



Interim Report

TURKEY



State Planning Organization
Information Society Department

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INTRODUCTION

With the advent of information and communication technologies (ICT), countries have encountered a new era of both development and competition. Although, this era provides nations some unique opportunities for economic and social development, there are quite some challenges as well. The objective of having a knowledge-based economy and boosting economic growth via ICT has become the major driving force for global competition. The need for integration between member and candidate countries within the European Union appears to be especially important in the issues regarding information society. In this respect, eEurope+ and other related programs for candidate countries have so far fostered the efforts in dealing with social, economic, and technical aspects of information society.

A concrete example of these efforts is Turkey's new project that aims to accelerate the Turkey's transition to information society. **e-Transformation Turkey Project** was launched as part of Turkey's commitment to join the European Union and, in particular, to leverage Turkey's potential to become an important player in the global arena. In our understanding, information society means a complete and long-lasting transformation in the society; in economic activities, in governance and management, in public service provision, and in short, in our lives.

The objective of this interim report is to share new developments regarding the objectives set out at eEurope+ Action Plan and progress achieved since the previous report.

e-TRANSFORMATION TURKEY PROJECT

Since the previous government took place in December 2002, there is a new approach that urges public institutions to realize the necessary steps in order to remedy long-term problems, like financial stability, public management, social security administration, agriculture, and manufacturing. These actions on the most needed areas of interest are combined in **Immediate Action Plan**, which takes place in the core of 58th and 59th Governments' Program. As a part of this Immediate Action Plan's Public Management Reform Section, information society issues are declared as one of the most significant projects. **e-Transformation Turkey Project** aims to foster the evolution and to coordinate information

society activities, which were previously carried out under different topics by different institutions.

Responsible institution for this specific project is identified as State Planning Organization (SPO), which is affiliated to the Prime Ministry. SPO is responsible for overall coordination of countrywide economic and social development programs, allocation of funds to public investment projects, and advising to the Government. The time frame set for e-Transformation Turkey Project is *6 months* for an Action Plan and *continuous* for the entire project term. Prime Ministry, NGOs, and all public institutions are identified as affiliated organizations for this project.

To clarify the objectives and principles about the project, a Prime Ministry Notice, dated February 27, 2003 has been issued. According to this Notice, the objectives of e-Transformation Project are as follows:

- Policies, laws, and regulations regarding ICT will be re-examined and changed if necessary, with respect to the EU *acquis*; eEurope+ Action Plan, initiated for the candidate countries, will be adapted to Turkey.
- Mechanisms that facilitate the participation of citizens to decision-making process in the public domain via using ICT will be developed.
- Transparency and accountability for public management will be enhanced.
- By increasing the usage of ICT, good governance principles will be put in place in government services.
- Spreading the usage of ICT.
- Public IT projects will be coordinated, monitored, evaluated and consolidated if necessary in order to avoid duplicating or overlapping investments.
- Private firms will be informed according to the above-mentioned principles.

In order to realize these objectives and to ensure the success of the project, a new coordination unit, **Information Society Department**, within SPO is established. This Department is responsible for the overall coordination of the project. Before this new project, lack of efficient coordination between institutions made the progress slow and ineffective. For the first time in Turkey, a separate division has been named as the coordinator of information

society activities, and we believe that this unit will play a crucial role in the success of the project.

To increase the participation and the level of success, an **Advisory Board** with 41 members has been established. This consulting body consists of the representatives of public institutions, non-profit organizations, and universities. The Board had its first meeting at the end of May to discuss and elaborate the Short Term Action Plan. The meeting was chaired by e-Minister.

In line with the government's schedule, the initial focal point in this project will be the **Short Term Action Plan (STAP)**, which covers 2003-2004, for implementing specific tasks. There are currently 72 action items under 8 sections. These 8 sections are:

- Strategy
- e-Education and Human Resources
- e-Health
- e-Commerce
- Standardization
- Infrastructure and Information Security
- Legislation
- e-Government

The Draft Short Term Action Plan has been published on SPO's web site and is open to suggestions. Critics and suggestions are going to be evaluated by Information Society Department and necessary changes will be made for the final version.

This Action Plan is going to be introduced by the government in July 2003. The structure of this action plan describes the objectives, the institutions that are in charge and are affiliated with, the duration, and financial needs if any.

IMPLEMENTATION OF eEUROPE+ IN TURKEY

What has been achieved since the last Progress Report of June 2002 and what is planned for the next evaluation period is going to be addressed under relevant objectives of eEurope+.

Objective 0 - Accelerate the putting in place of the basic building blocks for the Information Society

The incumbent telecommunications operator in the market, Turk Telekom, is still enjoying the monopoly over voice transmission. The law orders full liberalization in all segments of telecommunications services market by the end of 2003. Privatization process is underway, however, it is believed that it is going to take more time than expected to end up the state ownership in Turk Telekom. For affordable communication services for all, the only way is to fortify the competition in the market. There would be more players that provide affordable and better services when a full-fledge competition is ensured in all segments of the market.

