

**REPUBLIC OF TURKEY  
MINISTRY OF FORESTRY  
GENERAL DIRECTORATE OF  
FOREST AND VILLAGE RELATIONS**

**Order No: 95/1**

**FOREST VILLAGERS DEVELOPMENT FUND  
REGULATIONS**

**ANKARA –1995**

**The original version of these Regulations has come into force upon publication in the  
Official Gazette No. 15880 of 16. March 1977**

Decree No: 95/6773

It has been decreed upon the enforcement of the Regulations regarding Modification of the annexed "Forest Villagers Development Fund Regulations" by the Board of Ministers on this day of 13.4.1995 in accordance with Annex Article 3 of Act No. 6831 upon the petition No. 176-666 of 1.3.1995 of the Ministry of Forestry.

PRESIDENT  
SÜLEYMAN DEMIREL

Prof. Dr. Tansu ÇİLLER  
Prime Minister

H. ÇETİN  
Minister of State and  
Deputy Prime Minister

A. BAYKAL  
Minister of State

N. KURT  
Minister of State

Z. HALIS  
Minister of State

N. AYAZ  
For Minister of National  
Security

N. AYAZ  
Minister of National Education

M. KÖSTEPEN  
Minister of Communication

H. AKYOL  
Minister of Industry and Trade

I. GÜRPINAR  
Minister of Tourism

N. CEVHERİ  
Minister of State

B.S. DAÇE  
Minister of State

A. HACALOĞLU  
Minister of State

N. KURT  
For Minister of State

N. MENTEŞE  
Minister of Internal  
Affairs

E. ŞAHİN  
Minister of Public Works and  
Housing

R. SAHİN  
Minister of Agriculture and  
Rural Affairs

V. ATASOY  
Minister of Power and  
Natural Resources

R. SAHİN  
For Minister of Forestry

Y. AKTUNA  
Minister of State

A. BAYKAL  
Minister of State

A. A. DOĞAN  
Minister of State

Ş. ERDEM  
Minister of State

E. INONU  
Minister of Foreign  
Affairs

A. Ş. EREK  
Minister of State

A. E. KIRATLIOĞLU  
Minister of State

B. S. DAÇE  
For Minister of State

M. MOULTAY  
Minister of Justice

I. ATILLA  
Minister of Finance

D. BARAN  
Minister of Health

A. S. GÜRKAN  
Minister of Labor and  
Social Security

M. E. KARAKAŞ  
Minister of Culture

R. AKÇALI  
Minister of Environment

## Forest Villagers Development Fund Regulations

### **SECTION I OBJECTIVE, SCOPE, TERMS**

#### **Objective:**

Article 1- The objective has been determined as reduction of the adverse influence on the forests by the residents of villages within or adjacent to forests by means of contributing to the development thereof, in order to achieve the goals of conservation, development, exploitation and extension of the forests.

#### **Grounds:**

Article 2- These Regulations have been issued pursuant to sub-paragraph (H) of Annexed Article 3 of the Forest Act No. 6831, as annexed with Law No. 1744.

#### **Scope:**

Article 3- These regulations cover the scope and types of expenditures to be realized from the Fund, general and specific conditions and guidelines for the contributions, the term and interest limits, preparation and implementation of the Fund Budget and procurement and sales transactions.

#### **Authority:**

Article 4- All kinds of actions and processes stipulated in the present Regulations regarding the Fund, established under the order of the Ministry shall be realized by the General Directorate of ORKÖY.\*

#### **Terminology:**

Article 5- In these Regulations;

a) "Fund" shall mean the Fund established pursuant to Annex 3 of the Forest Act No. 6831.

b) "Village within a forest" shall mean villages with land, extending from the collective settlement area in a continuous manner, which is surrounded by forests in every direction, providing that a forest is located within the civil borders.

c) "Village adjacent to a forest" shall mean villages with land, extending from the collective settlement area in a continuous manner, which is adjacent to a forest in any direction, providing that a forest is located within the civil borders

d) "Forest Village" shall mean villages which are within a forest or adjacent to a forests,

e) "Forest Villagers" shall mean those registered to the forest village, who are permanent residents of such villages.

f) "Development Area" shall mean the area on the basis of the provinces and sub-provinces within the coverage of the plans and projects prepared for development of the forest villagers.

g) "Cooperative" shall mean multi-purpose agricultural development cooperative, established by the forest villagers in accordance with the Cooperatives Act No. 1163 or the status of which conforms to the provisions of said Act.

h) "Cooperative Union" shall mean the unions established by the cooperatives specified in sub-paragraph (g) above, in accordance with Cooperatives Act No. 1163

i) "ORKÖY" shall mean Forest and Village Relations.

j) "Short term credit" shall mean credits issued for a term up to two years.

k) "Medium term credit" shall mean credits issued for a term up to seven years.

l) "Long termed credit" shall mean the credits issued for a term between seven to fifteen years.

m) "Administration" shall mean Ministry of Forestry, General Directorate of ORKÖY, Regional Directorate of the Ministry, Office of the Chief Engineer of ORKÖY and Office of the Engineer of ORKÖY.

n) "Minister" shall mean the Minister of Forestry,

- o) "Ministry" shall mean the Ministry of Forestry,
- p) "General Directorate" shall mean the General Directorate of ORKÖY,
- r) "Regional Directorate" shall mean the regional directorate of the Ministry,
- s) "Office of the Chief Engineer" shall mean the office of the chief engineer of ORKÖY.
- t) "Office of the Engineer" shall mean the office of the engineer of ORKÖY.\*

## **SECTION II. FUND MANAGEMENT**

### **Foundation:**

Article 6- The Fund shall be managed centrally by the General Directorate and the regional directorate and offices of the chief engineers in the field. \*

### **Staff:**

Article 7- Specialist, technical, administrative and assistant staff required at the headquarters and the field for provision of services to ensure that forest villagers benefit from the Fund in a productive, effective and rapid manner, shall be provided by the Ministry. \*

