, the updating of education and skills programs, the establishment of financing and incentive systems, the determination of social protection measures, the development of social dialogue, the adaptation of employment policies, and their implementation at the sectoral and local levels play a key role. In this context, the National Just Transition Strategy is planned to be prepared and published in the coming period to ensure green and digital transformation in labor markets during the transition to a green and circular economy and to minimize the negative social and economic impacts of the process while maximizing opportunities.

Currently, the monitoring work for the January-June 2025 period related to the Action Plan has been completed, and the 1st National Employment Strategy Current Status Monitoring and Evaluation Report has been prepared. The report is available on the Ministry of Labor and Social Security website.

In addition, as stated in the national policy documents, it is planned that social dialogue mechanisms will be developed with all relevant parties and the National Just Transition strategy will be prepared. It is aimed that production processes will be more green thanks to the investments to be made in upskilling and skills development programmes for the labour force by just transition policies, and technology, innovation and R&D capacity of the economy will be strengthened and competitiveness and employment will be protected. In this context, investments to be made directly with sectors and businesses and with sector-public, sector-university cooperation will be valuable in terms of getting fast and effective results.

The Vocational Qualifications Authority (VQA) will develop occupational standards and qualifications for digital and green skills. Thus, within the scope of the National Qualifications System, support will be provided for green and digital transformation in order to contribute to the integration of education and employment policies.

National occupational standards (NOS) and national qualifications (NQ), which are among the most important components of the national qualification system implemented by the VQA, determine the necessary knowledge, skills, attitudes and behaviors related to the profession; and provide input to vocational and technical education. Within the scope of the measure to develop professional standards and competencies for digital and green skills, newly formed professions in the field of green and digital transformation will be analyzed with the participation of all relevant parties and through sector committees coordinated by VQA, new national professional standards and national competencies will be developed and existing standards will be updated in these areas and steps will be taken to provide qualified labor force to the labor market in these areas.

The 2030 Industry and Technology Strategy emphasizes strategic priority areas such as high technology, digital economy and green transformation. In the strategy, VQA is shown as an important stakeholder in the context of "transformation of human resources skills"; updating the NOS, defining new professions in the field of green and digital transformation and supporting a qualified workforce, and in this context, the importance of the VQA is emphasized.

Besides, national strategy documents such as Medium-Term Program (2026-2028) (which is published in the official Gazette dated 07.09.2025 and numbered 33010 with the approval of the President), Climate Change Adaptation Strategy and Action Plan (2024-2030), National Artificial Intelligence Strategy (Action Plan), Ministry of Labor and Social Security Strategic Plan (2024-2028) clearly emphasize the role of the VQA and the national qualification system in the vision of "decent, green and digital transformation".

İŞKUR follows up the developments in the labour market; implements effective practices in a flexible structure in line with the demands of job seekers, employers and sector representatives. In this scope, İŞKUR restructures and modernizes all of its services, primarily matching services, according to the necessities of this era. In addition to the target group-oriented diversification of the services to meet the need for qualified and experienced labour force, İŞKUR carries out significant resource transfers to train the labour force for future professions. İŞKUR also takes measures to protect the labour force at risk of unemployment, ensure effective provision of temporary income support and reintegrate those into employment.

### **Measures foreseen under the title of “Employment and Working Life”<sup>5</sup> in the 12th Development Plan:**

- (695.1) Within the framework of the transformation in labour market, skill development activities will be carried out to meet the need for semi-qualified and qualified labour force.
- (697) Participation of groups requiring special policies in the labour market will be ensured with an adequate income, where registered, occupational health and safety conditions are provided.
- (698) Employment of young people will be increased and working conditions will be improved.
- (698.4) The effectiveness of programmes for supporting the access of young people not in employment nor education or training will be enhanced.
- (698.5) Activities will be carried out to raise the awareness of the youth on careers and facilitate their access to employment opportunities.

### **Measures foreseen under the title of “Employment”<sup>6</sup> in the Medium Term Program:**

- Vocational and technical education curricula will be updated in co-operation with the private sector. Private sector participation, including management and financing, will be increased to ensure the dissemination of internship and on-the-job training programmes.
- In order to encourage the participation of young people who are not in employment nor education or training, programmes that consider their vocational training, competence and skills will be implemented.
- Programmes and activities that will foster young people’s awareness on careers regarding the professions of future will be expanded.

### **Measures foreseen under the title of “Just transition strategy”<sup>7</sup> in the 2024-2030 Climate Change Mitigation and Adaptation Strategy and Action Plans heading:**

- Preparation of the national just transition strategy to ensure the green transformation in labour markets and to make sure that the transition takes place under fair conditions
- Improving the just transition process and social dialogue
- Determining the new qualification and skill requirements that the green transformation process will result in regarding the labour demand, and carrying out studies to train a labour force with new qualifications in line with the sectoral and regional needs.

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<sup>5</sup> Since the National Employment Strategy (NES) is a comprehensive document covering all aspects of working life, all provisions related to employment and working life in the **12th Development Plan and the Medium-Term Program** contribute to this measure concerning the NES and the National Just Transition Strategy.

<sup>6</sup> Since the National Employment Strategy (NES) is a comprehensive document covering all aspects of working life, all provisions related to employment and working life in the **12th Development Plan and the Medium-Term Program** contribute to this measure concerning the NES and the National Just Transition Strategy.

<sup>7</sup> All measures under this heading fall within the scope of the National Just Transition Strategy.

