

## The Future of Union for Mediterranean in terms of Regional Cooperation

**Tufan BAL and Metin ÇAKMAK**

Department of Agricultural Economics, The Faculty of Agriculture,  
Suleyman Demirel University  
32260, ISPARTA

**Mesut ALBENİ**

Department of Economics, The Faculty of Economics and Management,  
Suleyman Demirel University  
32260, ISPARTA

**Ali BERK**

Ministry of Agriculture and Rural Affairs  
Strategy Development Board  
Department of Strategic Management  
ANKARA

**Abstract:** The Euro-Mediterranean Partnership, formerly known as the Barcelona Process, was re-launched in 2008 as the Union for the Mediterranean at the Paris Summit for the Mediterranean in July. The Partnership now includes all 27 member states of the European Union, along with 16 partners across the Southern Mediterranean and the Middle East.

A Union for European with countries in the Mediterranean region seeks to promote accelerated economic growth. The aim of re-launching is to infuse a new vitality and to raise the political level of the strategic relationship between the EU and its southern neighbors. In this context, six priority projects are also identified in this meeting. Main focus of the Union for the Mediterranean is to deal with energy, security, counter-terrorism, immigration and trade. Creation of a Euro-Mediterranean free-trade area will also impact on the environment and agriculture in the region. This paper reviews the literature and statistically evaluates the future of Union for Mediterranean in terms of regional cooperation.

### Introduction

The Mediterranean has experienced significant improvement in its economic situation since the start of the Barcelona Process. The main components are sustained growth, beginnings of structural differentiation in trade and more FDI. Moreover, MPCs have introduced many reforms, in particular with respect to social policies. This has paved the way for real progress in terms of education, health, life expectancy and quality of life.

However, having spread across the world, the crisis represents an unprecedented challenge. In fact, since the end of the Cold War, the initiatives for the Mediterranean have been numerous but none has reached its objectives so far. It is worth assessing the value of the Mediterranean Union proposal and examining the reactions it provoked in key countries. We have selected several of them. On the European side, Southern European countries (other than France) and Germany seem particularly concerned. Of the nonmembers, we have decided, on the one hand, to concentrate on Tunisia and its North African neighbors, and on the other, on Israel. The various EC, and later on, EU initiatives, such as the Global Mediterranean Policy of 1972, the Renovated Mediterranean Policy of 1990, the Euro-Mediterranean Partnership within the framework of the Barcelona Process in 1995, and the New European Neighborhood Policy of 2003, have sought to make the Mediterranean region an area of peace, stability and prosperity.

All these policies were supposed to promote the stabilization of the region through the virtues of free trade. More recently, Europe requested its Mediterranean partners to adhere to its system of values, particularly to democracy and the rule of law; in exchange for which Europe proposed to share the prosperity of its liberal economy. It also promised to those countries that most rapidly implemented the new Neighborhood policy that they could benefit, at least partly, from the “four liberties”. However, these diverse propositions have convinced neither the Southern and Eastern Mediterranean countries, which were reluctant to undertake rapid political and social change (except the singular case of Israel), nor the European countries that did not tend to boost direct investments

and technological transfers. Furthermore, the on-going Israeli-Palestinian conflict has complicated attempts at cooperation, finally leading the process of partnership towards a political deadlock

Finally, in the European Council of March 13-14, 2008 held in Brussels, the initiative (which the “Appel de Rome” had apparently construed as a Franco-Spanish-Italian demarche) was brought to the attention of the other EU members as a common Franco-German endeavour, in view of the final decisions on content and shape that are to be taken in the Euro-Med summit that France will hold in Paris on July13-14, 2008. Although the EU members took good note of the Franco-German initiative, it has not been officially approved.<sup>5</sup> The Presidency Conclusions of the Brussels Council are very general and refer to the issue in extremely broad terms in a very brief annex, inviting “the Commission to present to the Council the necessary proposals for defining the modalities of what will be called ‘Barcelona Process: Union for the Mediterranean’ ”.<sup>6</sup>

The Marseille ministerial conference of 2000 should still be seen as a turning point in the Barcelona Process. After four years of negotiations, the Partners admitted at this conference that they had been unable to establish a common ground. The Northern Partners had called upon the Southern countries, in particular the Arab Partners, to promote political reforms on the assumption that such reforms would strengthen long-term security in the area. This demand was, however, perceived by the Southern Partners as a threat to their domestic stability. Furthermore, the EMP, despite its declaratory policy in favour of a solution to the Arab-Israeli conflict, was unable to do anything substantial to address a conflict that the Southern Partners regard as a major threat to their security. In the Arab view, the EMP was intended to meet the EU’s security requirements, while neglecting their own. This is why the Arabs considered the EMP unsuited for security cooperation and requested an EMP essentially aimed at co-development within the context of a broad diplomatic dialogue.

In Marseille, the Partners proved unable to reconcile these opposing views, but nonetheless decided to retain the EMP as a broad framework for diplomatic dialogue and cooperation and to continue to work together in this partnership. Since the turn of the century, the EMP has been affected by three strategic changes, namely: (a) the September 11, 2001 terrorist attacks in the United States, and the ensuing global war on terrorism launched by the US administration; (b) the enlargement of the EU into Eastern Europe in 2004; (c) the increase in immigration towards the EU from the Mediterranean shores and of migrants travelling across the Mediterranean from more distant areas. With the latest enlargement, the EU decided to pursue one single policy towards all its neighbours, whether in the east or the south – the European Neighbourhood Policy (ENP). This decision largely amputated the second pillar of the Barcelona Process and has focused the Commission’s efforts on the ENP. Consequently, there have been a number of changes in the EMP profile: the relative weight of the political dialogue within the Partnership has become far more significant; the role of EU governments has become more important than that of the Commission, the regional dimension has substantially weakened to the advantage of bilateral relations; important economic goals, such as the free trade area, remain part of the EMP, but their implementation depends to a large extent on the ENP as well; the network of Association Agreements are de facto more functional to the ENP than the EMP. Despite the assumption that the EMP and the ENP will be complementary and mutually supportive, the EMP looks seriously diminished and somehow depleted. Today, the EMP is essentially an intergovernmental forum. Ironically, it focuses on the field – political and security dialogue – in which it proved least effective and cohesive. As a result, the early EMP agenda lost itself and something new is urgently needed.



