

## **HUMAN SETTLEMENT COUNTRY PROFILE**

### **TURKEY**

#### **Decision-Making**

#### **Programmes and Projects**

- A. Providing Adequate Shelter for All
- B. Improving Human Settlement Management
- C. Promoting Sustainable Land-Use Planning and Management
- D. Promoting the Integrated Provision of Environmental Infrastructure: water, sanitation, drainage and solid waste management
- E. Promoting Sustainable Energy and Transport!Systems in Human Settlements
- F. Promoting Human Settlement Planning and Management in Disaster-Prone Areas
- G. Promoting Sustainable Construction Activities
- H. Promoting Human Resource Development and Capacity-Building for Human Settlement Development

#### **Status**

#### **Capacity-Building, Education, Training and Awareness-Raising**

#### **Information**

#### **Research and Technologies**

#### **Financing**

#### **Cooperation**

**Decision-making:** The following bodies are responsible for the legislation and regulations concerning human settlement:

-State Planning Organization is responsible for the preparation of Five Year Development Plans or preparation of Regional Plans or having them prepared.

-The Ministry of Public Works and Settlement is responsible for: the preparation of territorial plans or having them prepared and their approval through Planning Law No: 3194/1985; the preparation of land use plans for areas subject to disaster and their approval through Disaster Law No: 7269/1051; the approval of Tourism Area and Centers Master Plans through Tourism Encouragement Law No: 2634, 18.03.1982; the approval of landfill in coasts or land gained through drying through Coastal Law No: 3621, 17.04.1990; the preparation and approval of the plans on Metropolitan Area Public Works within the context of Public Works Law No: 3194, the approval of land-use plans related to public institutions, important for transportation, mass housing implementations through the Planning Law, No: 3194, 09.05.1985; the approval of land-use plans of explosive and flammable material stores through the Regulation announced relative to the second article of the Law No: 6551 (1987); the preparations and approval of land-use plans of Squatter Prevention Areas or Rehabilitation Zones through the Squatter Law No: 775/3384; and the approval of Implementation Plans of National Parks through the Law on National Parks No: 2873, 09.08.1993.

-The Ministry of Tourism is responsible for: the approval of tourist establishment implementation plans in tourism areas and centers through the Tourism Encouragement Law No: 2634, 12.03.1982; the approval of implementation plans of touristic uses continuing from landfill in coasts through the Coastal Law No: 3621, 17.04.1990; the plans in Greater Municipalities through the Law of Greater Municipalities No: 3030, 27.06.1984; the Construction and Occupancy Permits through the Planning Law No: 3194, 09.05.1985 and the Law on Administration of Greater Municipalities No: 3030, 27.06.1984; and the approval of implementation plans of municipalities in Greater Municipality boundaries through the Law on Administration of Greater Municipalities No: 3030, 27.06.1984.

-The Ministry of Environment and Forestry is responsible for: the preparation of environmental basin plans with scale of 1/25000 on sustainable and ecological basis through the Government Decree on the Establishment and

Duties of the Ministry of Environment and Forestry No: 443 and the approval of the territorial plans prepared by the Ministry of Public Works and Settlement.

-The Institution of Specially Protected Areas is responsible for: the preparation and approval of every type and scale of plans in specially protected areas through the Government Decree on the Establishment; and Duties of the Institution of Specially Protected Areas.

-The Ministry of Public Works and Settlement (General Directorate of General Directorate of Bank of Provinces) is responsible for, by the request of municipalities, the preparation of land-use plans by itself or through private tenders through the Law of General Directorate of Bank of Provinces No: 4759, 02.06.1945.

**Regional Level:**

-Bosphorus Higher Planning Coordination Council is responsible for the approval of plans or plan amendments in the coastal strip and fore front view area of the Bosphorus through the Bosphorus Law No: 2960, 22.07.1983 and Planning Law No: 3194, 09.05.1985.