- Establishing the standards of professions that will change or emerge in the green transformation process
- Preparation and implementation of training programmes to meet the labour force needs that will arise with the transformation process by carrying out studies to harmonize the training curriculum and higher education programmes with the new skills framework determined.
- With the sectors' approach of leaving no one behind in the green transformation process, efforts will be made to ensure the participation of groups that require special policies, primarily women, in decision-making processes, and to ensure that they benefit effectively from vocational training, skill acquisition/development programmes and job opportunities.

In the draft Strategic Plan of İŞKUR for the period of 2024-2028, several measures have been foreseen in particular for women, youth and persons with disabilities whom considered to be disadvantaged in the labour market.

Through on-the-job training programmes, it is ensured that people, who do not have professional or work experience gain professional and work experience, and thereby their employability is increased. In this way, people who are seeking for job but cannot find due to lack of work experience, gain work experience and employers have the opportunity to train the labour force they need.

On-the-job Training Programmes are implemented in private sector workplaces with at least five employees. Within the scope of the programme, employers can use quotas up to 30 percent of the number of employees.

On-the-Job Training Programme is implemented for maximum 6 months in workplaces and professions in the IT sector and manufacturing industries, and maximum 3 months in other sectors. On the other hand, it is implemented for a period not less than the minimum duration of the MoNE Lifelong Learning Modules in dangerous and very dangerous professions.

The duration of on-the-job training programmes is maximum 9 months for young people aged 18-29 who participate in on-the-job training programmes to be organised in areas such as cyber security, cloud computing, game developing and coding, which are seen as the professions of our era and the future.

Programmes can be planned for minimum 5 and maximum 8 hours per day and maximum 45 hours per week not to exceed 6 days.

As it is known, with the new ways of doing business brought by developing technological and industrial trends, it is of great importance for the labour force to adapt to these changes in this period when the concepts of digitalisation and green economy come together and reveal the twin transformation, together. In this context, it is aimed to increase the qualified labour force, and raise the level of global competitiveness of Türkiye through organising on-the-job training programmes in these fields for the upcoming period.

Within the scope of the policies and measures stated in the top policy documents, it is aimed to expand on-the-job training programmes and to enable young job seekers, especially young people requiring special policies, to benefit more from these programmes.

The job and vocational counselling services provided by İŞKUR contributes comparing the characteristics of individuals with the qualifications and conditions required by professions and jobs and helps the individual to choose the job and profession that best suits his/her wishes and situation, to benefit from training opportunities related to the chosen profession, to be placed in a job, and to solve problems related to job adaptation is provided systematically. In this context, İŞKUR's 2024-2028 Strategic Plan also envisages measures such as increasing women's participation in the labour market, increasing programs aimed at the participation of young people with NEET potential in the labour market, and increasing the employment of people with disabilities.

### **Labour Adjustment Program (LAP)**

Labour Adjustment Program (LAP) aims to provide knowledge, skill, working habit and discipline for smoother transition to labour market whom unemployed people especially who require special policies. LAP is an active labour force program that provides participants experience and practical skills can have response at labour market via participating LAP at fields of social services, maintenance-restoration, green transition etc. women, people with disabilities, ex-convicts, wounded in a way to not getting disability in the fight against terrorism and people involved in Household Support System are prioritized groups of program.

This program can be derived into other programs in order to fulfil needs of groups require special policies. Labour Adjustment Program without Barrier is an alternative version of LAP specifically designed for disabled people. As of September 2025, Programs for countrywide for 10.000 disabled persons implemented.

Besides, a specialised program for NEETs that plans to be implemented at 2026 whose feasibility and other kinds of preparations has been making for quota of 100.000 NEETs.

### **Household Support System (HSS)**

Households without sustainable livelihoods have been subject to a household-based approach as of 2024 by İŞKUR, in addition to the profiling and portfolio activates currently carried out on an individual basis.

Household Support System aims to support households to have sustainable livelihood sources which neither have any regular social assistance nor have any working member or retired person by offering specialized and expanded public employment services to their doorsteps and afterwards by prioritizing them in other public employment services and monitoring these services.

### **İŞKUR Youth Program**

İŞKUR Youth Program is a part-time based active labour market program that provide undergraduates, graduates, postgraduates and phd-graduates theoretical and practical trainings by supporting public services via corporation with public universities. Soft skills such as CV

preparation, interview techniques etc. take part in IYP, foresees young people's smoother transition to labour market.

Program aims not only strengthen link between universities and labour market by increasing employability of tertiary education students but also decreasing unemployment among white-collar employees who are graduates of tertiary education in medium and long term.

The Social Security Institution (SGK) will implement a vocational rehabilitation program to help individuals receiving permanent disability income or disability pensions return to the labor market. The project aims to ensure the post-accident integration of insured individuals exposed to the risk of work accidents within the social security system into working life and to finance vocational rehabilitation services within a broader social policy perspective.

**i. Activities planned in 2026:**

- Employment fairs are planned to be organized in 73 provinces.
- To monitor the National Employment Strategy Action Plans, Monitoring and Evaluation Committee meetings/monitoring activities are planned to be held twice a year.
- Workshops and stakeholder meetings are planned to be held as part of the preparations for the National Just Transition Strategy.
- It is planned to prepare 3 UMS and 2 UY within the scope of green transformation; and 3 UMS and 2 UY within the scope of digital transformation.
- 35,000 young people within the age group of 15-24 will benefit from the On-the-Job Training Programmes.
- 1.443.500 individual interviews for female job seekers will be applied.
- Individual counselling for young people with NEET potential will be provided for 63.500 persons.
- Within the scope of coaching for persons with disabilities, 291.000 individual interviews will be held.
- 180.000 people will benefit from the labour adaptation programme.
- 150.000 people will benefit from the İŞKUR Youth Program
- Among the households without employees, 20.000 of them will benefit from İŞKUR services.
- The project is expected to begin in 2026. Accordingly, project awareness activities (conferences, workshops, and country visits), the establishment of the project software infrastructure, and vocational rehabilitation specialty certification training for 55 technical personnel are planned.

