

# Timber Legality Risk Assessment Turkey

Version 1.0 | September 2018



COUNTRY RISK  
ASSESSMENTS



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The original document of FSC can be accessed here <https://ic.fsc.org/en/document-center>.

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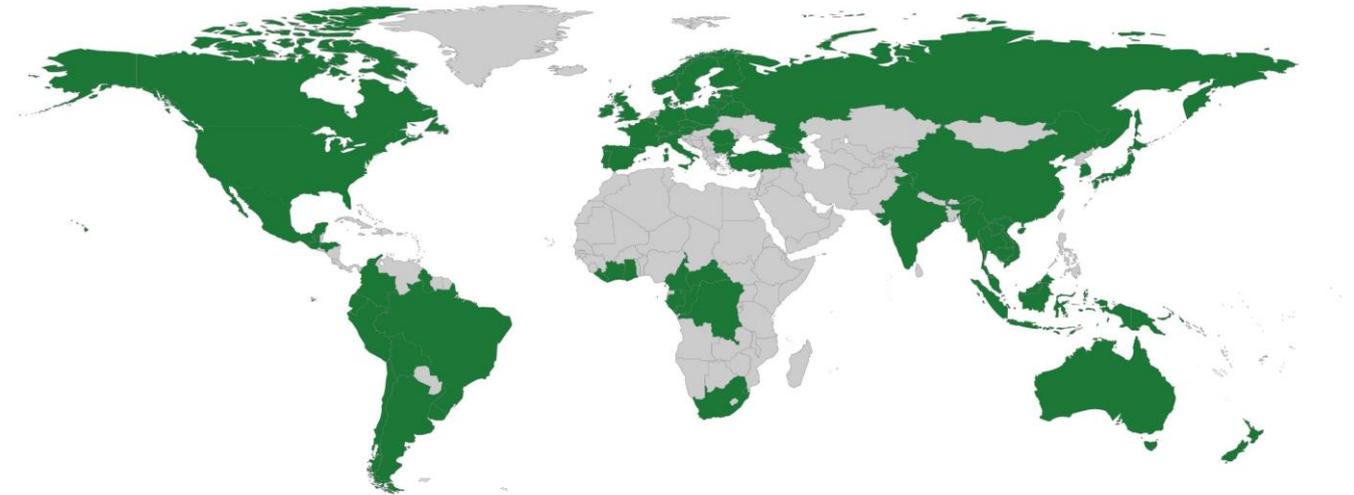
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## A. Introduction

This Timber Legality Risk Assessment for Turkey provides an analysis of the risk of sourcing timber from areas of illegal harvesting and transport. NEPCon has been working on risk assessments for timber legality, in partnership with a number of organisations, since 2007.

In that time, NEPCon has developed timber risk assessments for more than 60 countries, illustrated in Figure 1.



Map created by Statistik (2016). StatPlanes: Interactive Data Visualization and Mapping Software. //www.statistik.com

*Figure 1. Countries for which NEPCon have developed a legality risk assessment for timber*

The risk assessments are developed in collaboration with local forest legality experts and use an assessment methodology jointly developed by FSC and NEPCon. A detailed description of the methodology can be found on the [NEPCon Sourcing Hub](#).

For risk assessment conducted according to the FSC-STD-40-005, ONLY entries (or information) that have been formally reviewed and approved by FSC and are marked as such can be considered conclusive and may be used by FSC candidate or certified companies in risk assessments and will meet the FSC standards without further verification.

You can see the countries with approved risk assessment in the FSC document: [FSC-PRO-60-002b V2-0 List of FSC approved Controlled Wood documents](#).

All FSC Risk Assessments can be downloaded in the [FSC Document Centre](#).

This risk assessment was prepared by NEPCon between 2015 and 2017 as follows:

|                                  |                |
|----------------------------------|----------------|
| <b>Draft prepared by NEPCon:</b> | December 2016  |
| <b>Stakeholder consultation</b>  | September 2017 |
| <b>Final approval by FSC:</b>    | 8 May 2018     |
| <b>FSC CW effective date:</b>    | 8 May 2018     |

## B. Overview of legality risks

### Timber Risk Score: 43 / 100 in 2017

This report contains an evaluation of the risk of illegality in Turkey for five categories and 21 sub-categories of law. We found:

- **Specified risk for 11 sub-categories.**
- **Low risk for 6 sub-categories.**
- **No legal requirements for 4 sub-categories.**

The Timber Risk Score for Turkey is 43 out of 100. The key legality risks identified in this report concern timber harvesting activities related to legal rights to harvest, taxes and fees, timber harvesting activities, third parties rights and transport and trade.

For **Legal Rights to Harvest**, there is a risk that:

- Land tenure and management rights (1.1) for privately owned forests due to possibility of conflict situations regarding the land title, specifically in the areas where private land is bordering state forests. There is a risk relative to Harvesting permits (1.4), whereas local people sometimes fell the trees and sell these on local market illegally.

For **Taxes and Fees**, there is a risk that:

- both Value added taxes and other sales taxes (1.6) and Income and profit taxes (1.7) is violated. This is especially a risk in case of farm land plantations and private forests and plantations since the owners are not obliged to sign written agreements and follow the documentation process when selling a contract for harvesting, therewith the situation in rural areas is weakly controlled by relevant authorities. However, the risk is applicable for all source types.

For **Timber Harvesting Activities**, there is a risk that:

- Timber harvesting regulations (1.8) are violated due to deficiency of properly trained staff in the field and lack of legal requirements for field workers to be trained. Also Protected Sites and Species (1.9) are specified as a large part of the Turkish forests only recently or still are in the process of updating management plans with important areas for biodiversity, and many forest managers do still not comply with the protection of areas set aside in the forests. The specified risk has also been defined for Environmental requirements (1.10), as identified laws are not followed and upheld in a consistently manner by all entities and/or are often ignored, and/or are not enforced by relevant authorities. There is a risk for Health and Safety indicator (1.11) for companies not following the indicator requirements. There is also a risk for Legal employment (1.12), such as risk that social security payments are not made or staff being illegally employed.

For **Third parties' rights**, there is a risk that:

- Villagers rights are violated. This is based on insufficient knowledge.

For **Trade and transport**, there is a risk that:

- firewood sold at the commercial market without proper documentation is illegally felled.

## Timber source types and risks

There are three main timber source types found in Turkey. Knowing the “source type” that timber originates from is useful because different source types can be subject to different applicable legislation and have attributes that affect the risk of non-compliance with the legislation. We have analysed the risks for all of these source types and found that the risk differs slightly for timber from private forests.

|   |   |
|---|---|
| <b>Natural Production Forests</b>   | Harvesting Contract (for contracted registered companies to harvest standing trees in state forest), Harvesting permit (for contracted privates, coops) and Forest Management plans which conforms to the national forest policy and program are required.  |
| <b>Plantation Production forest</b>   | State owed plantation forest. A Harvesting Permit and Forest Management plans is required.  |
| <b>Timber from private farm land.</b>   | No harvesting permit/contract is required. In Private farm land plantations the seedlings of poplar tree (I-214 Clone of Populus Canadiensis)) are planted on farm lands for about 15 years. Following, the site may be converted to crop production. The purpose of such a farm land plantation is the source of commercial timber.  |
| <b>Other limited sources rarely entering the commercial timber supply chain</b> | <p>Degraded forest - Limited source of timber. Managed for recovering purposes, Firewood production takes place. Harvesting Permit and Management plan with recovery function (not typical production function) are required.</p> <p>Natural/Plantation Protection forest - Limited source of timber. Only allowed for forest managing purpose. Harvesting Permit and Forest Management plan is required.</p> <p>Natural Protected forest - Limited source of timber. Only allowed for forest managing purpose. Harvesting Permit and Forest Management plan is required.</p> |

This table summarises the findings of the timber legality risk assessment by source type.

| Legal Category               | Sub-Category   | Source type  |                |               |
|------------------------------|--|--------------|----------------|---------------|
|                              |  | State forest | Private forest | Public forest |
| Legal rights to harvest      | 1.1 Land tenure and management rights                        | Green        | Red            | Green         |
|                              | 1.2 Concession licenses                                      | Grey         | Grey           | Grey          |
|                              | 1.3 Management and harvesting planning                       | Green        | Green          | Green         |
|                              | 1.4 Harvesting permits                                       | Red          | Red            | Red           |
| Taxes and fees               | 1.5 Payment of royalties and harvesting fees                 | Green        | Grey           | Grey          |
|                              | 1.6 Value added taxes and other sales taxes                  | Red          | Red            | Red           |
|                              | 1.7 Income and profit taxes                                  | Green        | Red            | Green         |
| Timber harvesting activities | 1.8 Timber harvesting regulations                            | Red          | Red            | Red           |
|                              | 1.9 Protected sites and species                              | Red          | Red            | Red           |
|                              | 1.10 Environmental requirements                              | Red          | Red            | Red           |
|                              | 1.11 Health and safety                                       | Red          | Red            | Red           |
|                              | 1.12 Legal employment  | Red          | Red            | Red           |
| Third parties' rights        | 1.13 Customary rights  | Red          | Red            | Red           |
|                              | 1.14 Free prior and informed consent                         | Grey         | Grey           | Grey          |
|                              | 1.15 Indigenous/traditional peoples rights                   | Grey         | Grey           | Grey          |
| Trade and transport          | 1.16 Classification of species, quantities, qualities        | Green        | Green          | Green         |
|                              | 1.17 Trade and transport                                     | Red          | Red            | Red           |
|                              | 1.18 Offshore trading and transfer pricing                   | Green        | Green          | Green         |
|                              | 1.19 Custom regulations                                      | Green        | Green          | Green         |
|                              | 1.20 CITES   | Green        | Green          | Green         |
|                              | 1.21 Legislation requiring due diligence/due care procedures | Grey         | Grey           | Grey          |

## C. Overview of the forest sector in Turkey

In Turkey, the forest area covers about 28.6 % of the land, which equals to 22.342.935 ha of the total land base (78.004.644 million ha.). Of the total forest area, 56.9% (12.704.148 million ha) are productive forests and 43.15% (9.64 million ha) of the total forest area are less productive, degraded forests. 87.8 % of the forest area in Turkey (both productive and degraded) are high forest (forest mainly established by seed naturally or by human interference), whereas 12.2 % are coppice forests (2.723.217 ha.) (MoffForest&Water, 2015 ). As of 2013, about 5.373.162 ha have been declared as protected areas of which 1.688.392 ha is forest (GDNP, 2016). Plantation forest accounts for 2.338.073 ha (CEM, 2015), which account for 10,4% of the total forest area. Forest cover has been increasing, at an annual rate of 0.8% between 1990 and 2015 (FAO, 2015).

The wood volume of all of the forest area is 1.6 billion cubic meters and the annual increment of volume is 45.9 million cubic meters. In 2015 the total timber production is 21.635.000 m<sup>3</sup>, of which 5.000.000 is for fuel-wood (GDF (N.Y)). The General Directorate of Forestry (GDF) controls and supervises all forest land (state, public and private). Farm land plantation forest are not considered as forests by law and are outside the control of GDF. There are about 200.000 ha of farmland plantation forest (see Timber Source Types) that are owned by private individuals and managed as farmland without forest management plans. Only the research project development and consultancy services for forest extension are exceptions where the GDF do supervise farm land plantation forests.

The majority of forest areas are under state ownership, which is the case for more than 99 % of all forest area in Turkey. The remaining part is under private and public ownership. Accounting for 0.1-0.5% of the forest land (farm land not included). Most public and private forests are in Marmara and the Aegean region (Gunes and Coşkun, 2008). State forests are managed by the General Directorate of Forestry on behalf of the State (Turkish Republic). Public forests are managed by the owners, who are the public legal entities (such as municipalities, public universities, etc.). Private forests are managed by the owners, who are private individuals or legal entities. By law all forest owners are obliged to prepare and implement forest management plans in connection with harvesting, protection and amelioration of their forests. However, public forests and private forests are usually not managed for commercial timber harvesting purposes, as the areas are small and degraded. Thus, private forests are more commonly used for enjoyment/aesthetic values/recreational purposes (personal communication 17).

As for the institutional structure, the Ministry of Forestry and Water Affairs has been established under the central Administration. Under the Ministry the General Directorate of Forestry has been authorized to manage, administer and supervise all state forests in the Country. The General Directorate of Forestry has central departments, regional and local branches. The central department has 13 different divisions, which cover areas such as forest planning, silviculture, forest protection, afforestation, forest nursery etc. At the regional scale 28 regional directorates implement forest management plans, national forestry programs and national forest policy in state forests. In addition, 12 forest research stations have been scattered throughout the country to conduct research about forestry.

The main policy approach for forestry as mentioned in the National Forestry Programme 2014-2023 are protection, exploitation and increase of forest areas in a sustainable manner. The majority of forest areas have been opened for planned harvesting. However, some pristine, high conservation value areas have been reserved for protected areas, such as national parks, nature parks, nature protection areas, national monument, seed orchards, protection forests, wildlife protection and game reserve areas.

Three levels of legislation (constitutional, statutory and regulatory) are applicable. At the constitutional level, article 169 of the Turkish Constitution of 1982 is applicable in all forestry issues. At the statutory level, there are several laws of which the Forest Code of 1956, No: 6831 is essential for forest management, planning, and harvesting. At the regulatory level, there are around 100 regulations dealing with forestry issues, practices and management. Out of which the Forest Planning Regulation, the Forest Afforestation Regulation and the Forest Exploitation Regulation are prominent regulations on this level.

The population in Turkey is about 80 million, from which, about 75 % live in urban areas and the remaining 25 % live in rural areas. Of the 20 million Turkish people living in rural areas, about 7.1 million live in approximately 17.000 forest villages (GDF, N.Y). The main source of income for those people come from the jobs created within forest harvesting, silvicultural practices, afforestation and collection of non-wood forest products etc. Those people constitute an essential source of forest labour in harvesting, transportation, afforestation and protection (de Haan, 1998).