-Southeastern Anatolian Project Regional Development Administration is responsible for: the use of rights and competence in planning and infrastructural issues in South-Eastern Anatolian Region Provinces relative to the Laws No: 1580 and 3194 through the Governmental Decree No 399, 06.11.1989.

-Regional Councils of Cultural and Natural Resources Protection Councils is responsible for: the giving instructions on land-use plans with conservation objectives in urban and archeological natural

conservation areas through the Law on the Protection of Cultural and Natural Resources No: 2863/3386, 23.7.1983.

#### Provincial Level:

-Governates are responsible for: the preparation and approval of land-use plans outside the municipal and adjacent area boundaries through the Planning Law No: 3194, 09.05.1985; the announcement of Mass Housing Areas through Mass Housing Law No: 2985, 17.03.1984; the determination of village settlement areas through Planning Law No: 3194, 09.05.1985; and the determination of village settlement areas and approval of their plans through the Village Law No: 442/3367, 26.06.1987.

#### Settlement Level:

-Municipality is responsible for: the preparation of land-use plans within the boundaries of Municipalities and Adjacent areas through the Planning Law No: 3194, 9.5.1985; the determination of squatter areas and upgrading zones and preparation and approval of their land-use plans through the Squatter Law No: 775/3811; the preparation and approval of upgraded implementation plans through the Amnesty Law on Settlement Development No: 2981/3290/3386; the Construction and Occupancy Permits through the Planning Law NO: 3194, 9.5.1985 and the Municipality Law No: 1580, 3.4.1930; and the approval of land-use plans related to land uses other than tourism in touristic areas and centers through the Tourism Encouragement Law No: 2634, 12.3.1982.

¿Greater Municipality is responsible for the preparation and approval of master or land gains through drying through the Law on the Administration of Greater Municipalities No: 3030, 27.06.1984.

¿The Ministry of Culture is responsible for the taking the decision for the regional or higher council to obey in urban, archeological, and natural preservation areas through the Law on the Protection of Cultural and Natural Resources No: 2863, 23.7.1983.

-Higher Council of Protection of Immovable Cultural and Natural Resources is responsible for the taking the principle decisions of planning and constructing for urban, archeological and natural preservation areas through the Law on the Protection of Cultural and Natural Resources No: 2863, 23.7.1983.

-The Ministry of Environment and Forestry is responsible for the determination and protection of national and natural parks, and preparation of development plans through the Law on National Parks No: 2873, 9.8.1993. The Government of Turkey had a dual role in its preparatory work for the Habitat II Conference. As the host country, Turkey was responsible for all necessary arrangements of the Conference. On the other hand, Turkey prepared, in close cooperation with a considerable number of public agencies and NGOs, a National Plan of Action. It is based on an enabling strategy which addresses the issues of human settlements in both urban and rural areas, including: the assessments of shelter; infrastructure and service needs; the review of the effectiveness of existing urban policies; and the identification of issues and bottlenecks to local development that call for action. Issues pertaining to: poverty alleviation and job creation; pollution reduction and environmental improvement; as well as community participation; and new modes of governance are also addressed in the Plan. Housing Development Administration was once again mandated by the Prime Ministry to coordinate and facilitate the national preparations for Istanbul +5 process: “Special Session of the United Nations General Assembly for an overall Review and Appraisal of the Implementation of the Habitat Agenda”, which was held in June 2001. In this respect, the first Habitat Forum of Turkey, a revitalized and enlarged version of its National Preparatory Committee for the Habitat II Conference, convened in Ankara, 7-8 September 2000, with about 800 participants representing the full range of Habitat partners. In seven thematic workshops and two plenary sessions, the participants from government organizations, local governments, academia, private sector, and NGOs: reviewed the domestic status of the key issues of the Habitat Agenda; underlined problem areas and ongoing constraints; and displayed best practices on a wide geographical basis. The workshop conclusions were summarized in 67 point final declaration, under the headings of: Shelter; Social Development and Eradication of Poverty; Environmental Management;