**ii. Activities planned in 2027:**

- To monitor the National Employment Strategy Action Plans, it is planned to hold Monitoring and Evaluation Committee meetings/monitoring activities twice a year.

- It is planned to publish the National Just Transition Strategy.
- 37.500 young people within the age group of 15-24 will benefit from the On-the-Job Training Programmes.
- 1.472.000 individual interviews for female job seekers will be applied.
- Individual counselling for young people with NEET potential will be provided for 65.000 persons.
- Within the scope of coaching for persons with disabilities, 297.000 individual interviews will be held.
- 180.000 people will benefit from the labour adaptation programme.
- 150.000 people will benefit from the İŞKUR Youth Program
- Among the households without employees, 20.000 of them will benefit from İŞKUR services.
- According to the project start schedule of 2026, it is planned to provide vocational rehabilitation services to 600 insured people who have had a work accident, selected according to the criteria determined in 2027.

### **iii. Activities planned in 2028:**

- To monitor the National Employment Strategy Action Plans, it is planned to hold Monitoring and Evaluation Committee meetings/monitoring activities twice a year.
- To monitor the National Just Transition Strategy, it is planned to hold Monitoring and Evaluation Committee meetings/monitoring activities twice a year.
- 40.000 young people within the age group of 15-24 will benefit from the On-the-Job Training Programmes.
- 1.501.500 individual interviews for female job seekers will be applied.
- Individual counselling for young people with NEET potential will be provided for 66.250 persons.
- Within the scope of coaching for persons with disabilities, 303.500 individual interviews will be held.
- 180.000 people will benefit from the labour adaptation programme.
- 150.000 people will benefit from the İŞKUR Youth Program
- Among the households without employees, 20.000 of them will benefit from İŞKUR services.
- It is planned to provide vocational rehabilitation services to 600 insured people who have had a work accident, selected according to the determined criteria, to raise awareness about vocational rehabilitation among 1200 people from the stakeholder institutions, to conduct project impact analysis, to create policy recommendation texts and to establish a system for vocational rehabilitation.

## 2. Results Indicators:

Indicator	Current Situation (1)	2026 (2)	2027 (2)	2028 (2)
Number of Young People Benefiting From On-the-job Training Programmes	718.310	35.000	37.5000	40.000
Number of individual interviews applied for female job seekers (3)	8.036.139	1.443.500	1.472.000	1.501.500
Number of people benefited from individual counselling for young people with NEET potential (3)	722.906	63.500	65.000	66.250
Number of individual interviews applied under coaching for persons with disabilities (3)	1.642.350	291.000	297.000	303.500
Number of people benefiting from labour force adaptation programme	150.822	180.000	180.000	180.000
Number of households benefiting from İŞKUR services among the households without employees	72.243	40.000	40.000	40.000
Number of people benefiting from İŞKUR youth program	82.455	150.000	150.000	150.000
Number of UIS (2025-2028) Monitoring and Evaluation Committee meetings/activities conducted	1	2	2	2
Preparation and approval of the National Just Transition Strategy (number of approved documents)	0	0	1	2
The number of national occupational standards prepared within the scope of green transformation	49	3	-	-
The number of qualifications prepared within the scope of green transformation	49	2	-	-
The number of national occupational standards prepared within the scope of digital transformation.	29	3	-	-
The number of national qualifications prepared within the scope of digital transformation.	27	2	-	-
Number of insured individuals provided vocational rehabilitation services	0	600	600	-
Number of tools developed for coordination and cooperation among relevant stakeholders	0	-	-	1
Number of certified vocational rehabilitation specialists (at least half of whom are women)	0	55	-	-

Number of individuals participating in awareness-raising activities (1,250 women, 1,250 men)	0	-	1.200	1.300
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(1)Realisation data (current situation) is cumulative and includes data as of October 2025.

(2) The targets for 2026, 2027 and 2028 are not cumulative but year-based. (The number of Households Benefiting from İŞKUR Services only from Households without Employees is cumulative).

(3) Economic Reform Program (ERP) 2025-2027 period: "Number of individual consultations conducted for women seeking employment," "Number of individuals benefiting from individual counseling services for young people with NEET potential," and "Number of individual interviews conducted under the scope of disability job coaching" have been defined as performance indicators in the İŞKUR 2024-2028 Strategic Plan and have become routine service delivery models starting from 2024. These activities are carried out by provincial directorates in line with the targets set each year. In addition, the processes and standards of the activities in question have been determined and are offered as standard in each unit. In this respect, it is necessary to consider these routine applications as reformed areas rather than economic reforms and to define them as routine activities.

**3. Expected impact on competitiveness:** The preparation of the National Just Transition Strategy will support the greening of production processes through just transition policies and investments in skills development and reskilling programmes for the workforce, while also contributing to strengthening the economy's technological, innovation, and R&D capacity, as well as safeguarding competitiveness and employment.

In this context, investments made directly in sectors and enterprises, alongside those implemented through sector-government and sector-university cooperation, are considered essential for achieving rapid and effective outcomes.