In 2017 Turkey had a Corruption Perception Index of 40 (below the threshold of 50) and according to the World Bank Worldwide Governance Indicators, - on a scale of -2,5 to 2,5 - in 2016 Turkey received a score of 0.05 for Governance Effectiveness, -0,16 on Rule of Law and -0.20 for Control of Corruption, indicating the country having issues with the corruption level and legal compliance.

Experts were consulted throughout the risk assessment. The names and position of the experts are known to NEPCo, but are not publicly disclosed.

### ***Sources of information***

CEM (2015), Collesme ve Erozyonla Mucadele Genel Müdürlüğü (Presentation by General Directorate of Combatting against Desertification and Erosion). Available at:  
<http://www.cem.gov.tr/erozyon/Files/istatistikler2015/grafikler/a%a7a7a7landirma-grafik.pdf>

De Haan, C. 1998. Forestry sector review: grazing resources and livestock management in forest lands. Available from the Ministry of Forestry and the General Directorate of Forestry, Ankara

FAO (2015), Global Forest Resources Assessment for Turkey, Rome, 2014. Available at:  
<http://www.fao.org/3/a-az358e.pdf>

GDF (2015) Annual Activity Report 2015, General Directorate of Forestry (GDF)

GDF (N.Y): Forestry statistics reached from the website if the General Directorate of Forestry (GDF). Available at: <https://www.ogm.gov.tr/ekutuphane/Sayfalar/Istatistikler.aspx>

GDNP, (2016). Status Report on Nature Conservation. Presentation by the General Directorate of Nature Conservation and National Parks (GDNP). Ministry of Forestry and Water Affairs. Available at:  
<http://www.milliparklar.gov.tr/kitap/100/?sflang=tr#p=2>

Gunes and Coşkun (2008): Trends in forest ownership, forest resources tenure and institutional arrangements: are they contributing to better forest management and poverty reduction? A case study from Turkey. Available at: <http://www.fao.org/forestry/16407-0c0665eddd86a68c9fbbc87cdde52501c.pdf>

MoF (2013), Tabiatı Korumada Son 10 Yıl, Teknik Bülten (Last 10 Years at Tabiatı Korumada, Technical Bulletin) issue:3, Forest&Water (MoF) Ankara, Available at:  
<http://www.milliparklar.gov.tr/dergi/3/?sflang=tr#/4>

Yildirim H. (2011) Industrial wood production and consumption in Turkey and some future projections. Available at: [http://www.academicjournals.org/article/article1380726067\\_Yildirim.pdf](http://www.academicjournals.org/article/article1380726067_Yildirim.pdf)

### ***Main forest legislation***

Forest Code of 1956, No. 6831, <http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>

Law of Establishing General Directorate of Forestry of 1985, No: 3234, article 2/paragraph. Available at:  
<http://www.mevzuat.gov.tr>

Law on National Parks of 1983, No: 2873, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2873.pdf>

Turkish Constitution of 1982, article 169, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2709.pdf>

## D. Legality Risk Assessment

### LEGAL RIGHTS TO HARVEST

#### 1.1. Land tenure and management rights

*Legislation covering land tenure rights, including customary rights as well as management rights that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legal required licenses. Risk may be encountered where land rights have not been issued according to prevailing regulations and where corruption has been involved in the process of issuing land tenure and management rights. The intent of this indicator is to ensure that any land tenure and management rights have been issued according to the legislation.*

##### 1.1.1. Applicable laws and regulations

- Turkish Constitution of 1982, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2709.pdf>
- Law on Land Cadastre of 1987, No: 3402
- Forest Code of 1956, No: 6831, articles 26, 31, 32, 33, 34, 37, 39, 40, 41, 42, 43. <http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Law on Corporate Tax of 2006, No:5520. <http://www.gib.gov.tr/node/90937>

##### 1.1.2. Legal authority

- General Directorate of Forestry (GDF) of Ministry of Forestry and Water Affairs
- GDF is authorized and responsible for all forestry relevant issues, except for farm forests. For farm forests the owners are authorized and responsible for all forestry issues, conveying management rights etc.

##### 1.1.3. Legally required documents or records

- Certificate of land registry (title deed) – for farm forests (Can be obtained on-line from website in Turkish and English <https://www.tkgm.gov.tr/en>; <https://www.tkgm.gov.tr/tr>)

##### 1.1.4. Sources of information

###### *Government sources*

- Annual Report of General Directorate of Forestry, 2015, <http://www.ogm.gov.tr/ekutuphane/FaaliyetRaporu/Orman%20Genel%20M%C3%BCd%C3%BCr%C3%BCl%C4%9F%C3%BC%202015%20Y%C4%B1%C4%B1%20Faaliyet%20Raporu.pdf>
- Personal communication 3, Director of Istanbul Regional Forestry District

###### *Non-Government sources*

- FAO Country Report 2015, <http://www.fao.org/3/a-az358e.pdf>,
- Gunes, Y. & Coşkun, A.A. (2008). Trends in Forest Ownership, Forest Resources Tenure and Institutional Arrangements Are They Contributing to Better Forest Management and Poverty Reduction? 2008, A Case Study From Turkey: <http://www.fao.org/forestry/16407-0c0665eddd86a68c9fbbc87cdde52501c.pdf>

- Gunes, Y. & Elvan, O.D. (2005) Illegal Logging Activities in Turkey Environmental Management 36: 220. <http://link.springer.com/article/10.1007/s00267-003-0107-1>
- TKGM, 2017: Tapu Kadastro Genel Müdürlüğü (General Directorate of Land Surveying and Land Registry). Available at: [https://www.tkgm.gov.tr/sites/default/files/icerik\\_ekleri/kadastro\\_islemleri\\_rehberi.pdf](https://www.tkgm.gov.tr/sites/default/files/icerik_ekleri/kadastro_islemleri_rehberi.pdf)
- Personal Communication 17 – Professor, Istanbul University, Faculty of Forestry. Department of Forestry and Environmental Law

### 1.1.5. Risk determination

#### *Overview of legal requirements*

In Turkey, forests can be owned by the state, public entities other than the state, and private entities. The majority of the forest in Turkey (approximately 99%) is owned by the state, (GDF Annual Report 2015). The Constitution prohibits the sale of the state forest.

Article 169 of the Turkish Constitution of 1982 delegates all management rights of State forests to the Turkish State. The General Directorate of Forestry is authorized by the Forest Code to manage, administer, protect and exploit all State forests. It also has the right and obligation to supervise and protect all public and privately owned forests, and thus, privately owned forests are under the control and supervision of the state under GDF as well.

Farm land plantation forests are considered to be on agricultural land, and are not covered by the Forest Code and are not under the authority of GDF. The land can be converted back to agriculture.

The state can reclaim former farm land where natural forest regrowth has occurred. Conversion of state land is only allowed on degraded land where natural regeneration cannot take place. The state considers that if natural regeneration can occur this can indicate a former illegal conversion of forest to agriculture, and the land is therefore State land. Once covered by natural forest, this area is not allowed to be converted back to farm land. This issue is particularly relevant for private land, including farmland, bordering state forest.

As the GDF is a State institution and not a corporation, it is not required to pay tax and shall not be registered for tax. However, local forestry enterprises are obliged to pay income tax and shall be registered for tax. According to article 1 of the Law on Corporate Tax of 2006, No:5520, corporations shall pay corporate tax and shall be registered as a company.

According to the Law on Land Cadastre of 1987, No: 3402, privately owned forests are registered in the land registry and are issued a land title. Degraded forest can be sold to private entities, or the forest land can be inherited. Private land titles are not available in a public register, but are held by the owner. Similar to private forests, all public forests must also be recorded in land registry and the public legal entities should have their own land title on those forests to prove their rights. The State forests are not required to be recorded in the land registry, but their outer boundaries are delineated for clarification purposes. It is the discretion of the GDF whether the state forests shall be registered in the land registry or not. Some of the forest areas have been recorded and have a land title on them and some have not. Land titles on state land are used if the Directorate transfers land rights to an investor, such as tourism investment in a particular piece of state forest, those clearly delineated forest land is to be recorded in the land registry as an independent parcel. These areas will not be sold but rented out for other land use purposes for a limited amount of time. The process of renting out forest land will differ depending on the intended use (mining, tourism, etc.). However, land fee shall be paid yearly and an environmental impact assessment shall be conducted for such projects. The areas shall have been included in the spatial planning and be declared to be allocated to an investor

#### *Description of risk*

Land survey started a century ago, and maps are not fully in line with the actual conditions on the ground, as the specification of boundaries can be incorrect (personal communication 3). This situation can lead to conflicts between forest area boundaries. This is a common issue for private forest land bordering State or public forest land due to the land survey process not having been finalized (TKGM, 2017). State and public land is both under the state treasury, and there are no conflicts between state and public land (Personal communication 17).

Land survey in north-eastern Turkey has started only in 2005 and local people living in the forests do not hold a land title. As by law, State land forests cannot be granted to local people, and they have no legal claim to forest land. There are conflicts between local people and the state, but legally the state holds the title.

The GDF and land registry have separate mapping systems. The Land registry will receive input surveys which do not automatically exclude forested areas. This area can then be issued for a land title to a private person. Thus, in case of conflict, land titles cannot be fully relied on for proving land rights if titles are overlapping with natural forest, as this legally shall be owned by the state.

If brought to court the court will often judge in favour of the GDF. Thus, if material is sourced from privately owned forest, the GDF needs to be consulted to verify that there are no land conflicts.

Companies are registered for tax and business as required. Companies are to be registered in the commercial registry (electronic registry), publicly available online for each province.

#### *Risk Conclusion*

This indicator has been evaluated as specified risk for private forests. Ownership conflict when private natural and degraded forest area is bordering state forest. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

This indicator has been evaluated as low risk for state forests and public forests. Threshold (1) is met: Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities/or by the relevant entities.

#### **1.1.6. Risk designation and specification**

Specified risk for private forests.

Low risk for state forests and public forests.

#### **1.1.7. Control measures and verifiers**

- Land title shall confirm land right
- Land registry confirms ownership of private forests.
- Maps of forest area can be obtained at the GDF
- Timber harvesting documents are available in both forestry departments and contractors.

## **1.2. Concession licenses**

*Legislation regulating procedures for the issuing of forest concession licenses, including use of legal methods to obtain concession license. Especially bribery, corruption and nepotism are well-known issues in connection with concession licenses. The intent of this indicator is to avoid risk related to situations where organizations are obtaining concession licenses via illegal means such as bribery, or where organizations or entities that are not eligible to hold such rights do so via illegal means. Risk in this indicator relates to situations where due process has not been followed and the concession rights can therefore be considered to be illegally issued. The level of corruption in the country or sub-*

*national region is considered to play an important role and corruption indicators (e.g., Corruption Perception Index, CPI) should therefore be considered when evaluating risks.*

#### **1.2.1. Applicable laws and regulations**

Not applicable – there is no legislation in place covering concessions in Turkey.

#### **1.2.2. Legal authority**

N/A

#### **1.2.3. Legally required documents or records**

N/A

#### **1.2.4. Sources of information**

N/A

#### **1.2.5. Risk determination**

N/A

#### **1.2.6. Risk designation and specification**

N/A

#### **1.2.7. Control measures and verifiers**

N/A

### **1.3. Management and harvesting planning**

*Any legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities. Cases where required management planning documents are not in place or are not approved by competent authorities should be considered. Low quality of the management plan resulting in illegal activities may be a risk factor for this indicator as well.*

#### **1.3.1. Applicable laws and regulations**

- Turkish Constitution of 1982, Article 169, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2709.pdf>
- Forest Code of 1956, article 26., <http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Forest Management Regulation of 2008 (Orman Amenejmanı Yönetmeliği), <http://www.mevzuat.gov.tr/Metin.Aspix?MevzuatKod=7.5.11952&MevzuatIliski=0&sourceXmlSearch=orman>

#### **1.3.2. Legal authority**

- General Directorate of Forestry (GDF) - Orman Genel Müdürlüğü, [www.ogm.gov.tr](http://www.ogm.gov.tr)

#### **1.3.3. Legally required documents or records**

- Forest Management Plans for each Forestry District.

#### **1.3.4. Sources of information**

#### *Government sources*

- ogm.gov.tr (N.Y). Directorate of Forestry Administration and Planning - Terms of Service. Available at: <http://www.ogm.gov.tr/Baskanliklar/OrmanIdaresivePlanlama/Sayfalar/GorevTanimlari.aspx>
- GDF (2012). Orman İdaresi ve Planlama Dairesi Başkanlığı (2012) Hizmet İçi Eğitim Ders Notlari. (forestry administration and planning department. In-service training. Course notes), Ankara. Available at: <https://ormuh.org.tr/uploads/docs/Orman%20Idaresi%20ve%20Planlama.pdf>
- GDF, 2013. Yearly Work Program for 2013. Department of Forest Management and Planning. (in Turkish).
- GDF, 2018. General Directorate of Forestry Administration Activity Report for 2017. February 2018. Presidency Of Strategy Development Ankara / 2018 (in Turkish)
- Personal Communication 3 – Director, Istanbul Regional Forestry District
- Personal Communication 7 – Forest Engineer, GDF

#### *Non-Government sources*

- Personal Communication 5 – Expert Forester, Free Contractor
- Personal communication 17 – Professor, Istanbul University, Faculty of Forestry. Department of Forestry and Environmental Law

### **1.3.5. Risk determination**

#### *Overview of Legal Requirements*

By law, all forests, other than farm land plantation forests, must be managed with forest management plans. All owners must ensure that forest management plans are prepared for a 10-year period (for forest species such as *Pinus brutia* and plantations forests) and for a 20-year period (for forest species such as *Pinus nigra*, oak trees etc.) are updated every 10 years and 20 years respectively. All forest management plans shall be approved by the GDF. According to article 13 of the Forest Management Regulation of 2008, forest inventory should be made and all data on size, biodiversity, trees and their volumes, non-wood forest products, functions, socio economic capacity and the health conditions of forests shall be collected and put into management plans. The management plan is produced at the forest district level, and containing detailed information down to forest unit level, where planning also occurs (personal communication 5). Private forest owners pay GDF or a forest engineer for the development of management plan.