■ Members of the European Union ■ Other members ■ Observer members

The Euro-Mediterranean Partnership, formerly known as the Barcelona Process, was re-launched in 2008 as the Union for the Mediterranean at the Paris Summit for the Mediterranean in July, with the new network of relations endorsed at the Marseille Meeting of the Euro-Mediterranean Ministers of Foreign Affairs in November. The Partnership now includes all 27 member states of the European Union, along with 16 partners across the Southern Mediterranean and the Middle East.

This re-launching aimed to infuse a new vitality into the Partnership and to raise the political level of the strategic relationship between the EU and its southern neighbours. While maintaining the *acquis* of its predecessor, the Barcelona Process, the Union for the Mediterranean offers more balanced governance, increased visibility to its citizens and a commitment to tangible, regional and trans-national projects.

Some of the most important innovations of the Union for the Mediterranean include the rotating co-presidency with one EU president and one president representing the Mediterranean partners, and a Secretariat based in Barcelona that is responsible for identifying and promoting projects of regional, sub-regional and transnational value across different sectors.

The Union for the Mediterranean has also identified six priority projects which are at the heart of the of Partnership's efforts, including projects for:

- the de-pollution of the Mediterranean Sea;
- the establishment of maritime and land highways;
- civil protection initiatives to combat natural and man-made disasters;
- a Mediterranean solar energy plan;
- the inauguration of the Euro-Mediterranean University in Slovenia;
- and the Mediterranean Business Development Initiative focusing on micro, small and medium-sized enterprises. ([http://ec.europa.eu/external\\_relations/euomed/index\\_en.htm](http://ec.europa.eu/external_relations/euomed/index_en.htm))

## **The EuroMed Partnership**

In November 1995, following a European Council decision, a Euro-Mediterranean Conference of Foreign Affairs Ministers was held in the Spanish city of Barcelona. It marked the launch of the Euro-Mediterranean Partnership, also known as the Barcelona Process for short, after the name of the city in which the decision was taken. It was the EU's first comprehensive policy for the region.

The Barcelona Declaration agreed at this meeting laid down the foundations of a new regional relationship, aiming at achieving peace, stability and growth in the Mediterranean Partner Countries. It covers political, economic and social cooperation and represents a turning point in Euro-Mediterranean collaboration. Another key aspect of the process is to achieve a Free Trade Area by 2010.

The Partner Countries participating in the Barcelona Process are now part of the European Neighbourhood Policy (ENP) developed in 2004, following the enlargement of the EU, in order to avoid the emergence of new dividing lines in Europe. The ENP complements and reinforces the Barcelona Process on a bilateral basis, through Action Plans agreed with the Partner Countries that take into account their specific needs and characteristics.

The policy is financed through the European Neighbourhood and Partnership Instrument (ENPI), managed by EuropeAid that is charged with turning policies taken on a political level into actions on the ground.

A new impetus was given to the Euro-Mediterranean Partnership in 2008 through the Union for the Mediterranean launched in Paris on July 13th.

## **The Main Players**

The 27 EU Member States and 9 Mediterranean Partners (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territory, Syria and Tunisia) participate in the Euro-Med process.

Libya maintains an observer status since 1999, while at a meeting in Lisbon in November 2007 the Euro-Med Foreign Affairs Ministers welcomed Albania and Mauritania to the Partnership. The European Council held in December of the same year also welcomed these two countries, in its Conclusions.

Cyprus, Malta and Turkey are three countries that were part of the Barcelona Process at its launch. However, Cyprus and Malta joined the EU in 2004, while in December 1999 at the Helsinki European Council, Turkey became a candidate country for EU accession and is now in accession talks.

The Foreign Affairs Ministers oversee the development of the Partnership. They meet periodically to monitor the application of the Barcelona Declaration and define actions. More lately, and particularly in 2007 and

2008, there has been an increase in the number of meetings of ministers in other priority fields, including Employment and Labour, Trade, Culture, Information Society, Economy and Finance and Education.

## Trade

Increased trade is another key resource. The EU is the main trading partner of the Mediterranean countries in both goods and in services. More than 50% of trade in the region is with the EU and for some countries the EU is the destination for 70% of exports. The EU is the largest direct foreign investor, the first source of tourists, and the biggest aid donor.

The EU gives duty free access to all industrial goods originating in the Mediterranean countries while these countries are progressively dismantling their tariffs on imports of EU industrial goods.

Euro-Mediterranean trade relations are healthy and growing, according to DG Trade figures. Total exports to the EU have grown by an average 10% a year since 2000, imports from the EU have increased by 4% since 2000 and total trade with the EU was €127bn in 2007 – some 5% of total EU external trade.

One important objective of the Partnership is the creation of a Mediterranean Free Trade Area by 2010, with substantially liberalised trade both between the EU and the Mediterranean region, and between the Southern Mediterranean countries themselves. ([http://www.enpi-info.eu/mainmed.php?id=340&id\\_type=2](http://www.enpi-info.eu/mainmed.php?id=340&id_type=2))

## References

Barbé Esther, Mestres i Camps Laia, Soler i Lecha Eduard, “La política mediterránea de España: entre el Proceso de Barcelona y la Política Europea de Vecindad”, Revista CIDOB d’Afers Internacionals, No. 79-80. December 2007.