### **Assignments:**

Article 8- Assignments shall be realized as follows:

a) Assignment and transfer of Central Fund Accountant shall be realized by the Ministry of Finance upon the approval of the General Directorate and with the recommendation of the Ministry,

b) Assignment and transfer of the fund accountant at the field and personnel employed out of the fund budget shall be realized by the Ministry upon the recommendation of the General Directorate.\*

### **Authorities Approving Payment:**

Article 9-

a) The authority approving payments from the fund is the Minister at the headquarters. The Minister may assign the General Directorate of ORKÖY as the authority approving payments.\*

b) The secondary authority approving payments at the field is the Chief Engineer of ORKÖY.

c) Authorities approving payment are authorized signatories of the first degree and management of the fund is realized by these authorities by means of assuring utilization of the Fund in compliance with the objective within the legislation and protection of the interests of the Fund.

d) The authorities approving payment are responsible solely in terms of administrative and technical tasks, and in accordance with the General Accountancy Act No. 1050 in terms of financial tasks that are not stipulated herein.

e) Authorities approving payment are authorized to conduct all kinds of communications and to execute contracts.

f) The duties of the authorities approving payment at the field shall be realized by a forest engineer appointed to represent such authority at times of his absence.\*

g) Each authority approving payment shall be responsible for the activities for which the related powers are exercised.

**Central Fund Accountant and Accountants:**

Article 10- Fund Account actions shall be executed by the Central Fund Accountant at the General Directorate and by the fund accountant of the office of the chief engineer at the field. \*

Each authority approving payment shall have a Fund Accountancy.

The accountants shall act as signatories in financial matters and they shall constitute the members of the procurement commissions related with the Fund.

In the determination of the responsibilities of the accountants, the provisions of General Accountancy Act No. 1050 shall be applicable for the events not stipulated herein.

In the event of the Fund Accountants being on leave, their attorneys shall be appointed with written recommendation of the related Fund Accountant and the approval of the authority approving payments.

#### **Assessors:**

##### Article 11-

a) An assessor shall be appointed to each office of the authority approving payment on Fund expenditures.

b) Assessors shall be responsible for accrual of the income and expenditures of the Fund in accordance with the legislation.

c) In the determination of the responsibilities of the assessors, the provisions of General Accountancy Act No. 1050 shall be applicable for the events not stipulated herein.

#### **Treasurers**

##### Article 12-

a) Each office of accountancy shall have an appointed treasurer.

b) The treasurers are subject to the Security Act and responsible towards the accountants.

c) Acquittal of the treasurers shall be realized by the Fund Accountants.

d) The treasurers shall realize the collection and payments upon completion of the signatures on the receipts

e) Treasurers shall be held directly responsible for the deficits in the cash.

f) In addition to the fact that the treasurers cannot realize any kinds of collection or payment without a receipt of which is not based on a record, they cannot realize collection or payments personally.

#### **Fiduciaries:**

##### Article 13-

a) A fiduciary is an officer responsible for realization of the collections and payments required by the Fund Services on behalf of the accountant and who is responsible towards the accountant and subject to security.

b) The acquittal of the fiduciary shall be realized by the Fund Accountant and approved by the authority approving payment.

c) The powers and liabilities of the fiduciaries in addition to other matters shall be arranged in a direction to be arranged by the Ministry."

**Inventory and Storehouse Officers:**

**Article 14- Inventory and Storehouse Officers;**

a) Are subject to the Security Act and responsible towards the authority approving payment and the Fund Accountants;

b) Are under the supervision of the Fund Accountant and the authority approving payment;

c) Are subject to the acquittal by the Fund Accountant upon dismissal;

d) Receive all kinds of materials and inventory stock of the organization to their debt by collection; deliver the materials and inventory stock under their debt, to the concerned party upon the written order of the authority approving payment in accordance with the procedures.

e) Inventory and Storehouse Officers shall be held liable for actions of failure in protection or safekeeping of the inventory in the storehouse; failure in taking necessary measure for thereof; and failure in informing the authority approving payment on the required measures in writing.

f) In the event of loss or damaging of the inventory stock and materials, the inventory and storehouse officers shall investigate and determined the person responsible and inform the authority approving payment in writing. The cost of the inventory stock and materials that needs to be collected shall be collected on the basis of the market price if the recorded price of the item is below the market price and otherwise on the basis of the recorded price.

g) Inventory and Storehouse Officers shall count the storehouse and other inventory stocks with a commission to be appointed by the authority approving payment and record the result in a statement at the end of the year.

B- The authority approving payment and the Fund Accountant shall be entitled to count the stocks of the storehouse and the inventory or have such counted at any time.

C- The provisions of General Accountancy Act No. 1050 shall be applicable for the events not stipulated in these regulations.

D- Use of state property for personal purposes is strictly forbidden. An ownership cannot be acquired on the grounds of loss or being damaged.

#### **Powers and Liabilities of the Central Fund Accountant:**

Article 15 – Central Fund Accountant is the supervisor and controller of the officers assigned in duties related with the Fund and is responsible for;

a) Arrangement of the general balance-sheet in line with the binomial procedure and accountancy plan; realization of all financial processes and accounts of the Fund; ensuring proper execution of the accounts and processes fund accountants, fiduciaries and inventory officers at the field, who are subordinated in terms of accountancy;

b) Safekeeping and ensuring safekeeping of all documents and records belonging to the central fund accountancy;

c) Submission of the general balance-sheet along with the final account within the legal period to the Audit Department, Ministry of Finance and Undersecretary of Treasury;

d) Determination of the procedures and guidelines for the works of the fund accountants, fund fiduciaries, storehouse officers and treasurers at the field; supervision and control of the work and activities of such authorities; ensuring the in-service training of personnel assigned to such services;

e) Delays in payments of tax, insurance premium and pension deductions which have been taken under safekeeping and which are due to the related corporations; events and actions extending from accountancy errors, and all rights and amounts due to administration, which are subject to lapse of time due to lack of documents or follow-up in a direct manner; and realization of the accrual and safekeeping of the tax, insurance premium pension deductions jointly with the assessor;

f) Arrangement of the cash flow of the allocations belonging to the fund budget;

g) Realization of similar duties to be assigned by the General Directorate. \*

Article 16- The limit for the cash amount to be kept in the cash and bank accounts of the fund accountancies of the office of the chief engineers shall be determined by the General Directorate. \*