The management plan contains all data on inventory, annual allowable cut and relevant forest functions on each planning unit level, harvesting maps and annual activity steps for forest management.

#### *Description of Risk*

Management plans are generally in place in both publicly and privately owned forests (personal communication 3). To prepare forest management plans, the GDF either prepare the plans using its own personnel/forest planning experts, or contract an independent contractor to prepare the forest management plans. The GDF will control and approve these plans to check if they comply with the required planning standards listed in the forest management regulation (personal communication 7).

While plans are in place for a period of ten years (for forest species such as *Pinus brutia* and plantations forests) or twenty years (for forest species such as *Pinus nigra*, oak trees etc.), It is possible for management plans to not be renewed at the end of their period of validity, and several years may pass until they are. However, during the interim period, forests are managed according to 'advance plans' (meaning they are forest plans made in advance, to be used until the real forest plans are prepared) (Personal communication 17). The GDF's yearly report for 2013 showed that more than half of the forests were not covered by proper management plans (GDF 2013). However, the 2017

report showed that management plans had been prepared for 11,9 million ha in the period between 2013-2017 (GDF 2018, table 48). Total forest area in Turkey is about 22,3 million ha, and the statistics shows that there has been a great emphasis on updating the management plans the last 5 years.

#### *Risk Conclusion*

This indicator has been evaluated as low risk. Threshold (1) is met: Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities/or by the relevant entities.

#### **1.3.6. Risk designation and specification**

Low risk

#### **1.3.7. Control measures and verifiers**

N/A

### **1.4. Harvesting permits**

*Legislation regulating the issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. It includes the use of legal methods to obtain the permit. Corruption is a well-known issue in connection with the issuing of harvesting permits. Risk relates to situations where required harvesting is carried out without valid permits or where these are obtained via illegal means such as bribery. In some areas, bribery may be commonly used to obtain harvesting permits for areas and species that cannot be harvested legally (e.g., protected areas, areas that do not fulfil requirements of minimum age or diameter, tree species that cannot be harvested, etc.). In cases where harvesting permits classify species and qualities to estimate fees, corruption and bribery can be used to classify products that will result in a lower fee. The level of corruption in a country or sub-national region is considered to play an important role and corruption indicators should therefore be considered when evaluating risks. In cases of illegal logging, harvesting permits from sites other than the actual harvesting site may be provided as a false proof of legality with the harvested material.*

#### **1.4.1. Applicable laws and regulations**

- Forest Code of 1956, No: 6831, articles 26, 31, 32, 33, 34, 37, 39, 40, 41, 42, 43.  
<http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Forest Management Regulation of 2008 (Orman Amenejmanı Yönetmeliği),  
<http://www.mevzuat.gov.tr/Metin.Aspx?MevzuatKod=7.5.11952&MevzuatIliski=0&sourceXmlSearch=orman>
- Regulation on the Means and Methods of Selling Forest Products (Orman Ürünlerinin Satış Usul ve Esasları Hakkında Yönetmelik) enacted based on Forest Code of 6831, Published in Official Gazette 20/3/2015 No: 29301.
- Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları)  
<https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>
- Order of GDF no: 288, rules of harvesting of timber,  
<https://www.ogm.gov.tr/ekutuphane/Tebliğler/Forms/AllItems.aspx>
- Commercial Law of 2011, No: 6102 (article 43),  
<http://www.mevzuat.gov.tr/MevzuatMetin/1.5.6102.pdf>
- Law on Cooperatives of 1969, No: 1163, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.1163.pdf>

#### **1.4.2. Legal authority**

- General Directorate of Forestry (GDF) - Orman Genel Müdürlüğü

#### 1.4.3. Legally required documents or records

- State Forest: Harvesting contract with either forest villagers, forest village cooperatives or private contractors. Applicable for both;
  - a. Sales of standing trees
  - b. Contracting of harvesting on behalf of GDF
- Private/Public forest: Harvesting permit for silvicultural pruning from GDF (Chief forester)

#### 1.4.4. Sources of information

##### *Government sources*

- GDF, 1996, Orman Ürünlerinden Faydalanmak İsteyenlere Verilecek İzinlere Ait Tebliğ (Notice/ordinance on issuing license to the people who get benefits from forest products), Ankara. Available at:  
<https://www.ogm.gov.tr/ekutuphane/Tebliqler/Orman%20Ürünlerinden%20Faydalanmak%20İsteyenlere%20Verilecek%20İzinlere%20Ait%20Tebliğ.pdf>
- GDF, 2013, Orman İşletmeciliğinde Üretim Pazarlama Faaliyetleri (Marketing Activities in Forest and Production and Management), Ankara. Available at:  
<http://www.ogm.gov.tr/ekutuphane/Egitim/İŞLETME PAZARLAMA EĞİTİM.doc>
- Personal Communication 3 – Director, Istanbul Regional Forestry District
- Personal Communication 10 – Forest Engineer, Istanbul Regional Directorate of Forestry
- Personal Communication 12 – Chief Forester, Istanbul Regional Directorate of Forestry

##### *Non-Government sources*

- Transparency International (2018): Transparency International's Corruption Perceptions Index 2017: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)
- World Bank (2018): Worldwide Governance Indicators 2016:  
<http://info.worldbank.org/governance/wgi/index.aspx#reports>
- Personal communication 8 – farm forest owner, private farmland plantation enterprise
- Personal communication 9 - forest villager from a development cooperative
- Personal communication 17 - Professor, Istanbul University. Faculty of Law. Department of Forestry and Environmental Law

#### 1.4.5. Risk determination

##### *Overview of Legal Requirements*

The GDF is the sole manager of the harvesting practices in state forest on behalf of the Turkish State. It either hires a contractor, or forest villagers or a forest village cooperative to harvest, or they put units of standing trees up for auction.

Harvesting contract (State forest): For the harvest of standing trees, a harvesting contract shall be signed by a legally registered company. Once the contract is signed, the area is left in the hands of the contractor to cut.

Harvesting permit (State forest): applicable for private or cooperative harvesting in state forests.

Harvesting permit (private/public forest) For public and private forest, a harvesting permit is required (articles 40, 41 of the Forest Code, No:6831). The harvesting permit is issued by the local Chief Forester (regional forestry chief) and signed and sealed by the Director of Local Forestry and the Regional Director of GDF (Personal Communication 17).

Both the harvesting permit and harvesting contract contains the parties' (forest enterprise and contractor/forest villagers, cooperatives), geographical location, tree species, volumes of logs, number of logs, time period of contract, harvest conditions, measurement and classification and recording of logs into registry, rights and responsibilities of the parties etc. (Order no: 288, rules of harvesting of timber).

The volume of the timber sold as standing trees on auctions under harvesting contracts is calculated both before and after the trees have been harvested. If the actual volume exceeds what was predicted by 10%, the price paid will be recalculated and an additional fee shall be paid to GDF.

The parcels that will be auctioned are announced publicly and the auctions themselves are public. Only those who register using a registration form, and provide documentation demonstrating that they are a competent forester can participate. Once the documentation is approved, a letter will be sent to the applicant stating the place, date and time of the auction. The auctions are monitored and inspected by an auction board and an inspector authorized by the Regional Director of Forestry (Order no: 288, rules of harvesting of timber).

#### *Description of Risk*

Although the harvesting contract does contain information about the trees to be cut, there is a risk that a buyer of the standing trees cuts trees that are not included in the contract, and sells the timber as legal under the obtained contract. Selling the timber as standing trees makes it difficult to monitor whether the agreed trees are being cut or not (personal communication 9 and 12).

In 2017 Turkey had a CPI of 40 (below the threshold of 50) and according to the World Bank Worldwide Governance Indicators, - on a scale of -2,5 to 2,5- in 2016 Turkey received a score of 0.05 for Governance Effectiveness, -0.16 on Rule of Law and -0.20 for Control of Corruption, indicating the country having some issues with the corruption level and legal compliance.

Since all paper work is to be completed before the auction and the auction is transparent and public, the risk of corruption in relation to issuing of harvesting permits is not considered to be a widespread issue (Personal communication 17),

The risk of misuse of a contract or permit is not considered to be systematic or widespread. Harvesting without a permit or contract mostly happens in the case of firewood collection (personal communication 3, 9 and 12).

Because the forests villagers live inside the forests it is quite easy for them to fell the trees without a legal permit and thus risk violating the harvesting regulation. They may sell the timber in the nearby market changing the status of the wood from being for household purposes to commercial timber. Also, people other than forests villagers may enter the forests without harvesting permits and fell the trees. To control such illegal activities can be difficult, because of the distance to the local forest offices (personal communication 10). However, they face the risk of both a monetary fine and imprisonments (Article 14, 91 of the Forest Code). The registered number of cases of illegal tree felling in 2015 were 2944, accounting for a volume of illegally harvested timber of 18.326 m<sup>3</sup>. (Annual Report of GDF, 2015, pp. 39.), but there is a risk that further violations go uncaught and/or reported.

#### *Risk Conclusion*

This indicator has been evaluated as specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

#### **1.4.6. Risk designation and specification**

This indicator has been evaluated as specified risk for all source types.

#### **1.4.7. Control measures and verifiers**

- Ask the relevant Forest Village Development Cooperative about information of harvesting statistics, volume, species (only for state forest)
- Interview with the forest villagers

## TAXES AND FEES

### 1.5. Payment of royalties and harvesting fees

*Legislation covering payment of all legally required forest harvesting specific fees such as royalties, stumpage fees and other volume based fees. It also includes payments of the fees based on correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue often combined with bribery of officials in charge of controlling the classification.*

#### 1.5.1. Applicable laws and regulations

- Forest Code of 1956, article 40, 41. <http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları) <https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>
- Order of GDF no: 288, rules of harvesting of timber, <https://www.ogm.gov.tr/ekutuphane/Tebliğler/Forms/AllItems.aspx>

#### 1.5.2. Legal authority

- General Directorate of Forestry (GDF)

#### 1.5.3. Legally required documents or records

- Standing Trees Selling Contract and relevant document as annexed in Order of GDF, No. 6877/A Standing Tree Selling Guideline.

#### 1.5.4. Sources of information

##### *Government sources*

- GDF, 2015, Dikili Ağaç Satış Esasları (Order of GDF, No. 6877/A, Standing Tree Selling Guideline). Available at: <https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf> Personal communication 3 – Director, Istanbul Regional Forestry District
- Personal communication 12 – Chief Forester, Istanbul Regional Directorate of Forestry

##### *Non-Government sources*

- Transparency International (2018): Transparency International's Corruption Perceptions Index 2017: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)
- World Bank (2018): Worldwide Governance Indicators 2016: <http://info.worldbank.org/governance/wgi/index.aspx#reports>
- Personal communication 17 - Professor, Istanbul University. Faculty of Law. Department of Forestry and Environmental Law

#### 1.5.5. Risk determination

##### *Overview of Legal Requirements*

For all state forest (both natural forest and plantation forest), when the GDF either sells standing timber or harvested timber, the sales price includes a harvesting fee (afforestation fee) that is to be paid to the State Treasury (Order of GDF no: 288). The afforestation fee is calculated on the basis of

the annual unit price of afforested areas (in hectares), including the cost of seedling fee, labour cost, maintenance cost etc. It is to be paid when an invoice is issued to a contractor/buyer.

When the buyer/contractor buys standing trees through auction, the site is left to him for the felling. The tree species and the volume of trees have been specified by a Chief Forester (local forestry officials). The harvesting fee is calculated on the basis of tree species, quality and volume. In the case of standing timber, the volume and quality of the standing timber is always compared and reassessed after the felling process and the estimate may change, which will also make the harvesting fee change.

No royalties or fees are required for private forests or public forests.

There are no taxes to be paid based on the classification of quantities, qualities and species

#### *Description of Risks*

No cases of false classification of information in order to reduce the harvesting fee have been identified. There are also no systematic cases of lack of payment afforestation fees (personal communication 3, 12 and 17). While Turkey had a CPI of 40 (below the threshold of 50) in 2017. According to the World Bank Worldwide Governance Indicators, - on a scale of -2,5 to 2,5- in 2014 Turkey received a score of 0.05 for Governance Effectiveness, -0.16 on Rule of Law and -0.20 for Control of Corruption. These scores indicate that it is possible that corruption takes place in Turkey. However, based on experience from experts within the field of forestry there are currently no indications that harvesting and afforestation fees are not paid as required. Therefore, the risk of nonpayment of the afforestation fee therefore is low.

#### *Risk Conclusion*

This indicator has been evaluated as low risk for state forest. Threshold (1) is met: Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities/or by the relevant entities.

N/A for private and public forests.

#### **1.5.6. Risk designation and specification**

Low risk for state forest.

N/A for private and public forests.