Furthermore, measures to be taken to address the direct impacts of climate change and disaster risks are expected to enhance societal and sectoral resilience and to protect and improve social welfare. The implementation of such measures is also of critical importance for strengthening the sustainability and resilience of supply chains.

**4. Estimated cost of the activities and the source of financing:**

**2026:** 84.455.080.750 TL

**2027:** 98.999.194.945 TL

**2028:** 96.515.586.717 TL

**5. Expected impact on social outcomes, such as employment, poverty reduction, gender equality and access to health care:** It is expected that the National Employment Strategy (2025-2028) will contribute to constituting qualified human resources with a focus on digitalization and green transformation in order to strengthen the education-employment relationship in Türkiye and adapting to the changing competitive conditions of working life; creating a working environment where decent work conditions are applied, fundamental human rights are guaranteed in working life and an understanding of occupational health and safety is ensured; providing registered and secure employment of all segments of the society, especially the groups that require special policies, maintaining inclusive and sustainable employment in rural areas, improving the working and living conditions (through the policies produced).

With the National Just Transition Strategy to be prepared, it is envisaged to ensure the harmony of skills required by the labour markets and green and digital transformation, and to contribute to the emergence of opportunities while minimizing the negative effects on society, especially workers. Within this framework, it is expected that the created just transition policies will be beneficial in terms of the continuation of economic growth and increasing employees' welfare, the sustainability of employment, efficient utilisation of resources under rapidly changing economic conditions, provision of environmental sustainability, job security, the

protection and development of social protection and occupational health and safety standards. The strategy is also expected to contribute to increasing the resilience of the labour market through preventive measures against risks resulting from economic shocks, climate change, disasters and technological transformation.

The aim is to support increased employment by improving job seekers' professional knowledge and skills and making the workforce more qualified. The goal is to identify individuals' needs through career counseling services and match suitable people with suitable jobs. Within this scope, an increase in employment of 834,600 is projected, with 273,300 in 2026, 278,200 in 2027, and 283,100 in 2028. The contribution of these reforms to overall employment is estimated to be 2.56 percent.

The model proposal to be developed within the scope of the project for vocational rehabilitation, along with the draft law and secondary legislation proposal, will be presented to decision-makers.

It is estimated that the new professional standards and competencies to be created in the fields of green and digital transformation will support the provision of qualified labor to the labor market in these areas; the created NVSs (National Vocational Standards) and NQs (National Qualifications) will support the alignment between education and employment and support individuals to develop themselves in these areas.

Transition to employment for young people who are disadvantaged in labour market will be facilitated by increasing the employability of labour force through on-the-job training programmes.

In the scope of job and vocational counselling, services are provided for women, NEETs, persons with disabilities who are disadvantaged in the labour market.

Increasing the employment of groups that require special policies facilitates the participation of these groups to both economic and social life. This is an important tool in the combat against poverty.

In addition, prioritizing groups such as women, persons with disabilities and NEETs will contribute to social equality and justice.

It is envisaged to ensure participation in employment, poverty reduction, social inclusion and indirect deduction of crime through the provision of customised İŞKUR services by job and vocational counselors to households without any employees.

The effects on the labor market and economy that have been achieved and are expected to be achieved if the measures/activities in question are implemented are listed below.

Within the scope of REWORK Project,

- The project will contribute to the continuity of employment by ensuring and/or protecting job security for employees in the labor market.
- Vocational rehabilitation services are not currently offered institutionally in Türkiye. Consequently, a new healthcare service will be introduced.
- The project plans to provide vocational rehabilitation services to individuals who have experienced a work-related accident. Furthermore, it will also enable insured

individuals and/or citizens who suffer from occupational diseases, are disabled, or have a disability status but are not included in the social security system to benefit from these services. An infrastructure will be created to ensure equal opportunities for participation in employment.

**6. Expected impact on environment and climate change:** Any negative impact regarding implementation of the measure is not foreseen.

One of the implementation areas of the labour force adaptation programme is to support activities related to green transformation. It is expected to make a positive contribution to environmental and climate-change related issues.

It is envisaged that the National Just Transition Strategy, which is envisaged to be prepared with the actions prepared on the axis of green and digital transformation within the scope of the National Employment Strategy, will be supported in terms of adaptation to the direct effects of climate change and the formation of the qualified workforce required for the implementation of mitigation policies within the scope of measures to combat climate change. In the process of transition to a circular and green economy, it is aimed to ensure environmental and social sustainability and resilience to the impacts of climate change through the harmonization of labour market policies, protection of biodiversity, energy and water efficiency.

It is evaluated that the SIs prepared within the scope of green transformation will provide higher environmental performance in areas such as energy efficiency, waste management and sustainable production; and will support improvement in these areas by making environmentally friendly practices mandatory. It is evaluated that NVSs and NQs, which will provide input to education curricula and be prepared in line with the needs of the labor market, will have an indirect effect of increasing resource efficiency and reducing the pressure on the ecosystem.