Economic Development; Governance; International Relations and Development of Partnerships; and Disaster Management. As an input for future action, all workshops put forth requirements for: legislative changes; a need for capacity-building and new institutions; and the urgency of creating an environment of strong partnerships. The Forum also reviewed the ongoing and ever increasing Local Agenda 21 initiatives which has just entered its second stage, bringing the number of participating cities up to 40; and discussed the potential for developing Local Habitat Agendas either as a part of or in parallel to these local commitments. On the other hand, with regard to regional planning, the following main objectives have been included in the 8<sup>th</sup> Five-Year Plan (2001-2005): development and management of national resources aiming the provision of maximum economic and social benefits, and minimizing the regional disparities with respect to economic and social terms. In addition: sustainability together with the achievement of social and economic balance; improving the quality of life; and participation has been taken as the main guidelines in the regional planning.

The Housing Development Administration: determines general policies on providing lands and housing, the land production areas with priority, and the calendar for the production of such areas, supervises domestic and foreign resources required for the production of land and housing.

On the other hand, Local Agenda 21 for Urla was a pilot initiative supported by the United Nations Development Programme (UNDP) through the Global Environment Facility (GEF)/NGO Small Grants Programme. Urla is located within the close hinterland of Izmir and is highly affected by the adverse environmental impacts of rapid economic development in Izmir. This project has also provided input to the National Agenda 21 preparatory process. A local committee, involving all relevant stakeholders, has been established for the preparation of Urla Local Agenda 21.

### **Programmes and Projects :**

A. Providing Adequate Shelter for All: New types of housing have been introduced, including the 1980s-like “mass housing” scheme, which provides for credits to housing cooperatives through the newly established “Housing Development Administration” and the “Mass Housing Fund” (1984). The lack of sufficient housing, which is both a basic need and a very important consumption item for human well being, reflects the extent of poverty, which many socioeconomic groups experience. “Gecekondu”, which is the Turkish version of squatter housing seen in every developing country, provides shelter for the urban poor and “have-nots” in and around big cities (metropolises) and invades more and more rural (agricultural) land every day. Of the estimated total urban population of 37.8 million (that is, 60.9% of the total population) in 1995, nearly a quarter still live in gecekondu-type settlements. However, the formation of gecekondu has not been stopped due both to the scarcity of National financial resources and to rising poverty levels. The relatively low income of the rural population is the main cause for regional and urban-rural disparities in Turkey. It is estimated that 68.7% of poor households are rural. Most of the poor are from East and Southeast Anatolia (30.3%), whereas only 1.4% is from the Aegean-Marmara Region. The Housing Development Administration has also been carrying out projects on “gecekondu” transformation and urban renewal since 2003. Thus 100.000 houses will be constructed particularly in eastern and southeastern parts of Turkey.

B. Improving Human Settlement Management: Sustainable Urban and Rural Settlements, Research Program for the Province of Van: Solutions of complex urban and rural problems caused by poverty and rapid migration, like: insufficient housing and infrastructure; exploitation of natural and cultural values; and etc. require objectivity in approaches and techniques, and joint efforts of concerned parties that applied research projects can provide. The social and spatial consequences of these problems are even more serious in relatively more underdeveloped regions of the country, like Eastern Anatolia where science and technology must be utilized to enhance the daily lives of citizens. The Research Program for Van is coordinated by the Scientific and Technical Research Council of Turkey (TÜBİTAK) and supported by: the Municipality of Van; the Chamber of Industry and Commerce of Van; the Trade Union

of Van; and the Van (yüzüncüyil) University. The program has been developed for a period of five years within the context of UN-HABITAT Agenda and the National Environmental Action Plan. In this program, a semi official body has been established in the city of Van where local authorities seek ways and means of accelerating development in the region to re-create the once “glorious” life and culture of their city.