#### **1.5.7. Control measures and verifiers**

N/A

### **1.6. Value added taxes and other sales taxes**

*Legislation covering different types of sales taxes, which apply to the material being sold, including selling material as growing forest (standing stock sales). Risk relates to situations where products are sold without legal sales documents or far below market price resulting in illegal avoidance of taxes.*

#### **1.6.1. Applicable laws and regulations**

- Law on Value Added Tax of 1984, No:3065, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.3065.pdf>

#### **1.6.2. Legal authority**

- Turkish Financial Ministry, Department of Tax Collection (Gelir İdaresi Başkanlığı) [www.gib.gov.tr](http://www.gib.gov.tr)

### 1.6.3. Legally required documents or records

- Tax Declaration Form

### 1.6.4. Sources of information

#### *Government sources*

- Cakmak, T. (N.Y.). VAT System in Turkey. Turkish Revenue Administration. <https://www.oecd.org/mena/competitiveness/45573653.pdf>
- Personal communication 3 – Director, Istanbul Regional Forestry District

#### *Non-Government sources*

- Deloitte. 2006. VAT in Turkey - Finding the right path to improve your business. [http://www.verginet.net/UserFiles/File/pusula\\_serisi/VAT.pdf](http://www.verginet.net/UserFiles/File/pusula_serisi/VAT.pdf)
- Transparency International (2018): Transparency International's Corruption Perceptions Index 2017: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)
- World Bank (2018): Worldwide Governance Indicators 2016: <http://info.worldbank.org/governance/wgi/index.aspx#reports>

### 1.6.5. Risk determination

#### *Overview of Legal Requirements*

According to the Law on Value Added Tax of 1984 a taxpayer, when making any payment for buying any commodity, service etc. value added tax shall be paid. The percentage of VAT in Turkey is 10 percent. However, the government has the discretion to set the percentage of VAT within a range of 1-18 percent dependent of the product. So far this has not been applied to any timber products, which means that the VAT for timber products is 10 percent.

In Turkey a buyer may be a natural person or a legal entity. For both it is a requirement by law to be registered at the Chamber of Commerce as a tax payer. When registered as a legal entity/corporation corporate tax and VAT must be paid. When registered as a natural person, income tax and VAT must be paid. Documentation for proving registration as a natural person and legal entities is required to be submitted to GDF.

With respect to tax laws, all business within the timber industry shall be tied with a contract. If not, the owner may be accused of violating the tax law.

Turkish tax authorities impose a procedural non-compliance penalty for the late submission of a VAT return. Late payment of VAT is subject to a monthly delay charge of 2.5 % (with effect from 21 April 2006) (Deloitte 2016).

All of the above applies for all source types.

#### *Description of Risks*

VAT is calculated on the basis of the final sale prices of all sales and paid once a month. The volume of timber is recorded by the owner himself and there is no mechanism for monitoring and controlling these calculations done by the tax office. The usage of oral agreements is very common in farm land plantation forests and private forests/plantations, which may enhance the risk of failing to disclose potential tax payments to the tax office.

In rural areas, the control and monitoring mechanism done by the tax office may be challenged by the large areas and distances. However, no incidences have been reported in connection with the monitoring (personal communication 3).

Difficulty in voluntary compliance, false or misleading invoices, and lack of auditing have been identified as problems in the Turkish VAT system by the Turkish Revenue Administration (Çakmak, N.Y.). This applies to all products in the whole country, and does not refer specifically to forests or forest products.

In 2017, Turkey had a CPI of 40 (below the threshold of 50) and according to the World Bank Worldwide Governance Indicators, - on a scale of -2,5 to 2,5- in 2016 Turkey received a score of 0.05 for Governance Effectiveness, -0.16 on Rule of Law and -0.20 for Control of Corruption, indicating the country having some issues with the corruption level and legal compliance, which may influence the reporting and payment of VAT.

#### *Risk Conclusion*

This indicator has been evaluated specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

#### **1.6.6. Risk designation and specification**

This indicator has been evaluated specified risk for all source types.

#### **1.6.7. Control measures and verifiers**

- Sales documents shall include applicable sales taxes.
- Receipts for payment sales taxes shall exist.
- Volumes, species and qualities given in sales and transport documents shall match the fees paid.
- Sales prices shall be in line with market prices.
- Harvested species, volume and qualities shall match the sales documents.
- Authorities shall confirm that operation is up to date in payment of applicable sales taxes.
- Consultation with financial authority to verify that all required income and profit taxes have been paid
- Ask to see the written sales contract from the farm land plantation owner or the buyer

## **1.7. Income and profit taxes**

*Legislation covering income and profit taxes related to the profit derived from sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies or related to salary payments.*

### **1.7.1. Applicable laws and regulations**

- Law on Income Tax of 1960, No: 193. <http://www.mevzuat.gov.tr/MevzuatMetin/1.4.193.pdf> (applicable for persons harvesting from farm forests)
- Law on Corporate Tax of 2006, No: 5520. <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.5520.pdf> (applicable for companies and cooperatives)

### **1.7.2. Legal authority**

- Turkish Financial Ministry, Department of Tax Collection (Gelir İdaresi Başkanlığı); [www.gib.gov.tr](http://www.gib.gov.tr)

### **1.7.3. Legally required documents or records**

- Tax Declaration Form

### **1.7.4. Sources of information**

#### *Government sources*

- Personal communication 3 – Director, Istanbul Regional Forestry District
- Personal communication 12 – Chief Forester, Istanbul Regional Directorate of Forestry

#### *Non-government sources*

- Transparency International (2018): Transparency International's Corruption Perceptions Index 2017: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)
- World Bank (2018): Worldwide Governance Indicators 2016: <http://info.worldbank.org/governance/wgi/index.aspx#reports>
- Personal Communication 6 – Researcher, Poplar and Fast Growing Trees Research Institute
- Personal communication 17 - Professor, Istanbul University. Faculty of Law. Department of Forestry and Environmental Law

### **1.7.5. Risk determination**

#### *Overview of Legal Requirements*

According to the law on income tax and corporate tax, all tax payers shall pay either income or corporate tax if they make a profit. A tax payer is required to declare the annual income and thus calculate the amount of tax to pay. Income and corporate tax is calculated on the basis of the generated profit.

State forest and thus GDF are not required to pay income or corporate tax.

#### *Description of Risk*

The tax authorities make control checks, which are conducted following yearly monitoring plans that determine who should be controlled and when. The monitoring plans include random samples and high risk persons and companies. Along with this, the tax authority is also making random control visits.

In state forest and public forest, all volumes are recorded, making it difficult for e.g. contractors to avoid tax payment. Cases of timber being sold without legal sales documentation, with wrongly stated volumes or below the market price is very rare and no cases have been recorded (personal communication 3, 17). According to personal communication the risk of manipulation with gross income to avoid paying taxes is not a common issue within the forestry sector in Turkey (personal communication 3, 12, 17).

For private plantation and farm land plantation forest, owners are not required to sign a written selling contract for harvesting, meaning that the responsibility of declaring the income tax/corporate tax lies upon the owner (expert interview 3 and 6). Oral agreements are the common way of agreements made between the owner and contractor for private plantation and farm land plantation forest. As sales are not necessarily recorded there is a risk that income tax is not being paid. There is no written evidence to verify the situation for private forest land, and the risk is considered specified due to the precautionary approach.

#### *Risk Conclusion*

This indicator has been evaluated as specified risk for private forest. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

Low risk for state forest and public forest. Threshold (1) is met: Identified laws are upheld. Cases where laws/ regulations are violated are efficiently followed up via preventive actions are taken by the authorities and/or by the relevant entities.

**1.7.6. Risk designation and specification**

Specified Risk for private forests.

Low risk for state forest and public forest.

**1.7.7. Control measures and verifiers**

- Consultation with financial authority to verify that all required income and profit taxes have been paid
- Ask to see the written contract from the owner/contractor.

## TIMBER HARVESTING ACTIVITIES

### 1.8. Timber harvesting regulations

*Any legal requirements for harvesting techniques and technology including selective cutting, shelter wood regenerations, clear felling, transport of timber from felling site and seasonal limitations etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities and elements that shall be preserved during felling etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges etc. shall also be considered as well as planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.*

#### 1.8.1. Applicable laws and regulations

- Forest Code of 1956, No: 6831, articles 27, 40, <http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Regulation on Forest Product Harvesting (Orman Emvalinin İstihsaline Ait Yönetmelik) published in official Gazette, No: 19231, Date: 24.09.1986. <http://mevzuat.basbakanlik.gov.tr/Metin.Aspx?MevzuatKod=7.5.5441&MevzuatIliski=0&sourceXmlSearch=emval>
- Regulation on Forest Management Planning (Orman Amenejmanı Yönetmeliği), <http://mevzuat.basbakanlik.gov.tr/Metin.Aspx?MevzuatKod=7.5.11952&MevzuatIliski=0&sourceXmlSearch=orman>
- GDF, Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları), <https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>, 2014c.
- Technical Regulations of Silvicultural Applications: Regulatory Document No: 298. General Directorate of Forestry. Ankara (in Turkish)

#### 1.8.2. Legal authority

- General Directorate of Forestry (GDF)

#### 1.8.3. Legally required documents or records

- Forest Management Plan
- Silviculture Plans

#### 1.8.4. Sources of Information

##### *Government sources*

- GDF (2012). Orman İdaresi ve Planlama Dairesi Başkanlığı (2012) Hizmet İçi Eğitim Ders Notları. (forestry administration and planning department. In-service training. Course notes), Ankara. Available at: <https://ormuh.org.tr/uploads/docs/Orman%20Idaresi%20ve%20Planlama.pdf>
- GDF. (N.Y.). İşletme ve pazarlama dairesi başkanlığının görevleri. (Duties of the President of Business and Marketing) Available at: [https://www.ogm.gov.tr/Baskanliklar/IsletmevePazarlama/Sayfalar/isletme\\_ve\\_Pazarlama.aspx](https://www.ogm.gov.tr/Baskanliklar/IsletmevePazarlama/Sayfalar/isletme_ve_Pazarlama.aspx)
- pdb (2016). Guidelines of professional forestry work 2016.

- Personal communication 3 – Director, Istanbul Regional Forestry District
- Personal communication 12 – Chief Forester, Istanbul Regional Directorate of Forestry

#### *Non-Government Sources*

- Personal communication 18 - Environmental NGO

### **1.8.5. Risk determination**

#### *Overview of Legal Requirements*

The Regulation on Forest Product Harvesting contains provisions on how the timber shall be felled, regulation on high slopes/shallow soils, how to cut the logs, how to prevent seedlings from damage, how to transport the timber from the forest to the storage facility. The annual harvesting activities are planned one year before the actual harvesting occurs, along with specification of the annual allowable cut, tree species, harvesting site etc.

In order to determine high-slope areas, foresters use digitised topographic maps (of military origin) at 1/25,000 scale, or SRTM maps derived from satellite images, which provide a digital elevation model of the whole country at resolutions ranging from 50-100 metres. Using these base maps, foresters determine the slope angles for each forest stand and decide whether they are to be designated as having erosion control or flood regulation functions

By law, contractors and forest villagers should take all necessary preventive measures required in the Standing Tree Selling Guidelines and permit when harvesting trees.

#### *Description of Risk*

A high number of the workers working in the forests in Turkey have low or no training within the field. Although there are no requirements about the forest workers being trained, this low level of knowledge about the legal requirements in the regulation for harvesting activities poses a risk of violating the legislation, simply because the workers are not aware that these requirements exist (personal communication 3, 18)

The chief forester of each district is in the forest and is the one to control and monitor that harvesting regulations are being upheld. However, the forest districts are often large areas of land and the chief forester might not be aware of/trained in the specific legal requirements. GDF does occasionally offer training events, but the chief forester does not necessarily hold a baseline education in forestry and thus the chance of the chief forester having received training in the harvesting regulation requirements are low, and the chance of identifying violations are low.

On a national level, all new foresters employed to work for GDF will attend a 6 months training program covering subjects such as forest crimes, insects etc. (personal communication 12).

A complaint by the public, NGO, etc. can report to the relevant authority such as public prosecutor (if there is a large damage to the environment) or independent investigators of Prime ministry may handle the issue and report the case to the politicians or the courts system. There are many reported cases about mining, but not on forestry practices.

Due to lack of training of forest personnel, and the lack of information from the field, the risk is considered specified based on the precautionary approach.

#### *Risk Conclusion*

This indicator has been evaluated as specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

### **1.8.6. Risk designation and specification**

Specified risk

#### 1.8.7. Control measures and verifiers

- Site inspection
- Training records of chief forester and people working in the forest (Training Certificate of Chief Foresters)
- Look into whether it is possible to source wood from a FSC certified area (Kirkklareli Province)

### 1.9. Protected sites and species

*International, national, and sub national treaties, laws, and regulations related to protected areas allowable forest uses and activities, and/or, rare, threatened, or endangered species, including their habitats and potential habitats. Risk relates to illegal harvesting within protected sites, as well as illegal harvest of protected species. Note that protected areas may include protected cultural sites, including sites with historical monuments.*

#### 1.9.1. Applicable laws and regulations

- Law on National Parks of 1983, No: 2873, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2873.pdf>
- Forest Code of 1956, No: 6831, (Orman Kanunu) <http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- GDF, 2014b. Methods and Principles for Making Ecosystem Based Functional Forest Management Plans: Regulatory Document No: 299. General Directorate of Forestry. Ankara (in Turkish)
- GDF, 2014c. Technical Regulations of Silvicultural Applications: Regulatory Document No: 298. General Directorate of Forestry. Ankara (in Turkish)

#### 1.9.2. Legal authority

- General Directorate of Nature Protection and National Parks [www.milliparklar.gov.tr](http://www.milliparklar.gov.tr)
- General Directorate of Forestry (GDF) [www.ogm.gov.tr](http://www.ogm.gov.tr)

#### 1.9.3. Legally required documents or records

- Long term National Park Development Plans
- Management plan

#### 1.9.4. Sources of Information

##### *Government sources*

- DKMPGM (2013) Technical Bulletin: The Last Ten Years in Nature Protection, Ankara.
- DKMPGM (2014) Nature Protection Status Report, Ankara
- Personal communication 12 – Chief Forester, Istanbul Regional Directorate of Forestry

##### *Non-Government sources*

- Personal communication 16 – Forest engineer, Rural Environment and Forestry Foundation
- Personal communication 18 – Environmental NGO

### 1.9.5. Risk determination

#### *Overview of Legal Requirements*

There are three different ways to classify protected areas/sites:

- Protected area (such as national parks, nature parks, wildlife conservation areas)
- Protection function (e.g. closed off from management activities due to danger of erosion. This will be covered under indicator 1.10)
- Protected site (limited area). The protected site covers a single tree (national monument) or a small area protected for biodiversity.