## 7. Potential risks:

Risk	Probability	Planned mitigating action
Disruption of the balance in the local labour market	Medium	Providing more intensive and in-depth employer services provided by the institution
Spending institutional efforts to reach the people who do not need to benefit from existing services of institution	Low	Trying to create a common information network with different institutions at the maximum level by reflecting the existing administrative records to the Institution's systems in the most up-to-date and accurate way.
Reluctance of the target group to participate in the labour force	Medium	Providing specialized service delivery based on household
Reluctance of other public institutions to share data	Medium	Emphasizing the importance of the relevant programme to other public institutions
Failure of the institutions responsible for the actions included in the National Employment Strategy Action Plan to adequately carry out their activities	Medium	Emphasizing the importance of the issue to responsible institutions during monitoring and evaluation activities
Insufficient implementation of activities by institutions	Medium	Conducting awareness and capacity building activities for institutions to prepare and

responsible for actions included in the National Just Transition Strategy		implement strategies, and carrying out development activities based on the results of monitoring and evaluation processes
Technological developments and sectoral needs in the field of green and digital transformation are faster than the process of creating professional standards	Low	The VQA follows up the developments in the sector closely and acts together with the leading parties in the sector (public, private sector and NGOs) at every stage of its studies. In addition, the Digital Transformation and Artificial Intelligence Advisory Board and the Green Transformation and Smart Agriculture Advisory Boards have been established to support the work in these fields.
Reluctance/disinterest/lack of commitment of the target groups of the action (REWORK Communication and information)	Medium	Through awareness-raising activities, target groups will be reached and the importance of vocational rehabilitation will be emphasized.
Frequent personnel turnover in public institutions (REWORK Human and Organization)	Medium	To make necessary arrangements such as having reserve personnel for such positions and providing the necessary information to the reserve personnel.
Inadequate communication and cooperation between relevant institutions during the implementation of the Action (REWORK Human and Organization)	Medium	The Lead Institution will prioritize fostering a collaborative environment among relevant administrative structures. All end-beneficiaries will be informed about the benefits of the participatory process and encouraged to foster collaborative efforts with their stakeholders during their activities.
Change of political priorities during the project (REWORK External Environment)	Low	Regularly confirming the desirability of any change of direction in meetings and adapting policy work to national priorities as necessary.

**Table 10a: Cost of Structural Reform Measure**

Year	Salaries	Goods and Services	Subsidies and Transfers	Capital Expenditures	Total
<b>“Enhancing and improving the employment services in line with the needs of the labour market”</b>					
<b>2026</b>		6.926.037.500	77.529.043.250		84.455.080.750
<b>2027</b>		7.883.080.875	91.116.114.070		98.999.194.945
<b>2028</b>		8.671.888.961	87.843.697.756		96.515.586.717

**Table 10b: Finance of Structural Reform Measure**

Year	Central Budget	Local Budget	Other National Public Finance Sources	IPA Funds	Other Grants	Project Loans	TBD	Total
<b>“Enhancing and improving the employment services in line with the needs of the labour market”</b>								
<b>2026</b>	6.926.037.500		77.455.354.100	73.689.150				84.455.080.750
<b>2027</b>	7.883.080.875		91.042.424.920	73.689.150				98.999.194.945
<b>2028</b>	8.671.888.961		87.794.571.656	49.126.100				96.515.586.717

**Table 11: Reporting on the implementation of the Structural Reform Measures of ERP 2025-2027**

ERP (2025-2027) Measure 6: Enhancing and improving the employment services and policies in line with the needs of the labour market		Reformun Durumunun (0-5)*	Uygulanma Değerlendirilmesi (0-5)*
Activities planned for 2025	<ul style="list-style-type: none"> <li>a. Employment fairs are planned to be organised in 73 provinces.</li> <li>b. 35,000 young people within the age group of 15-24 will benefit from the On-the-Job Training Programmes.</li> <li>c. 1.415.000 individual interviews for female job seekers will be applied.</li> <li>d. Individual counselling for young people with NEET potential will be provided for 62.000 persons.</li> <li>e. Within the scope of coaching for persons with disabilities, 286.000 individual interviews will be held.</li> <li>f. 180.000 people will benefit from the labour adaptation programme.</li> <li>g. Among the households without employees, 20.000 of them will benefit from İŞKUR services.</li> <li>h. The Draft National Employment Strategy and Action Plans (2025-2028) are expected to enter into force after submission to the Presidency for approval (if deemed appropriate).</li> <li>i. Monitoring and Evaluation Board meetings are planned to be held twice a year in order to monitor the Action Plans.</li> <li>j. It is planned to start the preparatory studies for the National Just Transition Strategy.</li> </ul>		5
Information related to the implementation, if the implementation is not completed or there is no progress, explanation about this	<p>The National Employment Strategy Action Plan covers a four-year period, and the measures included in the Plan are monitored twice a year through numerical performance indicators, reflecting the current status for the relevant year and period. Currently, monitoring work has been carried out for the January-June 2025 period in relation to the Action Plan, and the 1st National Employment Strategy Current Status Monitoring and Evaluation Report has been prepared. The Report is available on the Ministry of Labor and Social Security website.</p> <p>Within the scope of the preparatory work for the National Just Transition Strategy, the project entitled “Enhancing Workers’ Skills Adaptation in the Green and Digital Transition Process” has been implemented. Within the framework of the project, worker–employer meetings were held in 10 provinces to raise awareness at the local level, and analytical studies were conducted to assess awareness of the transition process and to identify current and future skills needs.</p> <p>In order to strengthen capacity throughout the strategy development and just transition process, an International Just Transition Policy Training Programme was organized for all stakeholders, including social partners and civil society organizations.</p> <p>Furthermore, a National Just Transition Strategy Preparatory Workshop with broad stakeholder participation is planned to be held on 29–30 December 2025.</p> <p>Due to digitalization and the impact of the Covid-19 pandemic, a virtual employment fair application was launched in 2019. As it was a newly implemented program at that time, it was considered a reform. However, as of 2021, our Institution has started working on a virtual fair system integrated with its own system, and this work was completed in 2022. Currently, since 2022, virtual job fairs on various themes have been organized every year with the contributions of our Provincial Directorates and have become one of the main activities of our Institution. Since it is not a new activity and has been implemented since 2019, it is not considered appropriate to include virtual job fairs in the ERP document, which contains innovative activities.</p> <p>It is planned that 35.000 young people will benefit from On-the-Job Training Programs, and as of the end of October 2025, 31,577 young people aged 15-24 have benefited from On-the-Job Training Programs.</p> <p>During the January-October 2025 period:</p>		