#### **Duties and powers of the regional directorate related with the ORKÖY Fund**

Article 17- The regional director of the Ministry shall be responsible for;

a) Realization of the plan and projects, specific area development plans for the forest villages within the scope of the field of activities; and ensuring the approval of the development plans by the Provincial Coordination Committee and submission of such for approval to the Ministry;

b) Controlling the budget proposals prepared by the offices of the chief engineers and integration of these for submission to the Ministry;

c) Realization of the allocation and staff recommendations regarding ORKÖY fund; preparation of the activity programs for offices of the chief engineers of ORKÖY and submission of such to the Ministry;

d) Assuring that the accountancy works of the offices of the chief engineers are executed in a regular manner and within the budget; and that the tables, monthly trial balances and balance-sheets are arranged; and control and submission of such in a timely manner to the Ministry;

e) Assignment of any of the officers located within the area of the regional directorate to another location on temporary basis up to three months according to the status of the works;

f) Execution of all kinds of credit activities and ensuring that the credits are utilized in line with the related objective in addition to collection of the amounts due to the administration in a timely manner;

g) Realization of all kinds of activities for extension and development of cooperative activities;

h) Ensuring realization of the duties related with enforcement of Law No. 2924. \*

#### **Powers and Duties of the ORKÖY Branch Directorate**

Article 18 - The ORKÖY Branch Director shall be responsible for;

a) Realization of the development plans for the forest villages or having such plans realized and execution of the program, budget, research, statistic, training and promotion and coordination;

b) Preparation of type projects related with individual credits or having such projects realized and submission for approval and realization of activities related with their implementation;

c) Supervision of the project, credit and applications related with the cooperative services and execution of the actions regarding marketing of the cooperative products;

d) Ensuring realization of the construction and machinery supply activities, works related with Articles 1 and 13/b of the Forestry Act No. 6831 and the duties related with enforcement of Law No. 2924;

e) Provision of the coordination between the central fund accountancy and the fund accountancies of the offices of the chief engineers.\*

Article 19- QRKÖY Chief engineer is the supervisor, controller and the authority approving payments for the units within area of activity, affiliated to the regional directorate of the Ministry and shall be responsible for;

a) Execution of all kinds of technical, administrative and financial tasks within his region in accordance with the laws, regulations, directives and instructions to be issued by the regional directorate;

b) Ensuring preparation and implementation of projects regarding matters stipulated in the development plans and recording the implementation results to the related records;

c) Realization and approval of projects and bill of quantities documents for all kinds of constructions and facilities and arrangement of contracts and specifications for such construction and facilities in accordance with the procedures and submission of such to regional directorates;

d) Filing of legal actions when necessary in the event of disputes emerging from the activities of the office of the chief engineer and execution of the enforcement thereof;

e) Preparation of the budget and the work program, recommendations on allocation and staff and submission of the above to the regional directorate,

f) Ensuring that the procurement and sales transactions to be realized by increment- discount, negotiation and the works to be executed by means of unit price and daily basis are realized in accordance with the legislations and the provisions of these regulations;

g) Ensuring that the accountancy works of the office of the chief engineer are realized in a regular manner and within the scope of the budget and arrangement of the lists, monthly trial balance and the balance sheets and submission of the above to the regional directorate in a timely manner;

h) Appointment of any of the officers serving within the region of the office of the chief engineer according to the requirements of the work to another work location for a period of up to one month a year and extension of said period with the written approval of the regional directorate providing that the related appointment does not exceed three months a year for any reason whatsoever;

i) Realization of all kinds of activities for extension and development of cooperatives and reviewing of the status of the cooperatives during crediting;

j) Execution of all kinds of assistance works, ensuring that the assistance is utilized in line with the objective, collection of the amounts due to the administration in a timely manner and realization of the duties related with enforcement of Law no. 2924 within the area of activities;

k) Ensuring that the maintenance and productive operation of all machines and motor vehicles which belong to the administration, located within his region;

l) Realization of a work distribution among technical and other personnel assigned to the office of the chief engineer in accordance with the legislations and general directives and implementation of measure to assure that such personnel work in a productive manner;

m) Realization of training and trial works related with credit implementations for individuals and cooperatives.

Article 20 – (Repealed pursuant to Article 46 of the Decision of the Board of Ministers No. 95/6773 of 13.4.1995, published in the Official Gazette No. 22307 of 8 June 1998).

### **Powers and Duties of ORKÖY Engineer**

Article 21- ORKÖY Engineer is subordinated to the Office of the Chief Engineer of ORKÖY and shall be responsible for;

a) Management and supervision of the officers serving at his Office of the Engineer in addition realization of the services of an assessor regarding the expenditures related with the Fund;

b) Execution of all technical, administrative and financial tasks within his field of activity in accordance with the laws, by-laws, regulations, instructions and general directives and within the framework of the instructions to be issued by the Office of the Chief Engineer of ORKÖY and realization of communications regarding above actions with the Office of the Chief Engineer of ORKÖY;

c) Monitoring of the annual application of the plans and projects and record keeping thereof;

d) Realization of all kinds of installation and construction works and preparation of the assessment, plan and reports thereof and assignment of such works;

e) Keeping of all kinds of records related with the office of the engineer and ensuring such records to be kept; issuance of the statements, progress reports, assessments other documents for accrual related with the workers, sub-contractors and contractors;