Bauchard Denis, L’Union Méditerranéenne : un défi européen, Politique étrangère, No.1, 2008, pp.51-64.

Brauch Hans-Günther, “From Confidence to Partnership-Building Measures in Europe and the Mediterranean: Conceptual and Political Efforts Revisited,” in: Hans-Günther Brauch, Antonio Marquina, Abdelwahab Biad (eds.), Euro-Mediterranean Partnership for the 21<sup>st</sup>

Century, Houndmills: Macmillan 2000.

Brussels European Council, Presidency conclusions. March 13-14 2008. Collinson Sarah, Security or Securitisation? Migration and the Pursuit of Freedom, Security and Justice in the Euro-Mediterranean Area, EuroMeSCo, No. 19, November 2007,

[www.euromesco.net](http://www.euromesco.net) Commission Non-Paper on the Barcelona Process: Union for the Mediterranean, no date indicated. Conférence de presse conjointe de Mme Angela Merkel, Chancelier de la République Fédérale d’Allemagne et de M. Nicolas Sarkozy, Président de la République, March 3, 2008, on the web site of the French Republic Presidency. Conférence de presse de M. Nicolas Sarkozy, Président de la République, lors du Conseil Européen de Bruxelles, Jeudi 13 mars 2008, on the French Republic Presidency web site.

Conférence organisée par l’IFRI, Paris le 11 mars 2008 : les interventions de Noura Chékib, président de l’Institut Arabe des Chefs d’Entreprises, Tunis et Abouyoub Hassan, ambassadeur itinérant du Maroc.

Daguzan Jean-François et autres, « Quelle Union Méditerranéenne ? » Géoeconomie, n°42, été 2007, Choiseul, Paris. Déclaration finale du sommet européen, Bruxelles 13 et 14 mars 2008. Deutschlandradio Kultur, „Brok lehnt Sarkozy Vorstoss zur Türkei ab“, 8 June 2007.

El Pais, La nueva paradoja francesa, Que pretende Sarkozy con su Union Mediterranea?, July 15 2007.

Emerson, Michael, Making Sense of Sarkozy’s Union for the Mediterranean, CEPS Policy Brief, No.155, March 7 2008. Emerson Michael, et Tocci Nathalie, “A little clarification, please, on the Union of the Mediterranean”, CEPS, 8 June 2007.

Escribano Gonzalo, y Lorca Alejandro, La Unión Mediterránea: una unión en busca de proyecto, Real Instituto Elcano, Working Paper No. 13, Madrid, March 3, 2008, [www.realinstitutoelcano.org](http://www.realinstitutoelcano.org) Eurostat/European Commission, Euro-Mediterranean Statistics, Luxemburg: Office for the Publications of the EC, 2006.

Florensa Senén, “Límites del proyecto de Unión Mediterránea:hacia una nueva fase del Proceso de Barcelona”, Afkar/Ideas, IEMed, Fall, 2007.

## **The Role of Regional Development Agencies in Turkey on Sustainable Development: İzmir Development Agency (IZKA) Case**

**Ergüder CAN**

Dr., İzmir Development Agency, Secretary General

[erguder.can@izka.org.tr](mailto:erguder.can@izka.org.tr)

**Filiz MOROVA İNELER**

İzmir Development Agency

Planning, Programming and Coordination Unit, Expert

[filiz.morova@izka.org.tr](mailto:filiz.morova@izka.org.tr)

**Abstract:** Regional Development Agencies in Turkey have been established in accordance with the Law on the Establishment, Coordination, and Duties of Development Agencies enacted on 25.01.2006. Objectives of the Agencies can be listed as; improvement of the cooperation among public, private sector and NGO'S, ensuring effective usage of resources, stimulating the local potential, fostering the regional development and ensuring its sustainability, and decreasing the inter-regional development disparities. While preparing Regional Development Plan of Region, managing financial and technical support for projects, promoting Region's business and investment opportunities, the agencies have an active role in the sustainable development of the region. In their objectives, vision, mission and all of its actions, the Agencies works are based on the eco-planning principles. The purpose of this paper is to focus on the experience of İZKA, which has been established in accordance with the Cabinet Decision (No. 2006/10550 and dated 6 June 2006)based on the Law on the Establishment, Coordination and Tasks of the Development Agencies. The vision of the Agency is "A forerunner and effective agency in sustainable local development, with international reputation.", and the mission of the Agency is "To develop and implement participative tools which will activate local potential via an overall approach for İzmir's sustainable development." This paper will cover the case of activities of the İzmir Development Agency in the scope of İzmir Regional Development Plan which has the "sustainable development" as major principle. Renewable energy, resource conservation, cleaner production and eco-efficiency are some of the objectives for İzmir Region's strategic priorities. As well as the related objectives of the regional plan, the estimated project based impacts will be mentioned as a result of the SME Grant Scheme Program which has the priority "Providing the increase of usage the environmental friendly techniques and technologies and also in eco-efficiency practices in SMEs". The paper will cover best practices about the energy-efficiency and cleaner-production applications, which are implemented by means of the grant scheme program of İzmir Development Agency.

### **Introduction**

Regional development disparities have been one of the major problems in many countries. Many policies and tools have been developed and implemented in regions to decrease these development disparities and to achieve regional development. Various economic, institutional, social and cultural tools including the principles of sustainable development were used to develop regions. Unlike the policy in the 1950s and 1960s which is to decrease the regional disparities through government initiatives, today regional development objectives are based on to gain the global competitiveness and development of all regions. As well as the regional disparities, sustainability of development is another important issue which regional development agencies have taken into consideration. The reason is that sustainable development is increasingly accepted as a fundamental objective for public policy and decision-making in different types of economy and at different levels of intervention such as aggregate, sectoral and project.