	<ul style="list-style-type: none"><li>• The number of individual interviews conducted for women seeking employment was 1.201.785.</li><li>• The number of individuals benefiting from individual counseling services for young people with NEET potential was 45.059.</li><li>• The number of individual interviews conducted under the scope of disability job coaching was 280.754.</li><li>• It is anticipated that the targets will be achieved by the end of the year.</li></ul>
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\*: 0= no implementation, 1=implementation is being prepared, 2=initial steps have been taken, 3=implementation ongoing with some initial results, 4=implementation is advanced, 5=full implementation

## Annex 2 Table: Links between Reform Areas and Relevant Policy Documents

Reform measures ERP 2026-2028	Commission Assessment of Key Structural Challenges in ERP (2025-2027)	ERP Policy Guidance 2025	Enlargement Package 2025	Sustainable Development Goals 2020-2030	European Green Deal	European Digital Agenda	IPA III projects supporting this reform
<i>Enhancing and improving the employment services and policies in line with the needs of the labour market</i>	4. Key Structural Challenge Areas and Reform Priorities Key structural challenge 1: raising the skills level to increase employment, in particular of women and young people;	6. Facilitate school-to-work transitions for young people who are not in education, employment or training (NEET) by ensuring the quality and inclusivity of the school, tertiary, and vocational training system. Address the labour market gender gap – the difference between men and women – through the establishment of affordable childcare infrastructure beyond the big urban centres of Türkiye, and through raising the level of skills for women by facilitating their participation in on-the-job training. Continue increasing the participation of adults in lifelong learning, aimed at the development of a skilled labour force fit for the green and digital transitions.	2.3 Economic Criteria (Functioning of Labour Market) Chapter 19	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship  8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value  8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	Leaving no one Behind (Just Transition)	Skills: At least 80 percent of all adults should have basic digital skills and there should be 20 million ICT specialists employed in the EU, with more women taking up such jobs;  Public services: All key public services should be available online; all citizens should have access to their e-medical records; and 80 percent of citizens should use an electronic identity solution.	REWORK Project

### **iii. Social Protection and Social Inclusion**

#### **a) Analysis of main obstacles**

The main objectives of the Republic of Türkiye are to determine policies and strategies at national level for both persons with disabilities and older persons to participate in social life by benefiting from human rights without discrimination, to develop and diversify social service activities carried out for persons with disabilities and older persons, and to ensure cooperation and coordination with relevant institutions in the field.

General Directorate of Services for Persons with Disabilities and the Elderly (DGSPDE) is the focal institution responsible for promoting and ensuring that persons with disabilities enjoy all human rights and fundamental freedoms fully and equally and for monitoring the implementation of the Convention on the Rights of Persons with Disabilities (CRPD).

In this framework, (DGSPDE) coordinates efforts to harmonize laws, policies, public services, and resources according to the CRPD, and carries out informative and awareness-raising activities for the relevant stakeholders.

#### **Barrier-Free Vision Document and National Action Plan for the Rights of Persons with Disabilities**

The 2030 Barrier-Free Vision Document, which was prepared to guide the policies to be developed for PwDs, was announced by, the President of the Republic of Türkiye, Mr. Recep Tayyip Erdoğan on the International Day of Persons with Disabilities on December 3, 2021.

The Presidential Circular on the precise implementation by all stakeholders of the first "National Action Plan on the Rights of Persons with Disabilities" prepared under the coordination of (DGSPDE), which is the implementation tool of the 2030 Barrier-Free Vision Document between 2023-2025, was published in the Official Gazette dated February 2, 2023 and numbered 32092.

With the National Action Plan on the Rights of Persons with Disabilities, 316 activities have started to be implemented within the scope of 107 action areas for 31 goals that mainstream disability and consider the needs of persons with disabilities arising from disability, with strong coordination in all areas, multilateral cooperation and participation of civil society organizations representing PwDs.

With the National Action Plan on Rights of PwD 30 activities have been identified in 15 action areas by relevant institutions in line with the following objectives which are listed under the policy area titled Economic Security.

- Ensuring accessibility and expansion of vocational guidance and vocational training services,
- Developing open, integrative and accessible employment opportunities for persons with disabilities,
- Diversifying and strengthening employment models to promote employment of persons with disabilities,
- Supporting the entrepreneurship of persons with disabilities,

- Providing financial support such as income support or tax arrangements to persons with disabilities.

The policy area of Inclusive Education includes the objective of ‘taking measures to facilitate the transition of disabled individuals to secondary education, vocational education, higher education, employment and lifelong learning environments’. Five activities have been defined in five areas of action to achieve this objective.

In Türkiye, different institutions and organizations due to the nature of the disability issue carry out services provided to persons with disabilities. In this situation the disability issue to become a part of all sectors with a holistic understanding.

In this context, the right to work and employment of PwDs considered, one of the most important conditions for the full and equal participation of PwDs in to the society in our country, as in the world, is to ensure that they take part in working life together with other persons.