f) Submission of the activity reports and tables that he shall prepare regarding the activities realized and orders issued, on a monthly basis to the Office of the Chief Engineer of ORKÖY;

g) Maintenance and protection of the buildings and facilities, inventory stock and materials, vehicles and tools under the supervision of the office of the engineers;

h) Completion of all kinds of documents for crediting works and actions and delivering such to the Office of the Chief Engineer of ORKÖY;

i) Realization of the necessary supervision over the phased crediting for individuals and cooperatives and causing such supervision to be realized and delivery of said reports to the Office of the Chief Engineer of ORKÖY;

j) Coordination of the services required to be rendered to the forest villages by other public institutions, by means of the Sub-provincial Coordination Committee;

k) Ensuring that the assistances made from the Fund are utilized in line with the objective, provision of their recovery and informing such to the Office of the Chief Engineer of ORKÖY;

l) Realization of all kinds of training, trial and demonstration activities related with individual and cooperative credit applications in addition to the enforcement of Law No. 2924.\*

### **Powers and Duties of fund Accountants of ORKÖY Office of the Chief Engineer**

Article 22- The Fund Accountant is the supervisor and controller of the Fund Accountancy service and is responsible for;

a) Realization of the duties stipulated in these regulations, payments, collections, inventory stocks in addition to issuance of the documents, records, tables, trial balances and balance-sheets for the above works and being liable for the accounts against the Department of Audit; realization of all financial actions and accounts of the Office of the Chief Engineer of ORKÖY; ensuring regular and proper execution of accounts and actions by the cash and stock fiduciaries, who are subordinated in terms of accountancy;

b) Safekeeping and ensuring protection of documents related with all kinds of credits and contributions, located at the Fund Accountant.

c) The Fund Accountant or the officer assigned for this purpose shall be held solely liable for taxation accrual and delays, inefficiencies in terms of stamp and documents, incorrect actions extending from errors in accounts and the amounts due to the administration, which are subject to lapse of time resulting from lack of follow-up.

d) The Chief Engineer of ORKÖY and the fund Accountant in addition to the assessor if any, shall be held jointly liable for payments in excess of the budget, payments to members other than the staff and other financial actions.

Chief Engineers of ORKÖY shall not be entitled to force the fund accountants to payments excluded from the allocation and payments to be realized due employment in excess of the staff level.

The Chief Engineer of ORKÖY shall be responsible for the written orders that he issues for payments for which the accountancy has doubts on the basis of violation of the legislations and general directives.

### **Delivery and Receipt**

Article 23- At the end of period of office;

a) The Chief Engineer of ORKÖY, fund accountant and ORKÖY engineer shall handover the confidential and specific documents in addition to the official seal and the information on the general status of the Fund in writing; \*

b) The Chief Engineer and engineer of ORKÖY shall handover the development plan and projects by comparison with the records, \*

c) Officers assigned to inventory tasks shall handover the fixed assets and inventory stock by comparison with the records,

d) General document and archive officers shall handover the files, documents and records at the archive by counting,

e) Fund accountant or the officer assigned to this task shall handover the documents related with the accounts and transactions up to the date of the handover in addition to the trial balances to be issued within a period of one month,

f) Storehouse officers shall handover the stocks by comparison with the storehouse and accountancy records; clerk fiduciaries of office of the engineer of ORKÖY shall hand over the fixed assets and inventory stock by counting in terms of their location and the surplus of the collections and the advances by assuring compliance with the fiduciary records, collection receipts, progress reports and payrolls within a period of one month. \*

The handover and receipt tables shall be issued in four copies and approved by the chief engineer of ORKÖY and the fund accountant of the attorneys thereof. The handover and receipt tables shall not be valid. A copy of these tables shall be placed in the file of the office of the engineer of ORKÖY and the file of the office of the chief engineer of ORKÖY and the remaining copies shall be kept by the parties handing-over and receiving. \*

### **SECTION III FUND BUDGET**

#### **Article 24-**

a) The Fund budget is put into effect upon the recommendation of the General Directorate and approval of the Ministry.\*

b) The accountancy terms of the Fund is one calendar year.

c) Offices of the Chief Engineers shall control the budget proposals that they prepare and send these to the regional directorate by no later than October the 1<sup>st</sup>.

The regional directorates shall control the budget proposals received from the offices of the chief engineers and send these to the Ministry no later than November the 1<sup>st</sup>.

The General Directorate shall prepare its budget and send this to the regional directorates following the approval of the Ministry.\*

The Offices of the Chief Engineers shall send the annual work program, to be prepared on the basis of said budget, to the Ministry via the regional directorates.

d) Offices of the Chief Engineers of ORKÓY conduct their activities within the framework of the allocation provided and in accordance with the work program. Expenditures exclusive of the budget or without an allocation cannot be realized. In the event of the allocation being inefficient in accordance with the organized work program a transfer or a request for advance transfer or allocation shall be filed.

e) The transfers to be realized between the main account sections shall be effected through the Ministry and the transfers between the sub-account items shall be effected through the General Directorate\*.

f) The accountancy procedure to be applied in the expenditures from the Fund is the binomial procedure. An accountancy plan and explanation shall be prepared by the General Directorate on the matter.\*

g) The fund accounts are kept by the fund accountants at the office of the chief engineers and by the fiduciaries at the offices of the engineers.\*

h) The cheques, collection, payment and deduction receipts for the cash to be collected from the banks must bear two signatures. The receipts and vouchers shall be signed by Chief Engineer of ORKÓY at first degree and by the Fund Accountant or the officer assigned with such powers at the second degree.

i) The monthly trial balance and the annexed tables regarding the accountancy works of the office of the chief engineer shall be prepared in three copies and signed jointly by the chief engineer and the Fund Accountant. Two copies of these shall be sent to the regional directorate within two weeks for control and the a copy of the controlled trial balance and annexed tables shall be sent to the Ministry by no latter than the end of the month. \*

The documents evidencing income and expenses, tables, balances and other valuable instruments that is required to be kept at the office of the chief engineer shall be kept regularly in the document archive.\*

j) The Offices of the Chief Engineers shall prepare and send the balance sheet and the annexed tables of the previous year, within a period of two months as of the end of the financial year to the regional directorates and the Audit Department for control.\*

A general balance-sheet shall be prepared by the Central fund Accountancy and a copy of this shall be sent to the Presidency of the Audit Department, Undersecretary of Treasury and the Ministry of Finance within a period five months.