The aim of the Program is to initiate and coordinate basic urban and rural research projects for this city at universities and to induce the local authorities to implement the project results. The budget of the program is jointly financed by national and local funds. This is an umbrella program comprising of various research projects conducted either by the local university or by other forthcoming universities in the country. Projects have been defined in a problem-oriented manner and extensive input data have been collected concerning the economic, social, and spatial aspects of the city and its surroundings. Data have been collected through geographic information techniques and put to the service of the public authorities and private companies. The purpose is to rationalize future investments and urban services provided by the municipalities. The operational model of the Program and the overall results to be derived from its projects are expected to speed up implementation of the envisaged urbanization policies and improve quality of the environment for the citizens of Van. Another technical cooperation project to promote sustainable human settlement development was initiated in October 1994, through the cooperation between the Government of Turkey and the UNDP. It is being executed and financed (US\$ 1.6 million) by the Prime Ministry Housing Development Administration.

On the other hand, the Housing Development Administration, besides the projects that it is undertaking within the scope of its obligations under the current market system, seeks to develop new policies on housing and urban development issues and to develop projects consistent with such policies like: “land with infrastructure for low income groups”; “construction projects based on profit sharing”; “new prospects in housing finance; housing development contractual saving system”; and “mortgage finance”.

C. Promoting Sustainable Land-Use Planning and Management: In order to develop an integrated approach to the planning and management of land resources, the Government of Turkey has developed policies and policy instruments. Planning and management systems have been improved and public participation has been promoted. Pilot projects to test research findings have been launched and information systems have been strengthened to advance the scientific understanding of integrated land resource planning and management. The Government promotes education and training, and the strengthening of technological and institutional capacity in this field. Turkey also promotes the integration of planning and management of land resources through regional and international cooperation.

D. Promoting the Integrated Provision of Environmental Infrastructure: water, sanitation, drainage, and solid-waste management: See under Freshwater and Sanitation Profiles.

E. Promoting Sustainable Energy and transport!Systems in Human Settlements: In order to protect the atmosphere, the Government of Turkey promotes policies and programmes in the areas of: energy efficiency; environmentally sound and efficient transportation (European Community, EURO 93); and industrial pollution control. To achieve sustainable energy development and efficiency, the Government considers: the development and use of safe technologies; promotion of R&D relating to appropriate methodologies; public awareness-raising; product labeling; and environmental impact assessment (EIA) as the most important means.

F. Promoting Human Settlement Planning and Management in Disaster-Prone Areas: See under Status.

G. Promoting Sustainable Construction Industry Activities: See under Status.

H. Promoting Human Resource Development and Capacity-Building for Human Settlement Development: See under Capacity-Building, Education, Training and Awareness-Raising.

**Status:** It is well known that land is a very limited resource and sixty-three percent of Turkey is affected by soil erosion. In addition, 92% of the total land area and 95% of the total population are under the risk of medium to high-level seismic movements. In Turkey the land component has the largest share in the total cost of housing at the level of 30-40%, and it is an approved fact that the only way of constructing houses at low costs can be achieved by reducing the cost of land. Recent earthquakes have also showed that there are some inefficiency in our construction and planning mechanism. Especially, there were many losses on Marmara and Düzce earthquakes in 1990. A professional insurance system is also lacking. Therefore, a new building and construction supervision system has been created in this context in 2000, with a view to ensure safety of construction works and buildings throughout the country. There are also some problems in the housing finance. There is insufficiency of housing loans extended by public and private finance institutions, both in terms of their number and amount. Housing units, credited by the Housing Development Administration, cover 14-15% of total housing works (1984-2001).

One of the new approaches to solve this problem is to divert the public resources to the production of land with infrastructure. Urban infrastructure is very important in Turkey where the pace of urbanization is a significant figure. The high rate of unplanned areas is disturbing the physical and environmental quality of our cities. In this respect, it is very important to develop urban infrastructure in these areas. Moreover, land has the largest share in the total cost of housing. So, there is a need to: review legislation and institutions regulating land development; and to remove the bottlenecks in the supply of land for low-income households. The ever-increasing population living in cities and the urban-rural disparity has become the top priority issues in Turkey. Among others, increasing housing demand and traffic problems, result from this phenomenon. There has been an extreme increase in unlicensed (illegal) housing, often without even the most basic amenities, due partially to the insufficient supply of serviced land for housing within or around the city. Insufficient land supply and the lack of viable investment alternatives in the Turkish economy have given rise to speculative investments in the real estate markets, making it even more difficult for the low-income households to attain homes. Financing of housing, primarily by individual savings, is another aspect of the problem. On the other hand, local authorities are under pressure to meet the increased service requirements, ranging from the disposal of immense amounts of solid waste to the provisions of parks and recreational areas. Due to their financial dependency on the central government and legislation limiting their capacity in decision-making, the local authorities in Turkey are unable to provide these services at the required level.