In this context, the right to work and employment of PwDs considered, one of the most important conditions for the full and equal participation of PwDs in to the society in our country, as in the world, is to ensure that they take part in working life together with other persons. Protecting and supporting the right to work and employment for PwDs requires measures, additional regulations and efforts to be taken by all parties.

#### Community Based Studies

- Day Care Centers:

Day care services provided in our country are an important social service model for persons with disabilities and older persons. Day care centers improve the quality of life and contribute to the leisure time of persons with disabilities and older persons living at home or with their families by offering various activities that help meet their psychological, social, and health needs. These centers provide opportunities for relatives who provide full-time care to persons with disabilities and older persons to participate in the active labor market.

Day care centers aim to enhance the personal development of persons with disabilities and older persons to provide them acquire various skills through daily life activities. Educational, social, cultural, and sporting activities are organized to facilitate these persons' participation in social life.

In day care centers, half or full day care is provided during working hours on weekdays. As of October 2025, 2545 persons with disabilities received service in 37 day care centres, 600 elderly received service in 42 day care centres.

#### Home Care Allowance:

Home care allowance, which is carried out within the scope of the Additional Article 7 of the Social Services Law No. 2828, was initiated with the idea of supporting the disabled individuals in need of care primarily with their families. In order to benefit from this service; persons with disabilities must certify that they are severely disabled/fully dependent with a Health Board Report for the Disabled, and income per capita in the household should be less than 2/3 of the minimum wage (14.736,45 TRY for the year 2025). 521,057 persons benefit from home care allowance as of September 2025.

## **Social and Economic Support (SED) Service**

The Social and Economic Support (SED) Service, one of the most important service models of the child protection mechanism, is provided by Ministry Of Family and Social Services. The Social and Economic Support (SED) Service, one of the most important service models of the child protection mechanism, is provided by Ministry Of Family and Social Services. The Social and Economic Support Service is delivered in order to provide children's needs, strengthen families, prevent temporary social and economic inconvenience, ensure that children are cared for and supported alongside their biological families or relatives, and promote equality of opportunity. The Social and Economic Support Service is not a form of social assistance but a social service model. In addition to strengthening families economically, it is based on providing psychosocial support. It is essential that school-age children supported through the SED Service are also strengthened academically, socially, culturally, artistically, and in sports.

Payments under the SED Service are made within the scope of the Regulation on Social and Economic Support Services, which was in force following its publication in the Official Gazette dated 3 March 2015 and numbered 29284. The purpose of the SED Service, the criteria for granting support, the duration of support, the eligible beneficiaries, and the monitoring processes are regulated under this Regulation.

Within the scope of the SED Service, children are cared for alongside their families without being taken under institutional protection, and economic support is provided for a maximum of two children from the same household. Children who are subject to a protection order and placed under the care of social service institutions, and who may be taken in by their families or relatives if supported, are also eligible for support.

Beneficiaries receiving temporary economic support are monitored periodically at three-month intervals. Temporary economic support payments are discontinued if the reason requiring the provision of economic support ceases to exist or if it is determined that the beneficiary can sustain their life through their own means.

As of November 2025, a total of 182,002 children benefit from the SED Service.

As of October 2025, the total amount paid under the SED Service has reached 14 billion TRY. A maximum of two children per household are supported alongside their family.

In order to increase the effectiveness of the Social and Economic Support (SED) Service, raise awareness among families regarding child-related issues, and provide children with environments and opportunities to spend their out-of-school time in a qualified and productive manner, the Project for Increasing the Effectiveness of the SED Service (School Support Project) is being implemented. Within the scope of the project, academic, social, cultural, and sports activities are organized for secondary and high school students benefiting from the SED Service, enabling children's leisure time to be structured in a way that supports their development and protects them from negative environments, groups, social circles, and associated risks.

In all 81 Provincial Directorates, expert personnel involved in the School Support Project assess the needs of children and families on an individual basis, taking into account personal, cultural, and geographical characteristics.

#### **iv. Health Care**

##### **a) Analysis of main obstacles**

As of the end of 2024, a total of 144,828 physicians are employed in our Ministry, including 61,514 specialist physicians, 34,668 assistant physicians and 48,646 general practitioners. The number of dentists is 13,570, pharmacists 5,535, nurses 189,381, and midwives 56,504. Of the personnel, 57.2 percent are female and 42.8 percent are male.

As of the end of 2024, primary healthcare services are provided in 8,228 Family Health Centers (FHCs) and 28,845 Family Medicine Units (FMUs). In 2024, 101 new FHCs and 856 new FMUs were opened. The working areas of family physicians are determined so that, on average, there is one family physician for every 3,000 people.

For settlements where access to healthcare is difficult, such as towns, villages, hamlets, and remote neighborhoods, “mobile healthcare services” are planned and provided. As of the end of 2024, 7,452 FMUs delivered mobile healthcare services to 5,633,125 people.

In the primary healthcare investment program, which includes Family Health Centers, Healthy Life Centers, and Public Health Centers, there are 1,202 facilities. Of these, 461 are under construction, 628 are in the project phase, and 113 are at the tender stage.

The number of hospitals under the Ministry of Health increased from 933 in 2023 to 941 in 2024. As of the end of 2024, the number of university hospitals is 69 and private hospitals is 552. The number of hospital beds under the Ministry of Health, universities, and the private sector reached a total of 268,359 in 2024. Compared to 2023, the number of beds changed from 167,649 to 169,834 in Ministry of Health hospitals, from 43,878 to 44,131 in university hospitals, and from 55,067 to 54,394 in private hospitals. The total number of intensive care beds as of the end of 2024 is 49,010.