By law protected areas are not open for commercial timber harvesting. The protected areas are covered by a management plan for the forest district, as well as a Long Term Development plans. A 'Long Term Development plan' is a management/conservation plan for legally protected areas, where the area is divided into protection functions (strict protection, limited use, and buffer zones), according to the presence and distribution of 'source values' (natural or historical values) of the area.

When new Long Term development plans are developed, the chief forester, along with relevant experts of nature protection, will inspect the premises for potential new protected function areas or species to be mapped and included in both Long Term Development plan (unlimited time period) and the management plan. If identified in the duration of the management plan (10 or 20 years), this will be reported to the General Directorate of Nature Protection and Natural parks and the ongoing management plan will be updated with relevant information. The planned inspection is only performed by trained foresters.

If an area is of interest of being protected a special expert report is prepared to designate a particular area having protection values. The report is attached to the written request and submitted to the authorities. If an area is inside the forest boundary the request is submitted to the Ministry of Forest and Water affairs, who can declare an area as nature park, natural monument or nature reserve area. If the area has national park characteristics, regardless of its being inside or outside of forest boundary the government is authorized to declare such an area as protected area/National park.

The GDF may do forest amelioration (recovering degraded land) in the areas classified as protected. This is done if and when there are dead trees and wood that may cause diseases, insect invasion etc.

If private areas are to be protected it will first be confiscated and can following be declared protected.

Within managed forests, areas with rare, threatened and endangered species shall be mapped and designated as having a nature conservation function, limiting or totally restricting forestry operations in these areas. This requirement has been in place since 2014 with the introduction of the Regulatory Document No: 299.

#### *Description of Risk*

If an area is classified as a protected area, the protection function is considered and implemented in the management plan. If the timber harvested from protected areas due to maintenance is worthy of sales, it is sold via the auctions held by GFD.

Environmental NGOs often plays a role in the monitoring and mapping the protected areas. Their approach to this is not systematic, but more random monitoring and mapping (personal communication 16). The General Directorate of Nature Protection and Natural parks have people on the ground, monitoring violations in the protected areas. Timber harvesting in protected areas, for amelioration/conservation purposes, have been carried out in approximately 3-5 percent of all protected areas. In these cases, no legal violations have been recorded so far (personal communication 12).

As mentioned in indicator 1.3. Management and harvesting planning, a large part of the Turkish forests has only recently or are still in the process of getting an updated management plan according to the principle of functional planning. This means that for some forest areas the important areas for

biodiversity may not yet have been included in the forest management plans. Also, according to experience from the field (Personal communication 18) many forest managers do still not comply with the relative newly introduced requirements from 2014 on protection of areas set aside in the forests. Based on this, the risk for indicator 1.9 is considered specified.

#### *Risk Conclusion*

This subcategory is considered as specified risk for areas with protection level 3-5 according to national legislation and NATURA 2000 sites (protected according European directives), as it is these localities that are connected with the above described problems.

Category 1 and 2 protection level (except areas where NATURA 2000 sites is overlapping these areas) cover areas with lower natural values, have lower environmental legislative restrictions and the issues described above are not relevant for these localities.

#### **1.9.6. Risk designation and specification**

Protected areas. This indicator has been evaluated as low risk. Threshold (1) is met: Identified laws are upheld. Cases where laws/ regulations are violated are efficiently followed up via preventive actions are taken by the authorities and/or by the relevant entities.

Forests outside protected areas. This indicator has been evaluated as specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

#### **1.9.7. Control measures and verifiers**

- All legally protected areas (including species habitats) shall be included in the management plan or related documentation if required by the legislation.
- Legal established procedures for surveying, managing and protecting endangered or threatened species within the management unit shall be followed.
- Nature protection regulations such as protected areas, set-aside areas, protected species and hunting

### **1.10. Environmental requirements**

*National and sub-national laws and regulations related to the identification and/or protection of environmental values including but not limited to those relating to or affected by harvesting, acceptable level for soil damage, establishment of buffer zones (e.g. along water courses, open areas, breeding sites), maintenance of retention trees on felling site, seasonal limitation of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, air quality, protection and restoration of water quality, operation of recreational equipment, development of non-forestry infrastructure, mineral exploration and extraction, etc... Risk relates to systematic and/or large-scale non-compliance with legally required environmental protection measures that are evident to an extent that threatens the forest resources or other environmental values.*

#### **1.10.1. Applicable laws and regulations**

- Environmental Law of 1983, No: 2872 and decree No: 6877A  
<http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2872.pdf>
- Regulation on Forest Product Harvesting (24.09.1986) (Orman Emvalinin İstihsaline Ait Yönetmelik) published in official Gazette, No: 19231,

<http://mevzuat.basbakanlik.gov.tr/Metin.aspx?MevzuatKod=7.5.5441&MevzuatIliski=0&sourceXm!Search=emval>

- Order of GDF, 2015, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları) <https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf> Law on National Parks of 1983, No: 2873, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2873.pdf>
- Forest Code of 1956, No: 6831, (Orman Kanunu), <http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Mining Law of 1985, No: 3213, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.3213.pdf>
- Law on Soil Protection and Land Use of 2005, No: 5403, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.5403.pdf>
- GDF, 2014b. Methods and Principles for Making Ecosystem Based Functional Forest Management Plans: Regulatory Document No: 299. General Directorate of Forestry. Ankara (in Turkish)
- GDF, 2014c. Technical Regulations of Silvicultural Applications: Regulatory Document No: 298. General Directorate of Forestry. Ankara (in Turkish)

#### 1.10.2. Legal authority

- General Directorate of Nature Protection and National Parks, [www.milliparklar.gov.tr](http://www.milliparklar.gov.tr)
- General Directorate of Forestry (GDF), [www.ogm.gov.tr](http://www.ogm.gov.tr)
- General Directorate of Environmental Management, [www.cygm.gov.tr](http://www.cygm.gov.tr)

#### 1.10.3. Legally required documents or records

- Silvicultural plans
- Management plans

#### 1.10.4. Sources of information

##### *Government sources*

- Ministry of Environment & Forestry, (COB), 2007, Manuel of Environmental Monitoring, Ankara, ISBN: 978 – 975 – 8273 – 98 0, <http://www.cygm.gov.tr/CYGM/Files/yayinlar/kitap/denetim-el-kitabi.pdf>
- GDF, Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları), <https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>
- Personal communication 12 – Chief Forester, Istanbul Regional Directorate of Forestry

##### *Non-Government sources*

- Personal communication 18 - Environmental NGO

#### 1.10.5. Risk determination

##### *Overview of Legal Requirements*

Pollution of air and water is prohibited by law according to the Environmental law. The law does not mention any specific requirements in connection with forest management.

The regulatory document 298 on silvicultural management gives general guidelines, which serve in conservation of species in the production forests, such as leaving the wild fruit trees untouched or using the same skidways to carry logs out of the forest to minimize the effect on soil or leaving deadwood, 1-3 snags and logs per ha. untouched in the forest to benefit dependent species etc. Forest areas where values for soil, water and conservation are identified will be designated as ecological function.

The decree no: 6877A from 2015 specifically states that in the case of harvesting and sales of standing timber, the contractor shall take all necessary measures to protect environmental values inside harvesting areas. The decree mentions how to fell the trees with respect to direction, seasonal harvesting, when to build bridges and to take all necessary precautions for nesting areas and for seedlings.

There are no requirements for Environmental Impact Assessment (EIA) for forestry harvesting operations.

#### *Description of Risk*

Although regulations for water pollution exist, the laws are not being applied in practice in the forests. The Ministry of Environment is responsible for implementing and monitoring compliance with the legislation, but no such control and monitoring is being done in the forest, neither by the ministry or the local environmental offices (personal communication 12). The GDF does not have any obligations, nor expertise to control and monitor the compliance with requirements in the environmental legislation.

The older management plans do not contain information about relevant environmental measures to be taken into account when managing the forests. According to personal communication 18 the environmental requirements are still not systematically implemented. The issue is often grounded in that environmental requirements have been relatively newly introduced and older forest chiefs do not always follow them, while younger forest chiefs are more accustomed with the requirements and are following legislation.

#### *Risk Conclusion*

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

#### **1.10.6. Risk designation and specification**

This indicator has been evaluated as specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

#### **1.10.7. Control measures and verifiers**

- Onsite audit to verify environmental requirements are in place.
- Look into whether it is possible to source wood from a FSC certified area (Kirkclareli Province)

### **1.11. Health and safety**

*Legally required personnel protection equipment for persons involved in harvesting activities, use of safe felling and transport practice, establishment of protection zones around harvesting sites, and safety requirements to machinery used. Legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relate to operations in the forest (not office work, or other activities less related to actual forest operations). Risk relates to*

*situations/areas where health and safety regulations are consistently violated to such a degree that puts the health and safety of forest workers at significant risk throughout forest operations.*

#### **1.11.1. Applicable laws and regulations**

- Labour Law of 2003, No: 4857, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.4857.pdf>
- Law on Labour Health and Safety of 2012, No: 6331, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.4857.pdf>
- Regulation on Work Safety and Health (published official gazette No: 25311, Date: 09.12.2003),
- ILO Convention for Labour Organization, <http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:1:0::NO>

#### **1.11.2. Legal authority**

- General Directorate of Work Safety and Health, <http://www3.csqb.gov.tr/csqbPortal/isgggm.portal>
- General Directorate of Forestry (GDF), [www.ogm.gov.tr](http://www.ogm.gov.tr)
- General Directorate of Environmental Management, [www.cygm.gov.tr](http://www.cygm.gov.tr)

#### **1.11.3. Legally required documents or records**

- Records of safety equipment
- Work place safety documents

#### **1.11.4. Sources of information**

##### *Government sources*

- Ministry of Environment & Forestry, (COB), 2007, Manuel of Environmental Monitoring, Ankara, ISBN: 978 – 975 – 8273 – 98 0, <http://www.cygm.gov.tr/CYGM/Files/yayinlar/kitap/denetim-el-kitabi.pdf>
- GDF, Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları), <https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20at%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>
- TUIK, 2016, News Bulletin: Dead Statistics, Ankara. To be found at: <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=21526>
- Personal communication 3 – Director, Istanbul Regional Forestry District

##### *Non-Government sources*

- Enez, K., Topbas, M. and Acar, H.H., 2014. An evaluation of the occupational accidents among logging workers within the boundaries of Trabzon Forestry Directorate, Turkey. International journal of industrial ergonomics, 44(5), pp.621-628.
- Melemez, K., 2015. Risk factor analysis of fatal forest harvesting accidents: A case study in Turkey. Safety science, 79, pp.369-378.
- Personal communication 5 – Expert Forester, Free Contractor

#### **1.11.5. Risk determination**

##### *Overview of Legal Requirements*

According to Labour Law of 2003 (No: 4857, article 14) and Law on Labour Health and Safety 2012 (No: 6331, article 4 and 19) an employer shall take all necessary preventive measures in regards to work place health and safety. The employer is obligated to inform and train all employees about health and safety requirements and provide them with the necessary health and safety equipment for field work. Both laws also require that each single employer provides access to a health center for the regular care of workers and contracts a doctor in case of emergencies.

The legal requirements are the same for all source types. However, if an owner of a farm land plantation forest has the capacity to perform the harvesting himself, he himself is exempted from the law of health and safety requirements. If he contracts staff to work for him he needs to apply to the regulation. In private forest, the responsibility lies upon the Forest Director. Private forest owners usually hire external workers to conduct maintenance harvesting.

For state forests, the Chief Forester is the person responsible for controlling the workers hired to work in the forests. The forest rangers take part in the control of health and safety requirements being adhered to, which they do on behalf of the chief forester. In the case of contractors and buyers of standing timber units, the responsibility for training the workers and providing them with the correct equipment is on the contractor/buyer and the provisions are included in the contract. However, GDF still has the overall responsibility of controlling that this is being adhered to in the state forests, whether it is contracted/sale of standing timber or not.

When harvesting is implemented, a harvesting file is created. This file contains all relevant documents for the harvesting unit, including a document in which the access and use of safety equipment is declared. This document is signed by each worker every day, stating that they have and wear the required equipment. The Chief Forester holds this document and is responsible for the monitoring.

#### *Description of Risk*

Cases of non-compliance with the health and safety requirements have been reported for the forest industry, but they are said to be very rare and only a few cases have been reported (personal communication 3). However, there is a risk that violations take place and enforcement efforts are not able to detect them, and that violations are not reported. In practice, the size of forest districts is likely to make physical controls/audits of activities difficult.

Information on the enforcement of health and safety regulations in Turkey is scarce. Unfortunately, there is no regular data recording system with respect to forestry and occupational safety (Enez et al., 2014). It is known, however, that the number of fatal accidents occurring at work is not decreasing in forestry operations in Turkey (Melemex, 2015). This does not indicate legal violations, however it has been stated that possible reasons of this may include employing seasonal forestry workers and the lack of personal protective equipment and safety training (Melemex, 2015).

A report from 2015 found that personal and organisational factors were ranked as the most important causes of fatal forest harvesting accidents (Melemex, 2015). Within these, the "sub-factors" of positioning in dangerous zones, carelessness, disorderly behaviour, unsuitable selection of workers, unsuitability to work and insufficient training of workers were the most important. However, the presence of actual or potential legal violations was not studied.

Due to a lack of comprehensive information, and evidence from some studies that health and safety equipment is not regularly used during forestry activities, the precautionary approach is followed, and specified risk is designated.