*Socio-economic aspects:* The absolute poverty level, which can be defined as the level at which basic food expenditures, necessary for a healthy life cannot be afforded, was 8 percent in Turkey by the year 1994. According to the basic requirements approach, which considers food and other consumption needs as a whole, the rate of the population under risk of poverty, is about 24 percent. The absolute poverty level of rural and urban areas are 11,8 percent and 4,6 percent respectively, whereby the rate of the population under risk of poverty by basic consumption needs is 25,4 percent for rural areas and 21,7 percent for urban areas. 95 percent of the population in absolute poverty consists of those whose educational level is either primary school or below and of illiterate people. With a share of 50 percent within the working group, unpaid family workers constitute the greatest poor group. This section is followed by the self-employed with 24,7 percent and wage earners with 16,6 percent. When considered according to economic activity fields, with a share of 73,5 percent within the population in poverty, those dealing with agriculture and forestry constitute the greatest group in poverty. On the other hand, salaries and wages have increased at high rates in real terms for the period 1990-1994. Wages of workers in the public sector have increased by a factor of 2.04, whereas in the private sector they increased by 1.5. During this period, policies were implemented for improving income distribution, and the share of wage and salary-earners in the Gross Domestic Product (GDP) was raised.

The lack of sufficient housing, which is both a basic need and a very important consumption item for human well being, reflects the extent of poverty, which many socioeconomic groups experience. "Gecekondu", which is the Turkish version of squatter housing seen in every developing country, provides shelter for the urban poor and "have-nots" in and around big cities (metropolises) and invades more and more rural (agricultural) land every day. Of the estimated total urban population of 37.8 million (that is, 60.9% of the total population) in 1995, nearly a quarter still live in gecekondu-type settlements. However, the formation of gecekondu has not been stopped due both to the scarcity of National financial resources and to rising poverty levels.

The recent crisis in the Turkish economy has narrowed the possibilities to implement policies towards increasing social welfare in general and improving income distribution and alleviating poverty in particular. Inflation is still one of the foremost important factors that deteriorate income distribution and poverty in Turkey. While abject poverty (defined as pervasive poverty below biological or nutritional standards) may not be a problem in Turkey, extensive relative poverty is, and the number of poor with less than adequate nutrition, housing, and health standards has been increasing in recent years. The social security institutions in Turkey have increasing financial problems. The imbalance between the active and passive insurers requires organizational changes. The relatively low income of the rural population is the main cause for regional and urban-rural disparities in Turkey. It is estimated that 68.7% of poor households are rural. Most of the poor are from East and Southeast Anatolia (30.3%), whereas only 1.4% is from the Aegean-Marmara Region.

As of 2001, the share of agricultural sector within total employment was 13 percent; its share within the employed manpower on the other hand, was 33 percent. An important number of those, working in the agricultural sector is working with an extremely low productivity either on their own account or as unpaid family workers. The poor does not sufficiently benefit from the increase in income stemming from economic growth. A more pro-poor growth pattern has to be realized. Social security and social aid systems have been inefficient in protecting the poor section of the population. In spite of the fact that the tax burden on the working section has been alleviated relatively by the modification of the income tax tariff, no progress could be achieved towards exempting minimum wages from taxes.