#### **SECTION IV. INCOME OF THE FUND**

Article 25 – Income of the fund consists of;

a) The share collected at a rate of 3% of the purchase price from those purchasing logs, semi-product wood and secondary products from the State forest Enterprises and State log factories and which is deposited to the Fund account by the State Forest Enterprise or log factory effecting the sales within the month following that in which the sales have taken place; excluding the logs supplied in accordance with Articles 31, 32, 33, and 35 of the Forest Act No. 6831, those exported to foreign countries and those sold to the State log factories by the State Forest Enterprises;\*

b) the cash at the fund which has been established from the working capital of General Directorate of Forestry,\*

c) The share collected at a rate of 3% of the portion corresponding to the field of forests in the project total price of all facilities, which is deposited to the fund account within a period of maximum one month as of imposition of easement by the related authorities; excluding the non-profit oriented public facilities to be realized by the State, provincial, municipal or village legal entities and the legal entities of private law on the grounds of the permits and easement to be granted pursuant to Articles 17 and 115 of the Forest Law No. 6831.

d) Aid allocated from the general budget at a rate of minimum one thousandth (0.1%) of the general budget, which is transferred to the Fund account no later than the end of the financial year\*

e) The share allocation at a rate of 10% of the net profit of the State Forest Enterprises and State log factories, which is deposited to the Fund account in two equal installments within a period of two months as of the date of issuance of the annual general balance-sheet,\*

f) Income acquired through interest, bonus, all kinds of donations, domestic and foreign sourced contributions and allocations from the resources and budgets of other institutions, \*

g) Income to be acquired in accordance with the provisions of Law No. 2924.

The paperwork realized for the collection of the above income is exempt from all stamp duties and collection charges.\*

#### **SECTION V SCOPE AND KINDS OF EXPENDITURES TO BE MADE FROM THE FUND**

Article 26- Expenditures to be made from the Fund cover the following expenditures regarding realization of plans and projects, rendering of services stipulated in the plans and projects, realization of application, trial and demonstration activities related with such services, development and extension of cooperatives and training of the forest villagers in order to contribute to the development of forest villagers by means of bringing solutions to the economic, social and cultural problems of the forest villagers and thus assuring the protection of the forests:-

a) Expenditures related with the contributions to be realized for subjects of economic development and the infrastructure services foreseen in the general plans prepared by the Ministry specific plans and projects prepared by the General Directorate at the development areas,\*

b) Contributions to be realized on the basis of the projects approved by the General Directorate to the areas for which the plans and projects have been prepared, cooperatives and cooperative unions established outside said areas but which conform with the conditions stipulated in the related articles;\*

c) Expenditures related with the investment facilities which have a project realized by the related public institution and establishments for the General Directorate and the contributions to be realized during transfer of these to cooperatives or cooperative unions which have completed their establishment at the date of opening of such facilities;\*

d) Expenditures to be realized for incitement of the cooperative formation by forest villagers and contribution to the foundation of cooperative unions;\*

e) Credits to be granted to the needy villagers in forest villages for which a decision has been made for collectivization or central village formation and for which a development plan has been made, for the houses and agricultural plants (operations building, stable, hayloft, poultry-houses) to be built at the central location;-

f) Expenditures regarding the returns to be made in accordance with subparagraph (f) of Annex Article 3 of Act No. 6831;\*

g) Expenditures regarding services to be rendered for the purpose of development and improvement of the infrastructures stipulated in Article 35 of the Forest Act No. 6831;\*

h) Expenditures related with services stipulated in the Law No. 2924 and the Regulations on Support to the Development of Forest Villagers;\*

i) Expenditures related with realization of training, trial and demonstration activities for the social and economic-purpose projects to be extended at the forest villages in addition to those for training of the forest villagers.\*

Contributions to be realized in accordance with Article 27-26 are effected in the form of:

- Blank contributions
- In kind and cash credit investments (with or without interest).

#### **Expenditures related with Blank Contributions**

Article 28- Contributions may be made to the legal personality of the village in a controlled and phased manner, within the guidelines to be determined by the General Directorate for the services and investments with projects that contribute to the economic development of the forest villagers or which have the characteristics of public service. \*

Expenditures may be effected with regards to the applications stipulated in Law No. 2924 and the extending Regulations on Supporting the Development of Forest Villagers.\*

Article 29 - (Repealed pursuant to Article 46 of the Decision of the Board of Ministers No. 83/6631 of 18.5.1983, published in the Official Gazette No. 18102 of 9 June 1983).

Article 30- The infrastructures which have been programmed within the plans and projects made for the development areas and construction of which is essential, shall be realized by the administration or caused to be realized by public institutions with the expenditures to be covered from the Fund.

Article 31- In order to prevent scattered settlement and to assure collective quarter and groups, the infrastructure services shall be brought to the locations that are suitable to constitute the central units of such quarters and groups.

In village collectivization, locations at which the villages shall not cause damage to the forests shall be selected.