To achieve elimination of the regional development disparities until the EU candidacy process, there are three major tools directed at the economic development process aimed at eliminating regional disparities in Turkey: (i) policies and incentives towards the public sector, (ii) incentives to enhance the private sector (iii) regional and

rural development projects. Implementation of the Southeastern Anatolia Regional Development Project (GAP), the Zonguldak-Bartın-Karabük Regional Development Project (ZBK), the Eastern Black Sea Regional Development Plan (DOKAP) and the Eastern Anatolia Project Master Plan (DAP), which were prepared during the past periods, and the activities for the Yeşilirmak Basin Development Project (YHGP) are continuing. However, excluding the South East Anatolia Project (GAP), these projects were provided with limited financing opportunities only within the scope of sectoral allocations.

In addition, a law, 'The Law on the Establishment, Coordination and Duties of Development Agencies', passed on January 25, 2006 to facilitate and regulate the establishment of Development Agencies (DAs) in NUTS II regions. Along with the establishment of two new RDAs in Adana-Mersin and İzmir NUTS II regions on July 6, 2006 (The Official Gazette, 6/7/2006), the new ones have followed in other regions of the country to decrease the disparities and to assure development.

As well as being a tool for regional development, the agencies have an important effect on sustainability of development. As forceful institutions for regional development, RDAs can place the principle of sustainable development at the hearth of their regional plans. In this way the operational programs based on the regional plan are implemented by the regional authorities to achieve a sustainable development for the region. To be successful on managing to provide sustainable development, an integrated approach is the main principle. Therefore regional development agencies are good tools for this, because of their cooperation and coordination role in region.

The aim of this paper is to analyze the benefits and contribution of the newly established agencies in Turkey, to regional development. The paper first discusses the regional development agencies as institutional tools for regional sustainable development. Subsequently it explicates İzmir Development Agency and evaluates the potential contribution to sustainable development of region.

## **Development Agencies in Turkey**

Until 2006, in Turkey, there are not any functional DAs. There is a need for the management of regional development polices at the local level for many years. The intention for the DAs has been come up in the National Development and various Regional Development Plans previously. Especially after the 1990s and 2000s State Planning Organization, National Development Bank along with the Chambers of Commerce and Industry has some central and local initiatives to establish DAs in Turkey. The main factor, however, that fastens the process for the establishment of DAs is that Turkey had gone through institutional and legal regulations to achieve harmonization with EUs regional policy. During EU accession process it has been envisaged that DAs tool has been necessary like Central and Eastern European Countries.

In accordance with the law (number 5449) DAs are planned to establish in NUTS 2 regions. In this respect DAs would be strategic and operational institutions for regional development. According to the formulization of the law, DAs would be supported by central government. 'The Law on the Establishment, Coordination and Duties of Development Agencies' aims to institute cooperation between the public and private sectors and civil society organizations in order to mobilize local resources and to institutionalize a regional development mentality.

For achieving this aim, some general activities have been determined for DAs. Parallel to these activities, DAs provide technical support to the planning studies of local authorities; improve cooperation in between public sector, private sector and non-governmental organizations. As well as the technical supports and coordination activities, to achieve regional development objectives, DAs support the activities and projects ensuring the implementation of regional plan and programmes. Furthermore working for contribution into the improvement of the capacity of the region concerning the rural and local development in accordance with the regional plans and programmes and support the projects within this extent is the another activity field for DAs. Before doing these activities, carrying out researches, or to have them carried out, concerning the determination of resources and opportunities of the region, acceleration of economic and social development and enhancement of competitiveness, and to support other researches carried out by other persons, organizations and institutions are the initial steps for being able to prepare applicable development plans and programs for development of region. According to the defined strategic plans and programs; to promote, or have them promoted, business and investment facilities of the region at national and international level, in close cooperation with other related institutions are one of the other activities of the DAs. Among other activities to support small and medium-size enterprises and new entrepreneurs in the fields such as management, production, promotion, marketing, technology, financing, organization and labor force training, by ensuring cooperation with other related institutions.

By covering all these activities, the statutory objectives can be emphasized in five main topics. One of these is to further economic development and regeneration. Promoting regional business efficiency and competitiveness and employment is the other main objective for DAs. To enhance the development and application of skills relevant

to employment is the other objective of DAs where the last main objective is to contribute to sustainable development (Çuhadar, T., M., 2009)

The most powerful tool of DAs for the development of regions will be a grant scheme managed by them. The fund for these grant schemes and the budget of the DAs are based on both central and local funds. The budget composition of DAs is as follows:

- Appropriation to be determined by High Planning Council according to the population, development level and performance measures of each Agency from the residual fund after the shares transferred to local administrations and funds by tax refunds are deducted from the general budget and tax revenue of the previous year, and from the transfer allowance to be allocated five per thousand each year,
- European Union and other international funds,
- Activity revenues,
- Over the budget revenues of the previous year, appropriation to be transferred from the current year budget at the rate of 1 percent for special provincial administrations excluding getting into debt, allocated revenues and aid items received from the organizations having general, additional and private budgets; for municipalities; appropriation to be transferred from current year budget at the rate of 1 percent excluding getting into debt and allocated revenue items.
- Appropriation transferred from the current year budget at the rate of 1 percent of previous year final budget revenues of the chambers of industry and commerce in the region.
- Aids and grants provided by national and international institutions and organizations.

Besides the information of budget composition of DAs, it's necessary to mention four main components in organizational structure. The first one is the Development Board. The law tries to improve partnership between the public and private sectors and the civil society through the Development Board, which has an advisory role. It is composed of representatives from the public and private sectors, civil society organizations, universities and local administrations. The composition of the Development Board changes depending on the institutional and organizational structure and the capacity of regions.