About 70% of the poor earn their living from agriculture. The Government's agricultural product subsidies and tax exemptions are insufficient to alleviate the disparities. In addition to agriculture, a large number of the poor are found in small family enterprises. Since there is no persistent long-term basis for rural development, the difference in the level of welfare between rural and urban areas is gradually increasing, and the migration of the rural population to big cities is leading to: excessive aggregation; increased unemployment; and problems with regard to settlement, housing, environment, infrastructure, transportation, education, health, and public security. The unemployment rate went up to 10.5% in 1994. Similarly, the level of underemployment reached 9.3%. In urban areas, the unemployment rate among educated young people is high, whereas the proportion of women in the labor force is low. Employment in the agricultural sector with low-productivity continues to account for over 45% of the total employment of about 20.4 million. Employment in the public sector, which makes up 40% of the total paid employment, remained the same in the period 1991-1995.

The high population growth rate, which now stands at over 2% per year; and the high maternal and infant mortality rate call for further investments in National population policies. According to National statistics, 93% of the total population is covered by National social security schemes. Private social security schemes have been encouraged to expand these services to the whole population. The total population of Turkey reached 67.844.903 according to the results of General Population Census by the year 2000. The annual population growth fell to 1.78 5%. Average size of household is 4.3. Healthy birth rate is 76%; crude death rate is 0.7%; infant mortality rate is 42.7%; and child mortality rate 9.8%. The death rate

under the age of five years old is 52.1%. Life expectancy at birth is for males 65.9 years and for females 70.5 years. The total life expectancy is 68.2 years for the year 1996.

It is well known that land is a very limited resource and sixty-three percent of Turkey is affected by soil erosion. In addition, 92% of the total land area and 95% of the total population are under the risk of medium to high-level seismic movements. In Turkey the land component has the largest share in the total cost of housing at the level of 30-40%, and it is an approved fact that the only way of constructing houses at low costs can be achieved by reducing the cost of land. Recent earthquakes have also showed that there are some inefficiency in our construction and planning mechanism. Especially, there were many losses on Marmara and Düzce earthquakes in 1990. A professional insurance system is also lacking. Therefore, a new building and construction supervision system has been created in this context in 2000, with a view to ensure safety of construction works and buildings throughout the country.

The ever-increasing population living in cities and the urban-rural disparity has become the top priority issues in Turkey. Due to their financial dependency on the central government and legislation limiting their capacity in decision-making, the local authorities in Turkey are unable to provide these services at the required level.

*Ecosystem:* Turkey has 77 million ha of surface area, and of this 20 million ha are located in arid and 31 million ha are located in semi-arid climatic regions. In addition, more than 75% of the land is prone to different levels of erosion. In Turkey, some 109,124 km are deserts, and some 374,441 km are in danger of desertification. These areas are usually inhabited. The impacts of desertification on humans include, for example, illnesses of the respiratory system as well as unemployment because the agricultural land has become useless. Desertification in Turkey is mainly caused by: improper land-use; excessive grazing and fuel wood; and plant collection. Moderate impacts result from improper farming and natural causes such as wind erosion and flooding. Taking into account huge areas affected by soil erosion, more preventive measures and additional financial resources are needed. The Ministry of Forestry started erosion control and anti-desertification activities in 1955. To date, the major activities which have been implemented include: reforestation of 2.5 million ha; erosion control on 284,000 ha; and range improvement for 80,000 ha. Currently, the annual programme is 50,000 ha for reforestation and 25,000 ha for erosion control. However, the number of professional staff responsible for desertification issues is not adequate at all levels of decision-making.

According to the current forest inventories and forest management plans (1973-1999), Turkey's forest areas is 20.7 million hectares, which corresponds about 26 percent of Turkey's land area. But only half of the existing forests are classified as normal (productive) forest and the other half as degraded or severely degraded forest at present. The greatest part of forestland lies within mountain ecosystems in Turkey. Nearly all forestry activities are subject to the management of mountain development. The main problems of mountain areas are: unplanned settlements; some illegal curing; over-grazing; forest fires; and in some regions, damage caused by insects. Unique, typically representative, and/or threatened forest ecosystems within mountainous areas have been established under different protected area categories. Such protected ecosystems are taken into account in forest management plans and no silvicultural intervention is allowed.