Article 32- Expenditures from the Fund which are not in the form of credit and which shall not be recovered and placed into the fund account and those specified in articles 28, 03 and 31 shall be realized up to 15% of the disposable amount of the Fund in the related year.\*

#### **Expenditures of In Kind and Cash Credit Contributions**

Article 33- In order to contribute to the development of the forest villagers, to prevent utilization of wood as a means of energy and to prevent wasting of wood and at the same time in order to assure protection of the forests the following shall be provided in kind on cast basis by procurement by the Administration:

a) Roof covering materials such as roof tiles and sheet iron and all kinds of isolation materials at locations in which wood, soil, tin and similar materials are used as a roof covering as suitable;\*

b) High performance heating and cooking appliances and equipment;

c) Means of energy to replace wood (lignite coal, liquid gas, biogas etc) and related appliances;

d) All kinds of house construction materials, excluding wood, aiming at developing and improvement of the structure systems stipulated in Article 35 of the Forest Act No. 8831;\*

e) Metal weaving benches and required materials and equipment to prevent utilization of wooden benches.

However, when deemed necessary, credit against an invoice, which does not exceed the current value, may be provided in cash providing that the above mentioned tools, devices, materials and equipment are procured under the supervision of the administration.

**Article 34-** In order to improve the economic power of the forest villagers and to contribute to their development for the aim of conservation of the forests, the following contributions in kind and in cash credit may be realized:\*

- a) Professional apiculture enterprises;\*
- b) Domestic sheep or goats and cattle stockbreeding and fodder production aiming at incitement and development of stable breeding;\*
- c) All kinds of handicrafts, house-crafts and small industry enterprises;\*
- e) Natural and culture mushroom production enterprises;\*
- f) Silkworm enterprises;\*
- g) Plateau, sea, thermal and similar tourism establishments;\*
- h) Heating based on thermal, solar and wind sources and greenhouse establishments;
- i) Establishment for production and utilization of all kinds of fruits and vegetables;\*
- j) Establishments for production of medical and aromatic plants and similar;\*
- k) Establishment of cooperatives and cooperative unions for supporting the services aiming at procurement, storage and marketing of products of small industry facilities, forestry, animal and agricultural products, hand and house crafts and services for acquisition or modification of facilities for development of forestry, agriculture and stockbreeding in addition to the activities foreseen in the projects regarding other subjects of services;\*

**Article 35-**

a) (Repealed pursuant to Article 46 of the Decision of the Board of Ministers No. 95/6773 of 13.4.1995, published in the Official Gazette No. 22307 of 8 June 1998).

Article 36- For the contributions in kind and in credit to be provided to the forest villagers;

a) The villager's participation shall not be required for the services and activities specified in article 33;

b) The villager's participation at a minimum level of 0% shall be required for the applications with a project, excluding those in sub-paragraphs a, b and c of Article 33 which is in the form of a social contribution.

However, the villager's contribution of 10% shall not be required in the individual credits to individuals who are members of a cooperative in the region and who provide an input to the cooperative by means of the endeavors with a project or who utilize the products produced by the cooperative in the project.

In economical aspects, an individual cannot apply for more than one project. (the individual credits cannot exceed the type project amount in the coverage of article 34 and which is arranged for a unit on any subject foreseen in the development plans.).

Article 37- In the individual, cooperative and superior establishment credits provided to the forest villagers, an interest at a rate of one seventh of the lowest interest rate imposed by Ziraat Bankası (Bank of Agriculture) in the related year for stockbreeding credits with the fractions to be rounded. The modifications that shall be realized within the year by the Bank shall not be taken into consideration for the previously effected crediting actions. However, in the event of provision of a resource from private crediting institutions other than the normal income of the Fund, such resource shall be utilized under the interest rate as specified by the concerned institution for the services specified in article 34.\*

An interest shall not be charged for the services under the coverage of Article 33.\*

#### **Laws that are not Binding upon the fund Expenditures**

Article 38- (Repealed pursuant to Article 46 of the Decision of the Board of Ministers No. 95/6773 of 13.4.1995, published in the Official Gazette No. 22307 of 8 June 1998).

### **Fund Management Expenditures**

Article 39- Expenditures for the following items shall be realized from the Fund for utilization of the Fund and especially for Fund management and implementation of the plans and projects financed from the Fund;

- a) Personnel costs,
- b) Transportation costs;
- c) Service procurement;
- d) Consumer goods and materials,
- e) Procurement of inventory stock,
- f) Procurement of machinery, equipment and vehicles,
- g) Procurement and construction of immovables,
- h) Other management costs
- i) Costs for training, promotion, publication, trial and demonstrations\*.

Article 40- The annual expenditures related with Fund management specified in article 39 cannot exceed 20% of the Fund income in the related year.

### **SECTION VI. PROCEDURE AND GUIDELINES APPLICABLE IN CREDIT PROCESSES**

#### **Payment Plan:**

Article 41- A payment plan shall be realized by the Office of the Chief Engineer of ORKÖY for the credits to be granted in a way to ensure a lower repayment in the first years and higher repayment in the following years according to the subject of the project, to be implemented as of the end of the period without repayment. However the period without repayment shall be considered within the term.

#### **Term:**

Article 42- All kind of credit contributions to be granted to the forest villagers, cooperatives and cooperative unions in kind and in cash are either short, medium or long termed according to the period stipulated in the related plans and projects.

### **Investment Period and Period without Repayment**

Article 43- An installment shall not be acquired in the investment period and the period without repayment specified in the related projects for the credit contributions to be granted to the forest villagers, cooperatives and cooperative unions.

The period of investment shall be deemed as the period between the day of granting of the credit until the date of completion of the credit application.\*

Period without repayment shall be for a period of one year as of the date of completion of the credit application.\*

Period of investment and period without repayment are included in the term.

The interest to be accrued for the investment period and the period without repayment, shall be collected with the installments in the first year of the repayment.

### **Collection:**

Article 44- The debts of the individual, cooperative or union who does not pay the promissory notes on the dates stipulated in the payment plan shall become due and payable.