Internet Access Providers (ISPs) are compelled to obtain services from Turk Telekom, as the owner of the nationwide infrastructure, for international connections, and this appears to be the most important problem for ISPs.

The GSM market is still growing and the number of GSM subscribers has exceeded the number of PSTN subscribers in 2002 (25 million as of March 2003). GSM operators are introducing their data services on GPRS networks, and mobile internet connection is believed to be a rival to traditional dial-up connections in the mid-term.

Broadband access is quite expensive and it does not take off due to price and lack of service area coverage.

New Telecommunications Law

The need for a new Telecommunications Law has been recognized both in Immediate Action Plan and Short Term Action Plan of e-Transformation Turkey Project. There are three institutions working on the draft version of the law, and it is going to be completed before due date, which is November 2003. The objective of this new law is to renovate the structure of old laws, namely Law No:406, Law No:2813, and some other amending laws, and to cover all needed areas of regulation for telecommunications market, such as interconnection, licensing, universal services and numbering, in line with the Acquis.

Secondary Telecommunications Legislation

Besides a new telecommunications law, Telecommunications Authority is ordered in both Immediate Action Plan and STAP to complete the necessary legislation work before the due date for liberalization. In order to promote competition and regulate the market effectively, there are several important items, such as; rights of way, local loop unbundling, co-location, numbering, needs to be completed before full liberalization.

Access and Interconnection Directive has been published on the Official Gazette on May 2003. There are two other Communiqués regarding the identification of and rules and regulation for the operators with dominant position or having significant market power.

Also, the Ministry of Transportation will prepare Universal Services Directive, which aims to identify the principles of universal services and nationwide implementation.

Electronic Signature Law

The Ministry of Justice has completed the Draft Law and sent it to the Prime Ministry. Council of Ministers have approved and submitted the Draft Law to the Parliament. The Law is expected to get approved by the Parliament by the end of this year. The aim of the law is to legalize electronic signatures and to establish a certification authority, which is Telecommunications Authority in this case.

Information Obtaining Rights Law

The draft is prepared by the Ministry of Justice and is submitted to the Prime Ministry in February 2003. It is still in the process of discussions, and will be sent to the Parliament by the end of August 2003. The aim of this Law is to identify the principles about the rights of the users of government services with regards to basis of transparency, openness, and equality of public management.

National Information Security Law

Turkish General Staff and the Ministry of Defense are coordinating a study for the draft law since 2000. The law would be finalized by the end 2003 according to STAP.

Protection of Personal Data Law

There is a commission under the Ministry of Justice working on the draft of the law since September 2000. It is a part of STAP and the due date is the end of 2003.

Law Amending Intellectual Property Rights Law about protection of rights on electronic media

The Ministry of Justice will complete a report about the protection of intellectual property rights, and if necessary, prepare a Draft Amending Law to amend Law No:5846 and amending Law No:4630. This is also a part of STAP and the due date is the end of 2003.

Secondary Legislation regarding Consumers Protection Law

The Ministry of Trade and Industry is going to prepare the secondary legislation regarding Consumer Protection Law (Law No:4077, amending Law No:4822) by the end of 2003. The aim of this legislation is to protect consumers who are trading goods and services over electronic media. (STAB Legislation-6)

Decree for Adoption of European Convention on Conditional Access

As a part harmonization to European acquis, 98/84/EC Directive is going to be harmonized by Telecommunications Authority and Turkey will issue a Decree to participate to the European Convention of Conditional Access.

Objective 1- A cheaper, faster, secure Internet

Turk Telekom is planning to conduct a big tender for DSL infrastructure. Two of the previous tenders were postponed because of the decisions of Public Procurement Authority. When the tender is completed and around 200,000 ports are delivered, there would be a significant effect on the broadband infrastructure of Turk Telekom. This would also have high impact on

the broadband access prices. Currently Turk Telekom's DSL infrastructure capacity is about 4,300 ports.

UlakNet (National Academic Network) is connecting all state universities, several public institutions, and Armed Forces R&D departments since 1997. Starting from the mid-2002, a new project has been initiated to improve UlakNet infrastructure. In November 2002, the new improved infrastructure started to operate. With this project:

- International capacity increased 10 times, from 64 Mbps to 620 Mbps.
- All the university branches at rural areas are covered.
- The number of users reached 300,000.
- Domestic capacity between nodes increased to 2800 Mbps from 138 Mbps.
- An initial connection to European Academic Network (GEANT) with 155 Mbps is launched.
- The backbone speed is increased from 34 Mbps to 155 Mbps.
- Universities and R&D institutions are now connecting 4 to 75 times faster than before.