**Capacity Building, Education, Training and Awareness raising:** As being the focal point of Habitat follow-up activities at national and international level, the Housing Development Administration has initiated the government and the civil society at the central and local levels to identify, promote, improve and implement policies in line with: broad-based consultations and participation; increased institutional, technical and human resources capacities; and, improved access to and application of information on urban trends and conditions.

**Information:** In the framework of Habitat follow-up programme of Housing Development Administration, mechanisms will be created to elaborate on priority issues that are identified by Habitat Fora: by funding research to be undertaken by qualified experts; by organizing workshops and other interested Habitat Partners to identify policy guidelines for which consensus can be reached by the participants; and publishing research results, the outcomes of workshops, and working group meetings. The Web page of The Housing Development Administration is [www.toki.gov.tr](http://www.toki.gov.tr) and of The General Directorate of Land Office [www.arsaofisi.gov.tr](http://www.arsaofisi.gov.tr).

**Research and Technologies:** Among the objectives of the Habitat follow-up programme activities that is started by HDA (Housing Development Administration) are: Launch and support!researches, competitions and projects improving policy development on priority human settlements issues; and facilitate a coordinated approach to the identification of the indicators, data sources and research needed to assess and monitor key housing and human settlements development issues with the participation of all habitat partners.

**Financing:** The financial bottleneck existing for poor people wanting to attain homes in cities can be emphasized by giving some figures obtained from practical experiences of housing cooperatives producing licensed housing. As of today, each fourth completed housing unit in Turkey is realized by cooperatives. Since the great initial public push created in 1984, housing cooperative's financial crediting power has diminished from a fixed percentage rate of 83% to below 30% in 1995. While the inflation level has prompted the prices of construction materials to grow 154 times within the same time period of 11 years, the housing co-operative's credit allowances have grown only 55 times. So the number of poor people in housing cooperatives has steadily been falling during the last decade, a fact contributing to the increase in slum construction. On the other hand, with the new structural reform, inflation and the interest rates have started to decrease and a suitable economic environment for the realization of an efficient housing finance system is expected to be formed in the very early future. Since the creation of the Housing Development Fund in 1984, the single most important source of funds for residential mortgage finance in Turkey has been the Housing Development Administration (HDA). HDA funded mortgage loans through commercial bank originators since 1984, however the HDA loans are heavily subsidized and they represent loan-to-value ratios of only 20%. Due to persistent high inflation rates, together with the increase in demand caused the fund become insufficient for meeting the existing demand in the system. HDA, due to its mission statement, has a leading and supervisory role in the formation of an institutional housing finance system. HDA is working on some tasks about developing policies that will contribute to the development of housing market in the country. In this context, in order to improve efficient mortgage finance system, some legislative works related with mortgage has been provided by the Administration. Additionally, the Contractual Housing Finance System has been designed by HDA, converting short-term savings into long-term loans, which is affordable by the majority of people. The system is planned to take the risk factor in to consideration in utilizing necessary financing tools against inflation.

**Cooperation:** The Housing Administration has been carrying on its activities in collaboration with its national and international partners especially UNCHS. Social Risk Mitigation Project (SRMP) is a World Bank Project whose amount of loan is US\$ 500 million. The duration is from October 1, 2001 to December 31, 2005. The development objective of the SRMP is to mitigate the impact of the recent (February 2001) economic crisis on poor households (social risk mitigation) and to improve their capacity to cope with similar risks in the future (social risk management). The SRMP will achieve these objectives through: (i) an adjustment portion, providing immediate support!to the poorest affected by the crisis (social risk mitigation); and (ii) an investment portion which in turn consists of three components: (a) building up the capacity of state institutions providing basic social services and social assistance to the poor (social risk management); (b) implementing a social assistance system (Conditional Cash Transfers-CCT) targeted to the poorest 6 percent of the population conditional on improved use of basic health and

education services (social risk mitigation and prevention); and (c) increasing the income generating and employment opportunities of the poor (social risk prevention).

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