Article 45- In the event of the debtor failing to pay its debt installment due to reason acceptable to the administration, such payment may be deferred for a maximum period of one year for one time only for the project sections based on each contract. The deferment interest extending from the deferment of the installments to a period of one year after, shall be calculated as of the installment on which the deferment is realized on the basis of the interest rate applied in credit issuance, and such interest shall be collected along with the installments of the related year. \*

In the event of occurrence of a comprehensive damage on the project under implementation due to a natural disaster or extraordinary circumstances, said condition shall be verified by a committed formed of the representatives of

the related establishments, led by the chief engineer, the credit debts may be concluded in a new payment plan upon the approval of the Ministry, providing that such plan does not exceed ten years. The periods for the terms stipulated in Article 5 of these regulations shall not be taken into consideration in the period extension. Deferment interest shall be calculated on the basis of the interest rate utilized for the credit and these shall be added to the related installments. The guidelines applicable for facilities damaged by natural disasters shall be determined in a direction to be determined by the Ministry.

Article 46- Administration shall be entitled to purchase, utilize, sell and record as an income to the Fund, the movables and immovables subject to sequestration on the grounds of the amount due to Fund.

Article 47- All kinds of items, materials, vehicles and tools which have been purchased by the Administration out of the Fund, shall be sold in accordance with the sales procedure by the Administration. The price thereof in addition to the storage and cash surpluses shall be recorded as income to the Fund account.

**SECTION VII.**  
**CONTRIBUTIONS TO BE MADE TO THE VILLAGERS**

**Requirements:**

Article 48- The following conditions are prerequisites for benefiting of the people living in forest villages from the Fund:

a) Realization of the project that covers his village for the services stipulated in Article 33 and realization of the plan that covers his village for the services stipulated in Article 34, opinion in favor of the Provincial Coordination Committee and approval of the General Directorate;\*

b) Written application by the person;

c) Subject that shall constitute the grounds for the contribution, being stipulated in the plans and projects;

d) Being the head of the family, registered at the vital statistics of the related village and being resident at the village for a minimum of one year;

e) Acceptance for utilization of the contribution according to the stipulated conditions and undertaking of the repayment,\*

f) Being financially in need and this being evidenced by a certificate;

g) Having an indoor and healthy business place or accepting to construct such a business place especially for those who shall receive a credit for the small industry, hand and house-crafts due to convenience in training and information-experience exchange in central villages.

Those who have received training or worked on the subject shall be preferred.

Article 49- The type projects that constitute the basis for crediting in economic subjects included in Article 34 and stipulated in the development plans shall be prepared annually by the regional directorate and approved by the Ministry.\*

**Application:**

- National Afforestation and Erosion Control Mobilisation Law
- Law on National Parks
- Hunting Law (existing law)
- Range Law
- Law on Supporting the Development of Forest Villagers
- Organic Law of the Ministry of Forestry and General Directorate of Forestry
- The Constitution
- The Ministry of Forestry- World Bank  
Forestry Sector Review  
A Review on the Legal Aspects of Forestry Sector
- Forest Law
- Provisions Related to Forestry in Turkish Environmental Legislation
- Basic Legislation
- Forest and Legislation

Article 50- All applications for the credits stipulated in these Regulations shall be realized by the head of the family, to the administration. Said applications shall be reviewed by the administration. The documents that shall constitute the basis for the credit provision for those that are deemed suitable shall be prepared by the office of the chief engineer or the engineer.

Regarding utilization of the credit contribution in a phased and controlled manner, the limits to the powers of the General Directorate, regional directorate and the office of the chief engineer shall be determined by the Ministry along with the fund budget every year.

#### **Priority:**

Article 51- Priority shall be given to the following in the contributions to be provided to the forest villagers:

a) Those subject to damages due to natural disasters such as earthquake, flooding, landslide\*

b) Starting from the villages in forests, villages in which forestry activities such as afforestation, erosion control and regeneration activities are dense, the share received from the national income is the lowest and those with the worst people-forest relations,\*

c) Collectivization of quarters, groups and villages.\*

#### **Indebting**

Article 52- The indebting shall be realized to the head of the family. In the absence of a man, the woman shall be considered as the head of the family.

Article 53- Those who shall receive a contribution credit in kind and in cash shall be indebted against a promissory note to be signed by a minimum of two sureties or a promissory note to be issued by debtors to be indebted jointly and severally or against a bank guarantee or mortgage.

Article 54- An undertaking assuring that the contribution shall be utilized in the suggested subjects, that the items and materials supplied shall not be assigned or sold to third persons in any way whatsoever without the consent of the administration and that other conditions to be instructed by the administration shall be observed, shall be received from the person to be indebted. The debts covering the contribution in kind costs and the contribution amounts in cash of those who do not act in compliance with the conditions that shall be stipulated by

the administration in the course of the project implementation, shall be collected along with the legal bank interest in force on the date of recovery as of the date of granting of the credit. Such people shall not be entitled to benefiting from such rights again. However, in addition to the fact that the balance amounts due of the person who has failed to pay any one of the installments on the due date specified in the undertaking signed shall become due and payable, those who willingly pay such installment within a period of three months as of the due date of the installment along with a delay interest at the rate of legal bank interest in force at the time, shall not be subject to the provision of all balance debts becoming due and payable.\*

## **SECTION VIII**

### **CONTRIBUTIONS TO THE COOPERATIVES AND UNIONS THEREOF**

#### **Requirements:**

Article 55- The following conditions are prerequisites for benefiting from the Fund by cooperatives and unions:

a) Implementation of a project consistent with the development plans, which is in compliance with the objectives and principles of cooperatives, which contributes to fulfillment of the socio-economical requirements of the members, provides employment and which utilizes the work force of its members or in the presence of an intention by the cooperative establishments to purchase against the cost price to be determined by the Ministry on the date of the transfer, the investments to be constructed by the related public enterprises, on behalf of cooperatives or cooperative unions that are established or shall be established by the date of implementation of project which is prepared by the Ministry for contributing to the socio-economic development of the forest villagers;\*

b) Having fulfilled all liabilities stipulated by laws and articles of association and kept the legal accountancy records in accordance with the procedures;

c) Having convened its last grand assembly and the headquarters and the field in which activities shall be realized being determined by the grand assembly or the Articles of Association;\*

d) The project to be implemented being approved by the general boards of the cooperative and the Ministry;\*

e) Representation of a minimum of 51% of the households of the village selected as the headquarters of the cooperative.