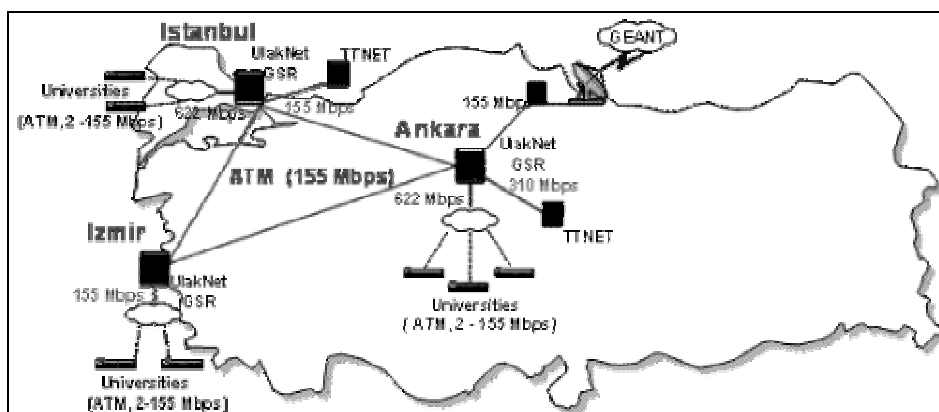


Figure 1 – UlakNet's New Backbone Infrastructure

There are two actions in STAP related to the information security and smart cards.

TUBITAK- National Research Institute of Electronics and Cryptography (UEKAE), in coordination with Turkish Standards Institute, is going to prepare a report about smart cards, PKI (Public Key Infrastructure), the security test standards and their implementation in public services. Another action for TUBITAK-UEKAE is developing a pilot project for testing and provision of network security for public networks. Both of these actions are due December 2004.

Objective 2 - Investing in people and skills

There are 16.1 million students and 578,800 teachers in 58,900 public and private education institutions. Ministry of Education has already provided 124,967 computers, 6,034 computers with Internet access, and 6,412 computer laboratories to 5860 schools. The amount of computer literacy among teachers is 67%. These teachers are trained about computer-based education. 17% of schools in Turkey have computer facilities, which are available for students besides regular educational activities.

In Basic Education Project, Ministry of Education has provided 2,800 schools with computers laboratories and internet access. During 2003-2004 periods, 4,000 more schools will be supplied with computers and internet access. Other than public funds, NGOs are also investing to provide computers to schools.

The number of private computer training courses under the auspices of the Ministry of Education is 727. The total capacity of these courses is 38.883 students. The content of these courses consist of computer literacy, operator, assistant programming, programming, analyst programming and technical rehabilitation. There is at least 1 course at every province.

Under the Education and Human Resources Development Section of STAP, there are 8 actions, and the Ministry of Education is responsible for six of them. Developing an education portal, computerizing the schools, and improving the curricula for computer education are among these actions.

Objective 3 - Stimulate the use of the Internet

e-Commerce, e-Health, and e-Government are other three important topics in STAP. There are 8, 15, and 21 actions listed under these topics respectively.

For acceleration of e-Commerce, Under Secretariat of Foreign Trade, Ministry of Trade and Industry, KOSGEB (Small and Medium Industry Development Organization) are working together to develop pilot projects, to prepare reports and necessary changes in the legal infrastructure. Most of the actions are due 2003.

These actions are composed of preparing a digital registry system for private firms, promotion of e-document and e-commerce by proper financial instruments, producing e-commerce statistics.

To increase the number of online public services available, introduction of online services to citizens is stated as a priority in STAP strategy. Interoperability, common standards for the provision of services, funding models for e-government projects, current status of e-government projects, e-teams at each public institutions and strategy for e-government portal are among the important topics covered in e-Government Section of STAP. These actions will provide important background information and help mitigate risks associated with future implementations.

Most of the public institutions have web sites and some portion of them can offer transactions between the user and the government. Roughly, out of 160 public institutions 30 of them have the ability to interact with the users. Most the rest are able to provide information only.

e-Health Section in STAP has 15 actions, and for all actions the Ministry of Health is the responsible institution. Most of these actions are considered to be a part Turkish Health Information System, which is underway since 2001. The paramount of the actions is related to establish the set of standards for classification and registry of information, and associated implementation projects.

ANNEX - MAIN TELECOMMUNICATIONS INDICATORS

Indicators	2001	2002	2003 (E)
PSTN Exchange Capacity	21 341 000	21 841 000	21 941 000
PSTN Subscribers	18 904 000	19 000 000	19 100 000
PSTN Penetration (%)	27,3	27	26,7
Mobile Phone Subscribers			
Analog (NMT 450)	69 971	54 971	40 000
Digital (GSM)	18 229 000	25 000 000	28 000 000
Mobile Phone Penetration (%)	26,5	35,6	39,3
Number of Payphones	71 149	74 055	83 925
Fiber/Optic Lines (Km)	77 340	81 340	84 340
Cable TV Subscribers	908 662	950 000	1 050 000
Number of Internet Users	2 500 000	4 000 000	6 000 000

Source: SPO, Turk Telekom