The second main structure is the Executive Board. Chairman of the Executive Board is one of the governors of the provinces in the region for those NUTS 2 regions that consists of more than one province. Annually the position shifts to one of the other provinces' governor. In NUTS 2 metropolitan regions, Istanbul, Ankara and İzmir, the decision-making organ or the Executive Council of the DA is composed of the governor, the metropolitan mayor, the president of the Council of the Special Provincial Administration, the president of the Chamber of Industry and the president of the Chamber of Commerce, as well as three representatives of the private sector and/or civil society elected by the Development Board.

Secretariat General is responsible for the execution of activities. Secretary General is the superior Chief of Secretariat General and investment support offices. Secretary General is responsible to the Executive Board. Investment Support Office that is a part of the Secretariat is mainly designed to be a One Stop Shop for investors. For each province a Support Office will be established. The working principles of the DAs are defined in regulations whereas the organizational structure is flexible and can change from one agency to another.

State Planning Organization is defined as the coordinator organization of DAs at central level. It has the responsibility for defining the regional policy at the central level and coordination evaluation and monitoring of DAs activities as well as the allocation of grants to DAs.

The establishment process of İZKA as the forerunner agency began in July 2006 and ended in December 2006, recruitment of its personnel. The reason of selecting İzmir is the previous initiatives for the establishment of DAs in those regions.

## **Development Agencies and Sustainable Development**

As mentioned before, the DAs in Turkey has an active role in regional development, thanks to their budget and strong administrative competence. Being effective in regional development incurs some liabilities; that is DAs should correspond to national and international development strategies. Recent years have seen a growth in interest in integrating environmental, social and economic policy through policies for sustainable development (Bond, R., Kirkpatrick, C., Lee, N., Curran, J., Francis, P., 2000)

The concept of sustainable development has been incorporated into policy statements at a variety of spatial scales with a view towards ensuring compatibility between economic development and the environment (Gibbs, D.,



1998). From a regional perspective there have been moves to make sustainability a central theme of regional development policy. At the international and national level the policies inspired by United Nation's agenda 21, European Union's Renewed Sustainable Development Strategy (2006) and National Climate Change Strategy (2010-2020) and National Development Plan (2007-2013) influence also regional strategies.

When we look at the main functions of DAs one of the most important function is to make regional development plans and strategies for their regions. After conducting the socio-economic need analysis for the region, DAs coordinate and operate the preparation of the regional development plan considering the needs of region and national strategies.

To be compatible with the strategies, to be able to protect the cultural and natural sources and rationalize the use of the resources in regions, the principles of sustainable development are adopted to the regional plans. Also according to Gibbs (1999) this approach helps the regions to provide theirs economy to attain a competitive edge and a stronger market position in long term. Overall it also accords with Pepper's opinion (1999) which claims that "the impression is that environmental protection is relevant to development because high quality natural environments are a prerequisite to attract inward investment, high value employment and tourist activity".

## **İzmir Development Agency**

The historical, cultural, geographical, social and economic advantages of İzmir all together constitute a perfect environment for investors. The city is a welcoming region in all aspects, considering its physical, social and economic advantages.

As of 2008, İzmir is the 3rd largest city in Turkey with its population of 3,795,978 following İstanbul and Ankara. It reflects higher levels of population density and urban population compared to national average but at the same time, the city is also a region of vast and fertile green fields, river basins and mountains, coastal lands which provide a wide range of social, cultural and economic dynamism for the city.

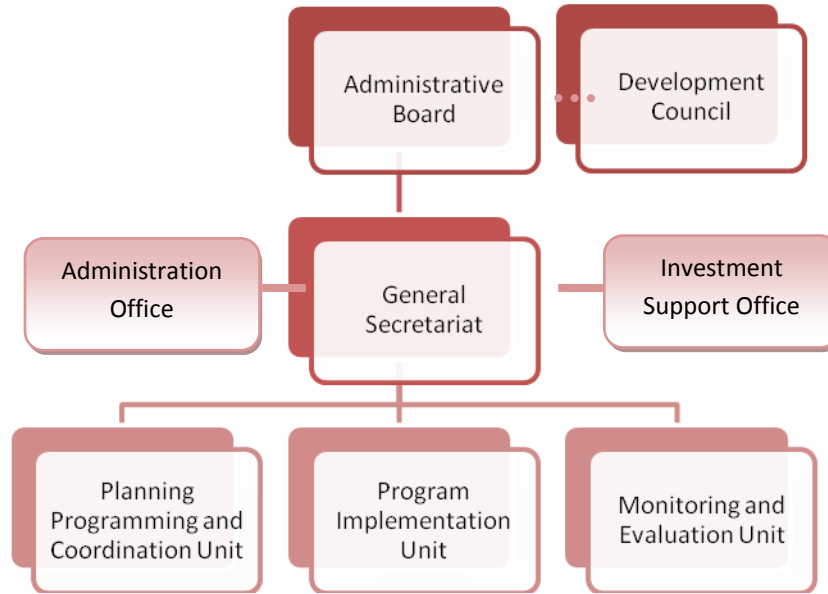
According to several studies held by public and private institutions such as State Planning Organization or International Competitiveness Research Institute, İzmir is the 3rd most developed and competitive city in Turkey. The developed and competitive nature rises not only from the city's physical and historical advantages but also from its highly skilled human capital.

Among these properties of the region, the initiatives and the capacity for institutionalization, partnership and cooperation affected the decision of selecting İzmir as the pilot region for DA development at the central level.

İZKA officially started its actions in July 2006. The coordination activities were held by State Planning Organization. Firstly Executive Board was called to meet to start the activities. The Executive Board Members are Governor of İzmir, İzmir Metropolitan Municipality Mayor, The President of the Special Provincial Administration Board, The Executive Board Presidents of İzmir Chamber of Commerce and Aegean Region Chamber of Industry. The organizations represented in the Development Board were chosen by the Executive Board Members of İZKA. Out of 100 total members, from Public Organizations composition of the Development Board is 30 members and 70 members from NGO's, private sector and Universities. The three other Board Members were selected among the Development Board Members by voting procedure. Aegean Region Development Foundation Executive Board President, Aegean Young Businessman Association Executive Board President and Chambers of Craftsmen and Tradesmen Association Executive Board President were the elected members.