(In the contributions to be made to the cooperative unions, the same conditions shall be required for the cooperatives that shall be involved in the project to be implemented by the union).

However, the above rate shall not be applicable for the cooperatives formed for utilization of the products and fulfilling the requirements of the individual projects implemented with the credit of ORKÖY, by the concerned people. Forest villagers engaged in the same field, however who have not received an ORKÖY credit may become a member of such cooperatives.

### **Application**

Article 56- The request for the contribution shall be realized with a written application which is signed by the signatory authorized to represent the cooperative or the union.

### **Review:**

Article 57- The applications for the contribution shall be reviewed and assessed by the office of the chief engineer. The crediting process shall be initiated for the applications that are determined as being in compliance with the guidelines stipulated by the Ministry. In the event of the villages in which the project implementation has been initiated or which have become members to the cooperatives to which an additional credit has been issued, becoming a town, application shall be continued until the project is completed.\*

### **Credit Rate:**

Article 58-

a) The financing requirement of the cooperatives or unions to be fulfilled by a credit contribution shall be determined by deduction of the self-sources and donations and credit contributions which are provided or certified to be provided by other public institutions for the same project, from the amount of the project price.\*

b) The project price consists of the project fixed investment amount and the working capital.

c) A maximum of 90% of the project price may be covered by credit, with the balance 10% to be covered by the cooperative. However, in the event of realization of the projected investments by the related public institutions on behalf

of the Ministry for transfer of such investment completely or partially to the cooperatives of cooperative unions in accordance with sub-paragraph (b) of article 26, a credit at full rate may be granted.

d) In the credit contributions to the cooperatives or unions, the limit of liability of the cooperatives shall also be taken into consideration. (In the contributions to be made to the cooperative unions, the status of the cooperative union and the cooperatives that shall be involved in the project to be implemented by the union shall be taken into consideration.)

### **Priority**

Article 59- Priority shall be given to the following cooperatives that have been or shall be established in forest villages:

a) Those implementing a project that shall reduce the consumption and wasting of forestry products and that shall contribute to the people-forest relations in a positive manner and those located at the development areas with special projects;\*

b) Those implementing a project that shall fulfill the input for the family enterprises which have been opened with an individual credit or that shall provide a solution to the marketing problems of such enterprises.

### **Indebting**

Article 6- The contributions shall be utilized in installments on the basis of progress reports according to the rate of realization of the projected activity and the financing plan of the cooperative and cooperative union.

a) In provision of the related contribution for the projected activities, ten percent (10%) of the project price must have been realized by the self sources of the cooperative. With regards to the projected activities that cover a land, building and facilities due to its subject, sites with a title deed or possession under utilization or afforestation sites within the coverage of Article 63 of the Forest Act No. 6831; sites related with the permit and easement under articles 17 and 115; sites in compliance with sub-paragraph (i) of article 1 of the same law; and sites in which activities are realized by exercise of the rights granted under Law No. 3573 on Improvement of Olive-Growing and Grafting of the Wild Olive Trees and Law No. 6777 on Extension of Law No. 3573 on Improvement of Olive-Growing and Grafting of the Wild Olive Trees to cover Mastic Trees and Varieties and Carobs shall be required.\*

b) Prior to allocation of each phase, the conditions set forth in article 55 must have been fulfilled by the cooperative or cooperative union.

c) It must be determined that the implementation of the project is continued in accordance with the standards, forms and instructions.

Article 61- With regards to the contributions to be realized to the cooperatives or cooperative unions, the executive committee of the cooperative or cooperative union shall be indebted within the limit of liability in accordance with the Cooperatives Act and articles of association. The legal entity of the cooperative or union shall be indebted jointly and severally in addition to an efficient number of cooperative members with their personal assets, personal surety and guarantees for the amount in excess of that limit. This indebteding shall be realized against the independent sureties of the partners or mortgage of first degree imposed on the immovable which is implemented with the project of the cooperative and against the pledge of the movables or against a bank letter of guarantee. In the event of any of the above guarantees being deemed as inefficient the second or third may be imposed.

Article 62- An undertaking assuring that the contribution shall be utilized in the suggested subjects, that the items and materials supplied shall not be assigned or sold to third persons in any way whatsoever without the consent of the administration and that other conditions to be instructed by the administration shall be observed, shall be received from the cooperative or cooperative union to be indebted. The debts covering the contribution in kind costs and the contribution amounts in cash of those who do not act in compliance with the conditions that shall be stipulated by the administration in the course of the project implementation, shall be collected along with the legal bank interest in force on the date of recovery as of the date of granting of the credit.

Notwithstanding the fact that the balance amounts due of the person who has failed to pay any one of the installments on the due date specified in the undertaking signed shall become due and payable, those who willingly pay such installment within a period of three months as of the due date of the installment along with a delay interest at the rate of legal bank interest in force at the time, shall not be subject to the provision of all balance debts becoming due and payable.

The status of the cooperatives or cooperative unions which are subject to executionary procedure for a debt that has become due and payable shall be examined at the site by a commission to be formed by the Ministry and the results shall be recorded into a report. In the event of correction of the matters stipulated in the report within a period of maximum one year to be granted upon the approval of the report by the Ministry and approval of the Ministry of Finance, the former payment plan shall be annulled. On the basis of a new contract, a new payment plan shall be arranged for collection of the amount along with the accrued legal interest within a period of maximum five years. An additional credit contribution may be realized to the cooperative unions if a project modification or revision shall be deemed necessary for the payment of the debt by operation of the facility.

---

**\* As amended with the Decree No. 95/6773 of 13.4.1995 of Board of Ministers,  
published in the Official Gazette No. 22307 of 8 June 1995.**