#### *Risk Conclusion*

This indicator has been evaluated as specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

#### **1.11.6. Risk designation and specification**

Specified risk for all source types.

#### 1.11.7. Control measures and verifiers

- Training document stating that the worker has received training in health and safety
- Request copy of harvesting file, where the list of workers and the document with signature to show that safety equipment is being provided and used.

### 1.12. Legal employment

*Legal requirements for employment of personnel involved in harvesting activities including requirement for contracts and working permits, requirements for obligatory insurances, requirements for competence certificates and other training requirements, and payment of social and income taxes withhold by employer. Furthermore, the points cover observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory Labor, and discrimination and freedom of association. Risk relates to situations/areas where systematic or large scale noncompliance with Labor and/or employment laws. The objective is to identify where serious violations of the legal rights of workers take place, such as forced, underage or illegal Labor.*

#### 1.12.1. Applicable laws and regulations

- Labour Act of 2003, No:4857, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.4857.pdf>
- Law on Social Security and General Health Insurance of 2006, No: 5510, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.5510.pdf>
- Law on Labour Health and Safety of 2012, No: 6331, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.4857.pdf>
- ILO Convention for Labour Organization, <http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:1:0::NO:::>

#### 1.12.2. Legal authority

- General Directorate of Work Safety and Health, <http://www3.csgeb.gov.tr/csgebPortal/isggm.portal>
- General Directorate of Forestry (GDF), [www.ogm.gov.tr](http://www.ogm.gov.tr)
- General Directorate of Environmental Management, [www.cygm.gov.tr](http://www.cygm.gov.tr)

#### 1.12.3. Legally required documents or records

- Contract on Independent Contractor of Forest Workers (Vahidi Fiyat Sözleşmesi)
- Labour contract for people working in state, public and private forest
- Insurance policy documents
- Social Security ID Card

#### 1.12.4. Sources of information

*Government sources*

- CSGB, Risk Assessment and Control List in Wood Harvesting <http://www3.csgeb.gov.tr/csgebPortal/ShowProperty/WLP%20Repository/isggm/dosyalar/OdunUretimIslerindeRDKL>

- GDF, Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları), <https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>
- Personal communication 3 – Director, Istanbul Regional Forestry District

*Non-Government sources*

- Chambers and Partners. 2016. Employment & Labour Law International Series, Turkey Chapter, 6th Edition. <https://www.chambersandpartners.com/article/187/employment--labour-law-international-series-turkey-chapter-6th-edition>
- International Trade Union Confederation (ITUC). 2012. Internationally Recognised Core Labour Standards in Turkey Report for the WTO General Council Review Of The Trade Policies Of Turkey (Geneva, 21 And 23 February, 2012). [https://www.ituc-csi.org/IMG/pdf/tpr\\_turkey-final\\_.pdf](https://www.ituc-csi.org/IMG/pdf/tpr_turkey-final_.pdf)
- Personal communication 9 – Forest villager from a development cooperative
- Nihat Eğri, ve diğ. 2013, Dünyanın Çeşitli Ülkelerinde İş Sağlığı ve Güvenliği Ceza Uygulamaları, Ankara (The criminal practices of labor security and health at several countries in the world ), [http://www.isgum.gov.tr/rsm/file/isgdoc/IG19-dunya\\_ulkerinde\\_isg\\_ceza\\_uygulamari.pdf](http://www.isgum.gov.tr/rsm/file/isgdoc/IG19-dunya_ulkerinde_isg_ceza_uygulamari.pdf)

### 1.12.5. Risk determination

*Overview of Legal Requirements*

The Turkish Labour Act 4857 (the Labour Act), which is the basic code that regulates individual employment relationships. Furthermore, the Law on Trade Unions and Collective Bargaining Agreements 6356 (the Union Law) and the Law on Civil Service Trade Unions and Collective Bargaining Agreements 4688 are the main codes which ensure provisions and regulations regarding collective bargaining agreements. The Turkish Code of Obligations 6098 (the Obligations Code) contains provisions with regard to employment contracts and regulates the rights and obligations of employees such as the right to remuneration, duty of care, duty of loyalty, non-competition and confidentiality. Secondary laws consist of by-laws and regulations including labour inspection, annual leave, working hours, overtime work, minimum wage and female and child employees. Other than that, there are also communiqués and circulars published by the Ministry of Labour and Social Security with regard to the application and recommendation of labour legislation. (Chambers and Partners, 2016)

Turkey is a party to numerous international treaties with regards to employment law matters. Some ILO treaties recognised under Turkish Law are:

ILO Convention no. 2 - Unemployment Convention.

ILO Convention no. 11 - Right of Association (Agriculture) Convention.

ILO Convention no. 26 - Minimum Wage-Fixing Machinery Convention.

ILO Convention no. 29 - Forced Labour Convention.

ILO Convention no. 87 - Freedom of Association and Protection of The Right To Organise.

ILO Convention no. 98 - Right To Organise and Collective Bargaining Convention.

ILO Convention no. 100 - Equal Remuneration Convention.

ILO Convention no. 102 - Social Security (Minimum Standards) Convention.

ILO Convention no. 105 - Abolition of Forced Labour Convention.

Furthermore, the European Convention on Human Rights was ratified by Turkey on 10 March 1954 and thus, several provisions regarding employment relationships such as the prohibition against forced labour and the right to establish trade unions, have also been accepted under Turkish law.

The Labour Act states that "No discrimination based on language, race, sex, political opinion, philosophical belief, religion and sex or similar reasons is permissible in the employment relationship."

According to the Labour Act, workers must be over the age of 18 years old. However, the law states that an employer may hire a so called "rooky" who is 16-18 years old as long as the employer ensures that they are not involved in hard work, such as timber harvesting, mining etc. Likewise, women cannot be hired to do what is deemed to be hard work.

For all workers, a pension payment, social security payment, health insurance and retirement payment are to be set up and or bought. These requirements are different for a rooky, meaning that payment and insurance requirements are different for them. The rookies are not entitled to get the retirement payment. When a temporary/seasonal worker other than forest villagers is hired, there is no obligation to buy a social security bond for him or her.

When a GDF signs a contract with a forest villager, the villager is considered as an independent contractor according to the Law on Social Security of 2006 No: 5510. This means that all security and insurance issues rest upon the villager himself. It is the discretion of the villager himself to buy a social security bond from the State Social Security Office. If the forest villager hires someone to do the harvesting, he is obliged to buy a social security bond according to the law.

In farm land plantation forest they often use their family members to do the work in the forest. According to the law on Social Security (art. 4 and 5), if family members (spouse or children under the age of 18) work for you, you are not required to pay social security for them and they do not need to have a labour contract.

#### *Description of Risk*

The Regional Labour Office is responsible for making daily controls and monitoring workplaces in both rural and urban areas, to check if the legislation is violated by the employer. In rural areas, this work is difficult due to the large areas that must be covered. In practice, more control is done in urban areas by the Regional Labour Office and it is not clear whether such employment monitoring programs are implemented in rural areas (personal communication 3). The Regional Forestry Directorate are said to monitor compliance (personal communication 3 and 9).

Even though the employer must report his employees to the Regional Labour Office, the lack of control in rural areas means it is possible that incorrect information is given and not all employees are reported. It is therefore considered that there is a risk of illegal employment in the forest, due to a lack of enforcement in rural areas (predominantly where forests are found) and because illegal/unreported workers could easily be hidden when controls are conducted.

Since the payment for social security etc. is quite high for the forest villagers, compared to their earnings, they themselves may often decide not to pay it (personal communication 3). The same applies for the forest villager's family members who are often included in the harvesting activities together with the forest villager (personal communication 3).

Forced labour and human trafficking occur in Turkey (ITUC, 2012). Most of the trafficking cases relate to prostitution of women from Eastern Europe and forced labour of persons from Central Asia, and this issue does not appear to affect forestry. Some children are reported to be trafficking victims coerced into becoming beggars, drug dealers and pickpockets. 41% of children are employed in agriculture (ITUC, 2012), which may include forestry. Elsewhere, child labour is listed as a problem in the production of cotton, hazelnuts, citrus fruits, sugar beets, cumin, peanuts, pulses, apricots, melons, and cherries, and forestry is not referred to (Bureau of International Labour Affairs, 2017)

#### *Risk Conclusion*

Specified risk. This indicator has been evaluated as specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

#### **1.12.6. Risk designation and specification**

Specified risk

#### **1.12.7. Control measures and verifiers**

- Compare Health and Safety document (signed by all workers) with list of registered workers in the social security database
- Request NGO to do control/survey (unofficial control), e.g. Rural environment and forestry foundation (KIRÇEV- KIRSAL) on whether the legal requirements are complied with in relation to legal employment
- Ask Labour Union to do control/survey

## THIRD PARTIES' RIGHTS

### 1.13 Customary rights

*Legislation covering customary rights relevant to forest harvesting activities including requirements covering sharing of benefits and indigenous rights.*

#### 1.13.1. Applicable laws and regulations

- Forest Code of 1956, No: 6831, articles 30, 31, 32, 33, 34, 35, 36, 37, 398, 40.  
<http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Regulation on issuing transportation license of forest products, articles 7, 13, 21.  
<https://www.ogm.gov.tr/ekutuphane/Yonetmelikler/Orman%20Ürünlerine%20Verilecek%20Tezke%20relere%20Ait%20Yönetmelik.pdf>

#### 1.13.2. Legal authority

- General Directorate of Forestry (GDF) of Ministry of Forestry and Water Affairs

#### 1.13.3. Legally required documents or records

- Wood Collection License - for forest villagers

#### 1.13.4. Sources of information

*Government sources*

- GDF Annual Activity Report, Ankara (2015),  
<https://www.ogm.gov.tr/ekutuphane/FaaliyetRaporu/Orman%20Genel%20Müdürlüğü%202015%20Yılı%20Faaliyet%20Raporu.pdf>
- Regulation on Issuing Transport License for Forest Products (Orman Ürünlerine Verilecek Taşıma Belgelerine Ait Yönetmelik),  
<https://www.ogm.gov.tr/ekutuphane/Yonetmelikler/Orman%20Ürünlerine%20Verilecek%20Tezke%20relere%20Ait%20Yönetmelik.pdf>

*Non-Government sources*

- Alkan, H. and Kilic, M., 2014. Forests and forestry organizations from the forest villagers' perspective: a case study from Turkey. *iForest-Biogeosciences and Forestry*, 7(4), p.240.
- Tolunay, A. and Alkan, H., 2008. Intervention to the Misuse of Land by the Forest Villages: A Case Study from Turkey. *Ekoloji Dergisi*, 17(68).
- Redman, M. and Hemmami, M., 2008. Developing a national agri-environment programme for Turkey. *Bugday Ekolojik Yasamı Destekleme Dernegi, Istanbul*.
- Personal communication 9 - Forest villager from a development cooperative

#### 1.13.5. Risk determination

*Overview of Legal Requirements*

Turkey's rural inhabitants are divided into two groups, namely forest villagers and the other villages, with approximately seven million forest villagers residing in over 21 000 forest villages (Alkan & Kilic, 2014). The Forest Law divides forest villages into those located inside forests (article 31 villages) and near forests (article 32).

By law, the forest villagers (a person who resides in a forest village for a period of five years is considered a forest villager), both individuals and established forest villagers' development cooperatives (the largest) and most effective stakeholders nearest the operations site), have a right to be hired for timber harvesting in the state forests within their boundaries of their village. According to the article 40 of the Forest Code tree harvesting, thinning, pruning, transportation, afforestation, wood collection etc. can and should be delegated to forest villagers or forest villagers' development cooperative as far as possible, meaning that villagers should have preference for employment over outsiders.

For commercial collection of firewood, non-wood forest products, etc., a harvesting license and a small payment is required from the forest villagers to obtain the license (Regulation on issuing transportation license of forest products, articles 7, 13, 21). Only residents of a village can obtain this license for commercial collection within the boundaries of their village.

If the same activities are for household purposes, the villagers are free to enter the forest for collecting non-timber forest products. However, for firewood, the villagers (each household) can request a license from the local forestry district to be allowed to collect wood residues. The license can be obtained in a particular time period and it is usually valid for 3-4 weeks, and limited to a specific harvesting site. It is issued by the Chief Forester and there is no payment for the license. The period in which they can request it follows the harvesting plan for the district. Villagers can sell wood that is surplus to their needs.

The law also states that forest villagers can ask forestry districts for wood for housing construction and repairs. The leader of the forest village (mukhtar) may also ask the chief forester for timber for construction or repairs of schools and mosques. In addition, those villagers have a right to purchase firewood from local forest enterprises by paying only harvesting costs (Forest Code, article 31).

The forest law states that the access of any kind of domestic animal to forest is prohibited, except in cases of animal malnutrition in drought regions, and animals that belong to forest villagers (villages within their boundaries forest exist). This permission can be given under the terms and conditions of a given period, for the defined animal species and areas, and with the condition that no damage should be done to the forest.

#### *Description of Risk*

In Turkey, there are a substantial amount of people living in forest villages. One forest villager stakeholder has stated that he was not familiar with any cases reported about the violation of the forest villagers' rights (personal communication 9).

A study in the Sivas Directorate of Forest District interviewed over 1000 villagers with the aim of evaluating their opinions regarding the surrounding forests and forestry organizations, and satisfaction level with life in the forest village (Alkan & Kilic, 2014). The study found that "the forestry organization provided sufficient job opportunities to 77.1% of the respondents. While 12.5% of the respondents found job opportunities insufficient, 10.4% stated they were undecided on this issue." This indicates that employment is provided to villagers, as it should be, but does not indicate whether (or not) positions are given to outsiders when they shouldn't be. The authors also state that, consistent with most of Turkey, hardwood and firewood are supplied to forest villages in the area, indicating the fulfilment of that legal requirement. Due to insufficient resourced allocated for extension efforts, villagers are said to not be given adequate information on their other rights and privileges provided by law, with only laws associated with priority in forest work, ensuring wood-supply, and financial support are said to be the only implementations made clear to villagers, and only 8.4% of the villagers indicated their legal rights were fulfilled. It is not clear which other laws might apply that are not communicated to villagers. Villagers reported a dissatisfaction with forest laws concerning access to forest, but it appears the dissatisfaction relates to the content of the law, rather than whether it is or isn't enforced.