Currently, 435 facilities are included in the secondary and tertiary healthcare investment program. Of these, construction is ongoing for 165, 234 are in the project phase, and 36 are at the tender stage.

Compared to 2023, the total number of MRI devices in hospitals increased from 1,001 to 1,031 in 2024, CT devices from 1,359 to 1,379, ultrasound devices from 5,750 to 5,867, Doppler ultrasound devices from 8,053 to 8,630, and echocardiography (ECHO) devices from 3,127 to 3,277.

At the request of other countries, short-term professional training opportunities are provided for foreign healthcare personnel in observer status at training and research hospitals affiliated with our Ministry, aiming to enhance their professional skills. Support is also provided to countries requesting to review our healthcare system, including sharing experiences. As of 31 December 2024, we have agreements with 97 countries and 3 international organizations, totaling 293 agreements.

In order to strengthen the emergency healthcare system, pre-hospital emergency medical services have been expanded nationwide to cover all rural areas, reaching 3,574 stations. Services are provided with 6,308 emergency ambulances. There are 15 helicopter

ambulances, 1 airplane ambulance, 6 sea ambulances, 21 ambulances equipped with a snow plow, and 230 ambulances that can be fitted with snow plow. In the first ten months of 2025, 4,231 citizens were transported to healthcare facilities by air ambulances.

To facilitate the transport of obese patients and intensive care patients during major accidents and mass casualty events, due to their medical equipment and spacious interiors, there are 62 four-stretcher ambulances and 92 intensive care/obese ambulances. To provide services in situations where standard ambulances cannot reach due to narrow streets or heavy traffic, there are 57 motorcycle ambulances. Additionally, 50 neonatal ambulances are in service to transport newborn patients.

During 2024, pre-marriage counseling was provided to 774,111 individuals. Pregnant women can benefit from prenatal education services at our Ministry's secondary and tertiary healthcare facilities, including Prenatal Schools and Birth Preparation and Counseling Centers.

A Prenatal Care Management Guide has been prepared. According to the guide, pregnant women are monitored in four different stages. In 2024, the average number of monitoring sessions per pregnant woman was 3.5. There are a total of 434 Prenatal Schools in healthcare facilities affiliated with our Ministry. In 2024, a total of 1,022,738 pregnant women received education in prenatal classes.

In 2024, 91.9 percent of pregnant women received iron supplementation, and 92.4 percent received vitamin D supplementation. The maternal mortality rate (per 100,000 live births) decreased from 13.4 in 2023 to 11.5 in 2024.

All infants are provided with free iron and vitamin D supplementation from the fourth month to one year of age. In 2024, a total of 2,000,000 iron preparations and 2,500,000 vitamin D supplements were distributed nationwide to the provinces. The infant mortality rate (per 1,000 live births) decreased from 9.7 in 2023 to 8.9 in 2024.

Significant measures have been implemented within the scope of the Normal Birth Action Plan. When examining primary cesarean rates across 81 provinces, a decrease has been observed in 51 provinces since the start of the action plan.

Cancer Early Diagnosis, Screening and Training Centers (KETEM) continued to operate with 423 centers, including 48 mobile units, as of the end of 2024. At the end of 2024, the breast cancer screening rate was 44.3 percent. Cervical cancer screening reached 89.4 percent, and colorectal cancer screening reached 30.4 percent. Over the past year, a total of 5 million citizens underwent cancer screening, and 19,000 were diagnosed with cancer at an early stage.

Through the Disease Management Platform, the obesity screening rate was 24 percent and the diabetes screening rate was 62 percent in 2024.

The number of organ donors who obtained an organ donation card reached 52,331 in 2024, bringing the total number of organ donors to 753,919. In dialysis services, 67,129 patients were monitored through the dialysis tracking system in 955 dialysis centers. In 33

provinces authorized to provide home hemodialysis, 94 dialysis centers received permission to implement home hemodialysis, enabling 1,383 patients to receive home hemodialysis services. As of the end of 2024, the total number of patients reached through home healthcare services was 2,780,050. Nationwide, mobile screening teams conducted X-ray screenings for 287,757 individuals in 2024. Over the past year, 35 million citizens underwent chronic disease screenings, and 7.3 million people received a new diagnosis.

In Türkiye, addiction and rehabilitation services are provided through 119 Adult Detoxification Centers (AMATEM), including 49 inpatient centers with a total of 1,246 beds and 70 outpatient centers. For children and adolescents, 24 Child and Adolescent Substance Addiction Treatment and Training Centers (ÇEMATEM) operate, including 15 inpatient centers with 255 beds and 9 outpatient centers. In 2024, two additional ÇEMATEM centers affiliated with Ministry of Health were opened.

As of 2024, services are provided at 565 Smoking Cessation Clinics. In 2024, a total of 150,467 consultations were conducted at these clinics.

To prevent secondary traumatization of children suspected of sexual abuse during judicial processes, Child Monitoring Centers (ÇİM) provide specialized services. These centers offer conditions that allow all judicial, medical, and psychosocial procedures to be carried out in a single session. With the opening of ÇİM in 4 additional provinces in 2024, services are now provided through 74 ÇİM across 70 provinces.

Citizen-focused initiatives are being carried out to strengthen the health system by increasing the use of information technologies in healthcare delivery and decision-making processes. Citizens are enabled to access their own health records online. In digital health, systems such as e-Nabız, e-Rapor, e-Reçete, MHRs, and others are used to collect health data efficiently, making it accessible to both healthcare personnel and citizens.