The Secretary General was chosen in September 2006 and all recruitment process was completed in December 2006. The corporate identity of İZKA was prepared. The organization structure of İZKA was determined after three months. A functional organizational structure was accepted which matches better with grant scheme mechanism. The departments are (Figure 1):

- Planning, Programming and Coordination,
- Program Implementation
- Monitoring and Evaluation
- Investment Support Office
- Administrative Office



**Figure 1:** The Organizational Structure of İZKA

There are 28 experts in different areas and seven support staff was recruited. The 3.5 year-old-İZKA has defined the following as its core values and operational codes in all of its activities:

- Participation
- Innovation
- Impartiality
- Transparency
- Reliability
- Efficiency

The vision of İZKA is “A forerunner and effective Agency in sustainable local development with an international reputation” where the mission is “to develop and implement participative tools which will mobilize local potentials within an overall approach for İzmir’s sustainable development”.

## **İzmir Development Agency and Regional Sustainable Development**

By analyzing the vision and mission, it can be easily seen that sustainable development will be a key element underpinning all activity of İZKA. As well as İZKA, which is coordinator and catalyst regional organization all partners in region has a responsibility to ensure that economic, social and environmental development go hand in hand. İZKA has an approach that economic wellbeing is concerned with growth, but not at any cost. In consequence İZKA has the duty of providing sustainable development of the region by means of the regional development plan, which defines the framework for the regional operations of other institutions. Therefore after completing the works about institutionalization, so far İZKA has immediately conducted the İzmir Socio-Economic Needs Analysis and completed the draft of 2009-2013 İzmir Regional Development Plan.

The preparatory works of Plan were started as of the beginning of 2008 based on the participation principle. Thus, in the first place, the *stakeholder analysis* was made in order for the stakeholders to be defined who would take part in the preparatory works of the regional plan and following this analysis, nearly 500 stakeholders including the corporations represented by the members of the Development Board were determined. Afterwards, both by SWOT analysis and by organizing various workshops and working groups based on participation as to determine sectoral and thematic development axes, priorities and targets, the regional plan was tried to have the maximum participation. Besides, the Current Situation Analysis, which presents the current situation of Izmir concerning development, was maintained. All the activities in question are the preparatory works forming the bases of the plan.

While preparing the plan there were decided to the principles of the plan. 2009 – 2013 Izmir Regional Development Plan has three basic principles, one of which is the sustainable development. At that point it is necessary to mention the all principles of plan to understand the nature of it.

*Equality and Social Inclusion* is one of the principles. Here social inclusion refers to the access of the individuals to the education, health, culture, employment etc. areas of the social sphere and it also stands for their condition of being active in these areas. The exercises aimed at social inclusion include policies that will eliminate the discrimination triggered by disadvantages (disability, poverty, etc.), especially the abovementioned ones, in the social sphere and the social exclusion. The Plan adopts the social inclusion as a general principle in all processes within the scope of the anticipated priorities and targets.

*Participation* is the other principle of the plan. Participation, which refers to the condition of changing the resolution processes by the ways of dialogue, representation and authorization, is one of the basic principles of the Plan.

And as it's mentioned before *Sustainable Development* is the other important principle of the Plan. And it is explained in plan document in such a way that it's a process in which all the economic, financial, commercial and industrial policies are harmonized in order to make growth sustainable in terms of (i) economic, (ii) social and (iii) environmental perspectives. In this context, when forming the priorities and targets in the plan, the sustainable development principles are important.

Via the preparatory Works of the Plan, the vision of 2009 – 2013 Izmir Regional Development Plan has been decided as, "Developing and Growing, Innovative İzmir". 2009 – 2013 Izmir Regional Development Plan has accepted the following 3 as the main objectives and these objectives is strengthening the vision

- Ensuring Competitiveness by Increase of Efficiency & Capacity
- Raising the Standard of Living
- Realizing Protection and Effective Use of Natural & Cultural Entities

As it can be easily seen, *development* includes protection of nature and cultural entities where there is a will to accelerate it by increasing efficiency.

After mentioning the vision, and main objectives of the plan, now it's the time to declare the strategic development axes.

These are;

*Competitiveness for Enterprises*; which aims the competitiveness and growth of businesses; providing efficiency, quality and innovation in production, thus increase in national and international market share. One of the strategic priorities of these axes is *Increasing Clean Production Applications in SMEs*.

The second axes is *Employment and Social Integration*, which aims strengthening social integration by expanding employment opportunities and improving employment conditions, and also by developing services aimed towards social inclusion with education and health services at the lead.

The third ax is named as *Sustainable Environment*, which aims to provide the preservation of environment and improvement of environmental quality while continuing economical activities.

And the last axes is *Strengthened Infrastructure and Superstructure* and has the purpose of accelerating the economical and social development of İzmir by improving the transportation, urban, environmental, social, cultural and informational infrastructures.

Among these axes and their strategic priorities it is necessary to focus the items, which are related to the principles of sustainable development.