Discussions of forest villages and the use of forests by their inhabitants highlight the poor socioeconomic situation residents are in and the importance of forests to them (e.g. Tolunay & Alkan, 2008 and Redman & Hemmami, 2008). Illegality on the part of villagers may be raised as issues (e.g. illegal cutting and grazing), but violations by the forestry administration/workers is not raised as an issue. Therefore we do not consider there to be a high risk of illegality, but as there is only scarce available information there is no strong assurance that such a risk does not exist and the risk has been evaluated as specified based on the precautionary approach.

*Risk Conclusion*

This indicator has been evaluated as specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

**1.13.6. Risk designation and specification**

Specified risk

**1.13.7. Control measures and verifiers**

- Stakeholder consultation shall confirm that customary rights are observed during harvesting activities.

**1.14. Free prior and informed consent**

*Legislation covering "free prior and informed consent" in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.*

**1.14.1. Applicable laws and regulations**

Not applicable. There are no applicable laws or regulations related to FPIC in Turkey.

**1.14.2. Legal authority**

N/A

**1.14.3. Legally required documents or records**

N/A

**1.14.4. Sources of information**

N/A

**1.14.5. Risk determination**

N/A

**1.14.6. Risk designation and specification**

N/A

**1.14.7. Control measures and verifiers**

N/A

**1.15. Indigenous/traditional peoples' rights**

*Legislation that regulates the rights of indigenous/traditional people as far as it's related to forestry activities. Possible aspects to consider are land tenure, right to use certain forest related resources or practice traditional activities, which may involve forest lands.*

**1.15.1. Applicable laws and regulations**

Not applicable as there are no indigenous people living in the Turkey according to the UN definitions and no applicable laws and legislation in place.

**1.15.2. Legal authority**

N/A

**1.15.3. Legally required documents or records**

N/A

**1.15.4. Sources of information**

N/A

**1.15.5. Risk determination**

N/A

**1.15.6. Risk designation and specification**

N/A

**1.15.7. Control measures and verifiers**

N/A

## TRADE AND TRANSPORT

### 1.16. Classification of species, quantities, qualities

*Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce/avoid payment of legality prescribed taxes and fees. Risk relates to material traded under illegal false statements of species, quantities or qualities. This could cover cases where this type of false classification is done to avoid payment of royalties or taxes or where trade bans on product types or species are implemented locally, nationally or internationally. This is mainly an issue in countries with high levels of corruption (CPI<50).*

#### 1.16.1. Applicable laws and regulations

- Forest Code of 1956, No: 6831, articles 27, 40 and 41  
<http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Regulation on Forest Product Harvesting, article 15 and 16 (Orman Emvalinin İstihsaline Ait Yönetmelik) published in official Gazette, No: 19231, Date: 24.09.1986.,  
<http://mevzuat.basbakanlik.gov.tr/Metin.Asp?MevzuatKod=7.5.5441&MevzuatIliski=0&sourceXmlSearch=emval>
- Regulation on the Means and Methods of Selling Forest Products (Orman Ürünlerinin Satış Usul ve Esasları Hakkında Yönetmelik) enacted based on Forest Code of 6831, Published in Official Gazette 20/3/2015 No: 29301.,  
<http://www.mevzuat.gov.tr/Metin.Asp?MevzuatKod=3.5.20157255&MevzuatIliski=0&sourceXmlSearch=Orman%20%C3%9Cr%C3%BCnlerinin>
- Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları),  
<https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>

#### 1.16.2. Legal authority

- General Directorate of Forestry (GDF), [www.ogm.gov.tr](http://www.ogm.gov.tr)
- Turkish State Safety and Public Security Directorate – Turkish Police
- Turkish Gendarme

#### 1.16.3. Legally required documents or records

- Transport License issued by Local Forestry District
- Invoice or bill of sales

#### 1.16.4. Sources of information

##### *Government sources*

- GDF (2012). Orman İdaresi ve Planlama Dairesi Başkanlığı (2012) Hizmet İçi Eğitim Ders Notları. (forestry administration and planning department. In-service training. Course notes), Ankara. Available at: <https://ormuh.org.tr/uploads/docs/Orman%20Idaresi%20ve%20Planlama.pdf>
- Personal communication 3 – Director, Istanbul Regional Forestry District

### *Non-Government sources*

- Transparency International (2018): Transparency Internationals Corruption Perceptions Index 2017: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)
- Personal communication 5 – Expert forester, Free Contractor
- Personal communication 17 - – Professor, Istanbul University, Faculty of Forestry. Department of Forestry and Environmental Law

#### **1.16.5. Risk determination**

##### *Overview of Legal Requirements*

Regulation on Forest Product Harvesting has provisions (articles 15, 16) how to classify trees felled with respect to quality and record volumes, species, qualities, total price etc. into a special registry “irsaliye” (required by law) and filled in by the accounting office of the local forestry enterprise after harvesting. The system is paper based but following entered into a computer system. The information is open for authorities, but not publicly available. The registrations are carried out by expert foresters hired by contractors/buyers. The Chief Forester of the forestry enterprise conducts internal controls of the registration and whether it reflects the actual situation (personal communication 3).

When the trees are sold as standing trees, the contractors classify timber with respect to quality, and species. Species and quantity is controlled by the Chief Forester to meet the requirements of selling contracts and payments.

Timber is divided into quality of 1, 2 or 3 and price will be impacted by the grade of quality.

The requirements are applicable for all state, private and public forest.

##### *Description of Risk*

In order to put timber on the market, the timber will have to be registered in “irsaliye”. There is no independent controlling mechanism to correct incorrect classification. No taxes will have to be paid based on classification. Only incentive for providing wrong classification on legally harvested timber would be in the case of sale of standing timber, as the contractor in such case will have to pay less for the timber, which can be sold for processing to a higher price. This can only be allowed through corruption as the timber will have to be controlled by the chief forester. In 2015 Turkey had a CPI of 42 (below the threshold of 50). Thus, the risk of corruption is present, but according to personal communication with experts within the field, wrongful classification is not considered to be a large scale issue in Turkey (Personal communication 3, 5, 17). According to the Annual Activity Report of GDF, 2015, 708 cases and 949 m<sup>3</sup> of timber has been reported as being unlawfully classified and/or not having legal transport license. This is 0,004% of the total harvested volume of 21.600.583m<sup>3</sup> (industrial wood: 16.637.597 m<sup>3</sup> and firewood: 5.022.986 m<sup>3</sup>) (GDF Annual Activity Report, 2015). The annual activity report does not clarify whether the reported cases relate to industrial wood or firewood. The recorded violation represents a miniscule proportion of the total volume, and together with expert statements, violation of the requirements for species, quantity and quality is not considered to be a large scale, systematic violation.

##### *Risk Conclusion*

Low risk. Threshold (1) is met: Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

#### **1.16.6. Risk designation and specification**

Low risk

### 1.16.7. Control measures and verifiers

N/A

## 1.17. Trade and transport

*All required trading permits shall exist as well as legally required transport document which accompany transport of wood from forest operation. Risk relates to the issuing of documents permitting the removal of timber from the harvesting site (e.g., legally required removal passes, waybills, timber tags, etc.). In countries with high levels of corruption, these documents are often falsified or obtained by using bribery. In cases of illegal logging, transport documents from sites other than the actual harvesting site are often provided as a fake proof of legality with the harvested material.*

### 1.17.1. Applicable laws and regulations

- Forest Code of 1956, No: 6831, articles 27, 40, 41,  
<http://www.mevzuat.gov.tr/MevzuatMetin/1.3.6831.pdf>
- Regulation on Forest Product Harvesting (Orman Emvalinin İstihsaline Ait Yönetmelik) published in official Gazette, No: 19231, Date: 24.09.1986.  
<http://www.mevzuat.gov.tr/Metin.Aspix?MevzuatKod=7.5.5441&MevzuatIliski=0&sourceXmlSearch=>
- Regulation on issuing Transportation License for Forest Products (Orman Ürünlerine Verilecek Taşıma Belgelerine Ait Yönetmelik), articles 20, 24, 25, 32  
<https://www.ogm.gov.tr/ekutuphane/Yonetmelikler/Orman%20Ürünlerine%20Verilecek%20Tezke%20relere%20ait%20Yönetmelik.pdf>
- Regulation on the Means and Methods of Selling Forest Products (Orman Ürünlerinin Satış Usul ve Esasları Hakkında Yönetmelik) enacted based on Forest Code of 6831, Published in Official Gazette 20/3/2015 No: 29301.  
<https://www.ogm.gov.tr/ekutuphane/Yonetmelikler/Orman%20%C3%9Cr%C3%BCnlerinin%20Sat%C4%B1%C5%9F%20Usul%20ve%20Esaslar%C4%B1%20Hakk%C4%B1nda%20Y%C3%B6netmelik.pdf>
- Order of GDF, No. 6877/A, Standing Tree Selling Guideline (Dikili Ağaç Satış Esasları),  
<https://www.ogm.gov.tr/ekutuphane/Tamimler/6877A%20say%C4%B1%C4%B1%20Dikili%20Sat%C4%B1%C5%9F%20Tamimi%20EK-2%20%C4%B0%C5%9Flenmi%C5%9F.pdf>

### 1.17.2. Legal authority

- General Directorate of Forestry (GDF), [www.ogm.gov.tr](http://www.ogm.gov.tr)

### 1.17.3. Legally required documents or records

- Transport License issued by Local Forestry District

### 1.17.4. Sources of information

#### *Government sources*

- Personal communication 12 – Chief Forester, Istanbul Regional Directorate of Forestry
- GDF Annual Activity Report, 2015. Available at:  
<https://www.ogm.gov.tr/ekutuphane/FaaliyetRaporu/Orman%20Genel%20Müdürlüğü%202015%20Yılı%20Faaliyet%20Raporu.pdf>

## Non-Government sources

- Transparency International (2018): Transparency Internationals Corruption Perceptions Index 2017: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)
- World Bank (2018): Worldwide Governance Indicators 2016: <http://info.worldbank.org/governance/wgi/index.aspx#reports>
- Personal communication 17 - - Professor, Istanbul University, Faculty of Forestry. Department of Forestry and Environmental Law

### 1.17.5. Risk determination

#### *Overview of Legal Requirements*

Article 27 of the Forest Code states that GDF has an authority to deal with how to prepare a transport document and the information in it.

According to article 41 of Forest Code, all sold forest products, as well as timber, should be transported only after having been paid its selling price. Logs shall be sealed and marked and followed by a transport license. In the transport license, the quantity, species, quality, volumes, monetary values, transporting date, time and distance for arrival are to be declared. All information (volume, length, price etc.) is applied on each log and entered into the "irsalye" document. By law it is illegal to transport any woods without payment bill or sales document issued by the local forestry district.

The transportation license is issued by the Chief forester. The license plate of the truck is also put in the license, start and arrival point (e.g. storage house). If the arrival point is changed, the chief forester will need to change the license or issue a new license. If unloaded and the wood are to be transported at a later stage to another location, the chief forester needs to issue a new license. Thus, raw material shall always be followed by a transportation license and be sealed. Logs will be sealed with a black seal and sawn wood by a red seal (articles 20, 24, 25, 32 of Regulation on issuing transportation license of forest products).

When the actual timber load exceeds with respect to volume and quantity, the above limits, all extra timber loads are considered as illegal and the owner is imposed a fine. The forest rangers may control transportation on forest roads, and police and gendarme on country roads.

#### *Description of Risk*

In order to avoid tax, timber can be transported directly from the forest to the production factory without being registered. Such practices have been said to be highly uncommon (personal communication 12, 17), but there is no written evidence to verify this statement.

According to Annual Activity Report of GDF, 2015, 708 cases and 949 m<sup>3</sup> of timber has been reported as being unlawfully classified and/or not having legal transport license- This is 0,004% of the total harvested volume of 21.600.583m<sup>3</sup> (industrial wood: 16.637.597 m<sup>3</sup> and firewood: 5.022.986 m<sup>3</sup>) (GDF Annual Activity Report, 2015). The annual activity report does not clarify whether the reported cases relate to industrial wood or firewood. This is a miniscule proportion of the total volume. Even though there are some evidence that logs are not marked as required (personal communication 12), and the numbers referred to above does not constitute evidence that more timber is not illegally traded and transported, it does indicate that the numbers are low. No further information provided indications of illegal transport and trade being an issue in relation to commercial timber. This was finding was also confirmed through personal communication 17.

As there is a risk that illegally logged firewood is sold at the commercial market (see indicator 1.4), there is reason to believe that this timber is sold without proper documentation. Firewood can come from all forests in the country, public, state and private forests. Therefore, based on precautionary approach, the risk for this indicator is considered specified.

### *Risk Conclusion*

Specified risk. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

#### **1.17.6. Risk designation and specification**

Specified risk

#### **1.17.7. Control measures and verifiers**

- Required trade permits shall exist and be documented.
- All required transport documents shall exist and be documented.
- Volume, species and qualities shall be classified according to legal requirements.
- Documents related to transportation, trade or export shall be clearly linked to the specific material in question.