Izmir's population increase rate is observed to be at high levels. As a matter of fact, while in the last 82 years Turkey's population increased 5 times, İzmir's population increased 7 times. On the other hand, the wide range of varieties in economical activities clearly strikes the eye. As result of all these, rapid exhaustion of natural resources and the pollution created by the wastes caused by production and consumption bring important environmental problems and thus render the subject of environmental sustainability critical. In the environment axis of the National Sustainable Development Report presented at the United Nations World Summit on Sustainable Development, the subjects of "elimination of deficits on infrastructure and waste disposal facilities; development of clean production technologies, environment-friendly production and consumption forms which do not harm resources, environment management and quality safety systems; and realizing national energy saving and demand stability" have been emphasized. Within the period passed, the importance of environment is highlighted with the principle stated as "It is essential to preserve natural and cultural assets and environment with an approach taking

later generations into consideration” within the 9th National Development Plan, a growth based on sustainable development principles is emphasized with the era of 9th Development Plan. Furthermore, the reduction of emissions of CO<sub>2</sub> and other greenhouse gases has become an obligation according to Kyoto Protocol, and within the 9th Development Plan certain aims have been defined stating necessary actions shall be taken regarding reducing greenhouse gas emissions. It is essential that the year 2014 limit values defined within the framework of the Regulation of Air Quality Assessment and Management are realized, and precautions required by the EU Integrated Environment Approximation Strategy and Kyoto Protocol are taken within the region. As concentrated upon by the national approach, in the Region also the issues of; management of natural resources such as water basins and sensitive ecosystems, climate change and energy, the necessity of handling the relationship between production-consumption and environment in the axis of approximation and reduction, and sustainable waste management are highlighted (İZKA, 2009).

As well as these issues, also the cleaner production was defined as a main tool of the plan to achieve sustainable development. The reason is that the pollution caused by dense industrial activities and production processes is one of the important environmental threats in İzmir. The water amount recycled and utilized back in industry should be increased. As well as the water amount, because of being an industrialized region, industrial electric consumption per capita is 133% above Turkey value in İzmir. Utilization of techniques and technologies that will provide with reduction of energy usage in industry and energy saving policies will contribute to reduction of industrial energy consumption in Region. Moreover, while the ratio of hazardous industrial waste to total industrial waste is 6.8% throughout Turkey, this ratio is 10.2% in İzmir. In this subject, it is aimed to decrease the use of hazardous chemicals by substitution.

Moreover utilization ratio of environmental management systems that reside within clean production approach and aim to minimize industrial development’s adverse effects on environment is significantly low in the region. Actualizing clean production applications in enterprises will be beneficial both environmentally and economically by increasing the efficiency in production process. Considering also the effects of environmental management on product designs, selection of products providing input for processes, wide frame, integrating management processes that encompass the utilization of techniques and/or technologies in production processes, and global trends; it will contribute to increasing the competitiveness of enterprises. On the other hand, there are various directives in this subject regarding preventing industrial pollution and chemical substance usage within European Union’s (EU) legislation. Although there are directives already adjusted and adopted, within the harmonization process there will be various other regulations that shall necessitate the industrial enterprises to make some preparations. It is important that enterprises make necessary enterprises regarding clean production applications within this preparation period. It is essential that clean production and eco-efficiency applications towards industrial and agricultural activities, with textile, leather, food processing and chemistry sectors coming foremost, are embraced in region.

As well as the sustainable environment axis, there are some key sectors defined by the stakeholders in the region. these are;

- High-Tech Industries
- Tourism
- Renewable energy
- Logistics
- Agro-Industry

Here, among these sectors, high-tech industries include the environmental technologies and energy, where renewable energy is supporting the sustainable development of the region.

Energy is one of the significant inputs of development. In our country that is at the brink of development; meeting the energy demand increasing in parallel to the developments in technology, the requirement of providing environmental, social and economical sustainability, the obligation of reducing CO<sub>2</sub> and other greenhouse gas emissions due to Kyoto Protocol increases the need towards renewable energy resources. Renewable energy policies has gained importance on international platform; the European Union has set the goals of meeting 20% of the energy demand from renewable energy resources and increasing energy efficiency by also 20% until 2020, and utilizing renewable energy in all buildings until 2018. Due to EU policies being effective on our country due to harmonization process and more importantly for the global purpose of increasing energy demand security, the goal of “maximally increasing the share of local and renewable energy resources within the production system” has en set under the title of “energy infrastructure” within the context of 9th Development Plan. In the context of this goal, utilization of the renewable energy potential in İzmir carries importance at national-scale. In terms of variety of energy resources, İzmir employs many opportunities and natural resources waiting to be utilized. The region has a renewable, environment-friendly energy resource potential such as solar energy and bioenergy, and especially wind energy and

geothermal energy. Considering wind energy potential, İzmir comes at the 3<sup>rd</sup> place nationwide. 36% of the installed power throughout Turkey including those activated at year 2008 resides at İzmir. However this power has been obtained by utilizing only 1% of the theoretical potential. İzmir province is considerably rich in wind energy with the theoretical capacity of 11,815 MW; the total amount of energy that can be generated via this potential is higher than the total electricity generation of Aegean Region. On the other hand, the region has a rich potential also in terms of geothermal energy. The variety in the temperatures of geothermal resources found at the region enables a wide range of utilization areas. The potentials in Seferihisar (35 MWe), Dikili (30MWe), and Balçova (5MWe), has such temperatures that enable electricity generation. Also, while regarding domestic heating there is a potential residence equivalent of 212,000, only 11% of this potential is being utilized. On the other hand, only 3% of the 19,000 decare greenhouse heating potential is used. Furthermore, although the potential for health tourism exists in 8 districts that are geothermal fields, current utilization is mostly limited to Balçova, Çesme and Dikili districts. In this region of considerable advantages regarding biomass energies, solar energy also outstands as an energy source to be used. It is observed that the energy consumption in İzmir is approximately 54% above Turkey average value, and the consumption has increased by 15% in the last two years. Renewable energy sector is important for the region for the purposes of contributing to the increase in the country energy supply security, utilizing local potentials, and aiding the development of İzmir in the direction of sustainable development principles (İZKA, 2009).

## Experience Cases on Regional Sustainable Development

In previous part of the paper, the relation between İZKA, Regional Plan and principles of Sustainable Development has been explained. Now, in this part of the paper, some activities of İZKA related to this relation will be mentioned.