### **1.18. Offshore trading and transfer pricing**

*Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and considered as an important generator of funds that can be used for payment of bribery and black money to the forest operation and personnel involved in the harvesting operation. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading as far as it is legally prohibited in the country, can be included here. Risk relates to situations when products are sold out of the country for prices that are significantly lower than market value and then sold to the next link in the supply chain for market prices, which is often a clear indicator of tax laundry. Commonly, the products are not physically transferred to the trading company.*

#### **1.18.1. Applicable laws and regulations**

- The Corporate Income Tax Law, article 13 (the CITL) No. 5520 with the title 'Disguised Profit Distribution through Transfer Pricing'

#### **1.18.2. Legal authority**

- Tax Audit Board at the Turkish Ministry of Finance

#### **1.18.3. Legally required documents or records**

- Documents are to be submitted to the tax authorities, but none are to be publicly available.

#### **1.18.4. Sources of information**

*Government sources*

- Personal communication 13 – member of forestry sector of Istanbul Chamber of Commerce
- Turkish Official Statistics Department, Export statistics of forestry for 2015, <https://www.ogm.gov.tr/ekutuphane/Istatistikler/Ormancilik%20Istatistikleri/Ormancilik%20Istatistikleri%202015.rar>

#### *Non-Government sources*

- PWC (2015): International Transfer Pricing 2015/16. Turkey. Pp. 993-1006. [Available at: https://www.pwc.com/gx/en/international-transfer-pricing/assets/itp-2015-2016-final.pdf](https://www.pwc.com/gx/en/international-transfer-pricing/assets/itp-2015-2016-final.pdf)
- Torid - Turkiye Ormancilar İhracatcilar Derneği – Turkish Association of Forest Product Export
- Personal communication 14 – Forest engineer and economist, Istanbul University
- FAO Country Report of Turkey, (2015) <http://www.fao.org/faostat/en/#data/FO>

#### **1.18.5. Risk determination**

##### *Overview of Legal Requirements*

Specific Transfer Pricing rules have been valid in Turkey as of 1 January 2007 under the Corporate Income Tax Law (No. 5520, article 13). The arm's-length principle is implemented in the legislation in line with the OECD Guidelines and Article 9 of the OECD Model Tax Convention (PWC, 2015).

##### *Description of Risk*

Transfer pricing audits are conducted by the Turkish Tax Authorities, who has set up special transfer pricing divisions. Audits related to transfer pricing has increased in recent years. Tax Audit Board has focused on the following transfer pricing issues:

- Continuous losses in previous years by companies that operate primarily through related companies abroad.
- Management fees and indirect cost allocations.
- Royalty payments.
- Intragroup financing.
- Intragroup services.
- Year-end adjustments.
- Arm's lengthness of incurred profit margins (PWC 2015).

Timber produced in Turkey is mainly from State Forests and the income from the timber sale goes to the state. Farm land plantations are relatively small, and so are the amount of timber and income generated, which also means that the incentive to engage in transfer pricing is low. Furthermore, the majority of timber is used domestically as input material for processing. Thus, there is a low level of export of rough wood. (Turkish Official Statistics Department and FAO, 2015)

There are no indications of a transfer pricing being an issue within the sale of raw timber for neither privately nor state owned forests.

##### *Risk Conclusion*

Low risk. Threshold (1) is met: Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities

#### **1.18.6. Risk designation and specification**

Low risk

#### **1.18.7. Control measures and verifiers**

N/A

## 1.19. Custom regulations

*Custom legislation covering areas such as export/import licenses, product classification (codes, quantities, qualities and species).*

### 1.19.1. Applicable laws and regulations

- Law on Custom of 1999, No: 4458, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.4458.pdf>
- Decision Number 2016, No. 9645. Custom Declaration Statistical Position. 30.12.2016-29934 (2.M.) Official Gazette. Effective: 01.01.2017.

### 1.19.2. Legal authority

- General Directorate of Custom Security, <http://muhafaza.gtb.gov.tr/>

### 1.19.3. Legally required documents or records

- Export permit
- Customs Declaration (Bill of entry) This document covers the quality, quantity and price of the products.
- Receipt (bill)
- Bill of lading (consignment note) ("Konismento")
- Packing list (certificate of weight)
- Quarantine certificate

### 1.19.4. Sources of information

#### *Government sources*

- Ministry of Customs and Trade (GTB), 2015, Annual Activity Report, <http://egitim.gtb.gov.tr/faaliyet-raporlari/2015-yili-faaliyet-raporu>
- Personal communication 3 – Director, Istanbul Regional Forestry District

#### *Non-Government sources*

- FAOstat (N.Y): Compare data: Forestry. Forestry Production and Trade. Turkey. Search criteria: Export Quality. Roundwood+(Total. Sawnwood+(Total): <http://www.fao.org/faostat/en/#compare>
- World Bank (2018): Worldwide Governance Indicators 2016: <http://info.worldbank.org/governance/wgi/index.aspx#reports>
- Personal communication 14 – Forest Engineer and Economist, Istanbul University
- Personal communication 15 – Forest engineer, TORID – Turkish Forest Products Export Association

### 1.19.5. Risk determination

#### *Overview of Legal Requirements*

According to article 1 of the Custom Law, No: 4458, all goods and vehicles that enter into custom zone of the country and that exit from the custom zone of the country are subject to the provisions of this law. Export will be allowed only with an export permit and custom declaration. Wood for export shall

be classified according to Decision Number: 2016/9645, which is based on HS custom classification number. Volume shall be registered in m3 (Decision Number: 2016/9645)

There is no export ban on timber from Turkey and no export tax required.

#### *Description of Risk*

Turkey only exports a small amount of round wood (437 m3 in 2014) and sawn wood (24992 m3 in 2014) (FAOStat (N.Y)), as the majority is used for domestic secondary processing (personal communication 3 and 15). The incentive to commit fraud within custom is small as there are no export restrictions or tax to be paid. There is no indication of timber being exported illegally (personal communication 3, 14 and 15).

#### *Risk Conclusion*

Low risk. Threshold (1) is met: Identified laws are upheld. Cases where laws/ regulations are violated are efficiently followed up via preventive actions are taken by the authorities and/or by the relevant entities.

#### **1.19.6. Risk designation and specification**

Low risk

#### **1.19.7. Control measures and verifiers**

N/A

## **1.20. CITES**

*CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention). Note that the indicator relates to legislation existing for the area under assessment (and not e.g., the area from which CITES species are imported).*

#### **1.20.1. Applicable laws and regulations**

- Law on National Parks of 1983, No: 2873, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.2873.pdf>
- Law on Veterinary Services, Plant Health, Food and Forage of 2010, No: 5996, <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.5996.pdf>
- CITES Regulation of 2001, Published in Official Gazette, of 27.12.2001, No: 24623,
- Protection of AV and Wild Animals and Living Areas, Regulation on Contaminances and Protective Damages, 2015. Official Gazette: 24.10.2005; 25967, <http://www.mevzuat.gov.tr/Metin.Aspx?MevzuatKod=7.5.9560&MevzuatIliski=0&sourceXmlSearch=>

#### **1.20.2. Legal authority**

- General Directorate of Forestry (GDF), [www.ogm.gov.tr](http://www.ogm.gov.tr)
- General Directorate of Nature Protection and National Parks

#### **1.20.3. Legally required documents or records**

- CITES Permit

#### **1.20.4. Sources of information**

*Government sources*

- GDF (N.Y). GDF CITES Documents. Available at: <https://www.ogm.gov.tr/ekutuphane/CITES/Forms/AllItems.aspx>
- CITES ORDER. Families and types of Forest Products to be included in CITES Communiqué of 2017 (2 JANUARY 2017). Available at: <https://www.ogm.gov.tr/ekutuphane/CITES/04-CITES%20Kapsam%C4%B1ndaki%20Orman%20%C3%9Cr%C3%BCnleri%20T%C3%BCrleri.pdf>

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*Non-Government sources*

- CITES Checklist (N.Y): Checklist of CITES Species [Online]. Available at: [www.checklist.cites.org](http://www.checklist.cites.org). [Accessed 24 November 2016]

**1.20.5. Risk determination**

*Overview of Legal Requirements*

By law CITES species shall be controlled in both export and import and be followed by a CITES permit.

*Description of risk*

There are no tree species in Turkey that are on the CITES list, and thus there is no risk of violating the requirements of CITES for wood exports.

*Risk Conclusion*

Low risk. Threshold (1) is met: Identified laws are upheld. Cases where laws/ regulations are violated are efficiently followed up via preventive actions are taken by the authorities and/or by the relevant entities

**1.20.6. Risk designation and specification**

Low risk

**1.20.7. Control measures and verifiers**

N/A

**1.21. Legislation requiring due diligence/ due care procedures**

*Legislation covering due diligence/ due care procedures, including e.g. due diligence/ due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.*

**1.21.1. Applicable laws and regulations**

Not applicable. There are no applicable laws and regulations requiring due diligence system/ due care procedures in Turkey.

**1.21.2. Legal authority**

N/A

**1.21.3. Legally required documents or records**

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N/A

**1.21.4. Sources of information**

N/A

**1.21.5. Risk determination**

N/A

**1.21.6. Risk designation and specification**

N/A

**1.21.7. Control measures and verifiers**

N/A

## Annex I. Timber source types

The table **Timber Source Types in Turkey** identifies the different types of sources of timber it is possible to find in the country of origin.

'Timber Source Type' is a term used to describe the different legal sources of timber in a country, in order to allow a more detailed specification of risk. The Timber Source Type is used to clarify:

- which forest types timber can be sourced from legally;
- what the legal requirements are for each source type, and
- if there are risks related to certain source types and not others.

Timber Source Type can be defined by several different characteristics. It may be based on the actual type of forest (e.g. plantation or natural), or other attributes of forests such as ownership, management regime or legal land classification. In this context Timber Source Types are defined and discerned using the following characteristics:

- Forest type** - refers to the type of forest such as plantation or natural tropical forest, or mixed temperate forest. Often the clearest differentiation is between natural forest and plantations.
- Spatial scale (Region/Area)** - relating to meaningful divisions of a nation. However, in some cases the assessment may be carried out at national level where that allows the risk assessment to establish risk at a meaningful level. E.g. a small country with uniform legislation and a uniform level of risk in all areas of the country, as national level assessment may be enough. In case there are significant differences in the legal framework or legality risks between different types of ownership (e.g. public forest, private forest, industrial forest), between different type of forest (e.g. natural forest and plantations) and/or between different geographical regions the conformance risk evaluation shall specify these differences when specifying the risk and apply the appropriate control measures.
- Legal land/forest classification** - refers to the legal classification of land. Focus is on land from where timber can be sourced, and this could entail a number of different legal categories such as e.g. permanent production forest, farm land, protected areas, etc.
- Ownership** - Ownership of land may differ in a country and could be state, private, communal etc. Ownership of land obviously have impacts on how land can be managed and controlled.
- Management regime** - Independently of the ownership of the land, the management of forest resources may differ between areas. Management may also be differentiated as private, state, communal or other relevant type.
- License type** - Licenses may be issued to different entities with a range of underlying requirements for the licensee. A license might be issued on a limited area, limited period of time and have other restrictions and obligations. Examples could be a concession license, harvest permit, community forestry permit etc.

| TIMBER SOURCE TYPES IN TURKEY |             |                            |  |                                 |   |   |
|-------------------------------|-------------|----------------------------|--|---------------------------------|---|---|
| Forest type                   | Region/Area | Legal Land Classification  | Ownership  | Management regime               | License / Permit Type   | Description of source type  |
| Natural forest                | National    | Natural Production Forests | State<br><br>(Public/Private – Limited source of timber) | General Directorate of Forestry | Harvesting contract (Registered companies)<br><br>Harvesting permit (Privates, Coops) | Signed between contractor and General Directorate of Forestry, standing trees are purchased and cut them on behalf of themselves.<br><br>Forest management plans shall be in place.<br><br>Public and privately-owned forest only has a very small production. Wood will rarely enter the timber supply chain |
|                               |             | Degraded forest            | State<br><br>(Public/private – Limited source of timber) | General Directorate of Forestry | Harvesting permit   | Limited source of timber. Managed for recovering purposes, Firewood production takes place.<br><br>Public/private – Limited source of timber. Wood will rarely enter the timber supply chain  |
|                               |             | Protection forest          | State  | General Directorate of Forestry | Harvesting permit   | Limited source of timber. Only allowed for forest managing purpose.<br><br>Forest management plans shall be in place.   |
|                               |             | Protected forest           | State  | General Directorate of Forestry | Harvesting permit   | Limited source of timber. Only allowed for forest managing purpose.<br><br>Forest management plans shall be in place.   |

|            |                              |                      |                                 |  |  |
|------------|------------------------------|----------------------|---------------------------------|--|--|
| Plantation | Plantation Production Forest | State                | General Directorate of Forestry | Harvesting permit                      | Forest management plans shall be in place.   |
|            | Plantation protection forest | State/Public/Private | State/Public/Private            | Harvesting permit                      | Limited source of timber. Only allowed for forest managing purpose.<br>Forest management plans shall be in place.  |
|            | Private farm Land Plantation | Private              | Private                         | No harvesting permit/contract required | Seedlings of poplar tree (I-214 Clone of Populus Canadiensis)) are planted on farm lands for about a 15 year-time period. Following, the site may be converted to crop production. The purpose of a farm land plantation is to source commercial timber.<br>No Forest management plan is required. |



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## About

### Supporting Legal Timber Trade

Supporting Legal Timber Trade is a joint project run by NEPCon with the aim of supporting timber-related companies in Europe with knowledge, tools and training in the requirements of the EU Timber Regulation. Knowing your timber's origin is not only good for the forests, but good for business. The joint project is funded by the LIFE programme of the European Union and UK aid from the UK government.



NEPCon (Nature Economy and People Connected) is an international, non-profit organisation that builds commitment and capacity for mainstreaming sustainability. Together with our partners, we foster solutions for safeguarding our natural resources and protecting our climate.

NEPCon | [www.nepcon.org](http://www.nepcon.org) | [info@nepcon.org](mailto:info@nepcon.org)  
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