In brief, as a new development agency, in 2009, İZKA has realized three investment projects, which amount to approximately 40 million US dollars, creating 750 new job opportunities. İZKA also have some grant scheme programs. In 2008, Agency ran two different programs, one of which was for SMEs, and the other one for social development. In the SMEs program, İZKA has awarded 98 projects with a total of approximately 8.5 million Euros, where in the social development program, 71 projects were awarded a total of nearly 6 million Euros.

At the moment, İZKA is working on 3 strategies for İzmir, which are;

- City marketing
- Clustering and
- Innovation

Moreover, İZKA will launch 2 different grant scheme programs. One will be on agriculture and rural development. The other one will be on tourism and environment infrastructure.

Among these basis activities, it is essential to mention the SME's grant scheme program. The program mainly had the purpose to improve the competitiveness of the SMEs by increasing the efficiency and the capacity. Related to the sustainable development principles of the plan, this program had the priority which was *to provide the increase of the use of the environmental friendly technologies and renewable energy and application of cleaner production*. The objectives of this priority are;

- Optimizing the processes by reducing the use of raw materials, energy and water to increase the environmental performance of the SMEs
- Providing the energy efficiency in SMEs
- Providing the production and consumption of renewable energy

In this part some cases related to the projects which have applied to the program, will be mentioned. First one is the Project which aims the recycling the wastes of olive oil process. As a result of this Project 10 ton/year waste olive oil can be recycled. On the other hand, one olive oil firm has completed the procedures related to the Environmental Management System (ISO 14001). The other one is to build a wastewater treatment plant which provides reuse of wastewater in marble production. Thanks to this Project 60% of water saving can be achieved. Providing the reuse of polyvinyl chloride sheet particles in plastic industry is another Project sample. A success example is a Project in metal industry. In this Project environmental friendly chrome free chemicals are substituted with [hexavalent chromium](#). Another Project in metal industry is recovery of metal filings. Decomposition of the packaging waste in its source is another Project which provides sustainable waste management in industry. The implementation of these projects lasts and after finishing the program the environmental impacts of the program can be analyzed, but in this step it can be shown two examples related to the energy efficiency projects.

One of these is a Project implemented in food industry. There is an activity, which provides the increase in production efficiency by means of automation in production line. Investment cost for this Project is 32,500 Euro, where an automation system is implemented. There isn't any operation cost for the activity of the Project. Annual

energy saving costs 3,500 Euro where the payback period is 11 years. The other Project is implemented in machine industry. In the Project, production efficiency is increased via the use of environmental friendly technology instead of conventional machine. For this Project the investment cost is 200,000 Euro, and there isn't any operation cost. The cost of annual energy saving is 20,000 Euro in this Project, where the payback period is 9 years.

As can be seen, İZKA has importance on providing the sustainable development and region vision. But of course not only the activities and budget of İZKA, but also other institutions' activities based on the regional plan can provide an integrated sustainable regional development in the region.

## Conclusion

In this paper we have argued the possible effects of regional development agencies on sustainable development of the region. While discussing, the case was İzmir Development Agency with its planning and programming experiences including the principles of sustainable development.

The experiences tell that sustainability is a renewed interest in developing, which is supported by means of international and national strategies. Where regional planning is a new concept in Turkish National Policy, the integration of sustainable development to this new regional planning policy requires new planning techniques from different disciplines (Counsell, D., Haughton, G., 2006).

The paper summarizes that the principles of sustainable development has now been assimilated in to the core of İZKAs regional planning processes and practices. But while doing that, it is clear that a need to a regional sustainable development policy and frameworks appears. This framework should integrate the development axes included in the regional plan, which also contains the sectoral objectives. In future, as well as the national sustainable development strategy, there can be also the regional sustainable development strategies as a result of a demand for an entire integration of it to regional development strategies. This can also standardize the approach for all regional development agencies in Turkey.

In this time period, regional development agencies are new organizations in Turkey. As the most experienced agency in Turkey, İZKA has consideration for regional sustainable development by means of its tools such as regional development plan and grant scheme programs. The sustainable development principles have taken place in the core of the plan. Use of renewable energy, resource conservation, cleaner production and eco-efficiency are the key issues related to the plan that can be operated. At that point, after the end of the programs, the effects of these operations will be evaluated. As well as the results mentioned in this paper, the results of this evaluation will give to the policy makers an idea about the effects of regional development agencies on sustainable development.

## References

- Bond, R., Kirkpatrick, C., Lee, N., Curran, J., Francis, P. (2000). Impact assessment for sustainable development unit: Integrated impact assessment for sustainable development: case studies and some preliminary conclusions. IDPM, University of Manchester; EIA Centre, University of Manchester; School of Development Studies, University of East Anglia
- Counsell, D., Haughton, G. (2006). Sustainable development in regional planning: The search for new tools and renewed legitimacy. *Journal of Geoforum*, 37 (2006) 921–931.
- Çuhadar, T., M., (2009). Investment Support Offices in Turkey: A Case Study on Turkish RDA's., First International Conference on Management and Economics, 2008, Epoka University Center of European Studies, Tirana, Albania, Volume 2.
- Gibbs, D. (1998). Regional development agencies and sustainable development. *Journal of Regional Studies*, 32 (4), 365-368
- Gibbs, D. (1999). Ecological modernization, regional economic development and regional development agencies. *Journal of Geoforum*, 31 (1), 9-19.
- İZKA, (2009). 2009-2013 İzmir Regional Development Plan Draft, İzmir.
- [Pepper, D. \(1999\). The integration of environmental sustainability considerations into EU development policy: A case study of the LEADER initiative in the west of Ireland. \*Journal of Environmental Planning and Management\* , 42 \(3\), 167–187.](#)