



# Cash-based Intervention Technical Working Group Turkey

## CBI TWG Meeting Minute

28 May 2019

Ankara · Gaziantep · Istanbul

Chaired by : Ahmet Unver (UNHCR), Hiba Hanano (WFP)

Venue: UNHCR Yıldız Kule Office (Ankara), UN House (Gaziantep), WFP IAO (Istanbul)

Participants:

**Ankara** Ahmet Unver (UNHCR), Hiba Hanano (WFP), Andrea Markham (WFP), Sevgi Kelly (UNHCR), Meryem Ay Kesgin (WFP), Sahnur Soykan (WFP), Livio Mercurio (UNHCR), Elşen Toragay (UNHCR), Çağla Sevindik (Türk Kızılay), Bahadır Murat Akın (ILO), Fırat Olcay (UNHCR), Ali Aytaç Emecen (ASAM), Seçil İnceişçi (UNHCR)

**Gaziantep** Faruk Acar (WFP), Onur Ozdemir (Türk Kızılay), Ferah Sey Elsebab (IOM), Mohamad Taher Kurdie (GIZ), Adelaida Sözmen (WHH), Raluca Rimaru (WHH)

**Istanbul** Arzum Karasu (WFP)

### Agenda:

- 1) Welcome and Action Points from Previous Meeting
- 2) Thematic Focus:
  - a. Know Your Customer legislation
  - b. Data Protection
- 3) Economy Update
- 4) AOB:
  - a. Work Plan Update suggestion

### Action Points - Follow up Issues and Updates:

- ✓ Advertise NGO Technical Adviser Role: It is advertised. If you are volunteer, please reach to co-chairs. **On going**
- ✓ Share Draft MPC Outcome Monitoring Indicators information for partners to submit comments. **Done**
- ✓ Co-chairs to look into possibility of cross-checking CBI mapping figures with those reported under 3RP. **Done**

### New Action Points from the Meeting:

- ✓ Core group to work on CBI Landscape agenda **Next meeting**
- ✓ Members to update their contact information through web form **Done**

## 1. Welcome and Action Points from Previous Meeting

Following a round-the-table and agenda introduction, co-chairs provided an update on the action points from the 25<sup>th</sup> March meeting (see above). The NGO Technical Advisor role is advertised and is still open. Interested volunteers can reach to co-chairs. Possibility of cross-checking CBI mapping figures with those reported under 3RP was completed with IM. A small update is planned for 2019 after the FRIT 2.

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## 2. Thematic Focus:

### a. Know Your Customer:

- The purpose of Know Your Customer framework is to set the minimum requirements for institutions to collect information about people. These requirements may be set and enforced by Central Bank or other relevant national authorities. KYC is not necessarily in place in every country. However, in Turkey KYC legal framework is in place and it is in line with international standards.
- The reason that this legislation has increased in the past 10-20 years is part of the global efforts to combat fraud, corruption, financing of terrorism and money laundering.
- Many countries have a specific anti-money laundering/ countering fraud and terrorism (AML-CFT) framework. That means potential customer might have to show the ID in order to open a bank account or get a SIM card. That also means that those institutions might be obliged to report any suspicious transactions or activity to the authority within the country.
- **Law No. 5549** on Prevention of Laundering Proceeds of Crime (Amended on 18.06.2014) is an overarching law.
- Sanctions list/legislation **Law No. 6415** on the Prevention of the Financing of Terrorism ([link](#)): Sometimes donors are asking if the list of beneficiaries has been checked against the international sanction list. The lists are checked by the financial institutions prior to transferring money.
  - Banks comply with sanction lists of EU, UN, OFAC
  - Transactions monitored in line with international standards
- Main regulatory agency in Turkey is MASAK ([link](#)).
- FAQs ([link](#)) document is a very comprehensive one which addresses different areas of interest of any researcher.
- Valid ID (including valid foreign IDs and DGMM-issued IDs) and address verification is required.
- The biggest challenge in our context is the fact that some refugees may not have their address registered. For those cases simplified measures of outlined procedures are applied for cases where user's ID/address is not verified ([link](#)). An anonymous card can be issued with following characteristics:
  - Maximum monthly loading/balance amount applies (750 TRY)
  - Can only be used if risk of money laundering, corruption is low
  - Not recommended on large scale, for a long time
- UNHCR has agreements for refugees as being foreigners/ without documentation in the country of asylum to access services, especially in the developing countries where the issuing card capacities are limited/very low. UNHCR may step in and provide an ID document that can be accepted by banks. It is never a bilateral discussion between UNHCR and the service provider. It has to go to Central Bank.
- Turkey's legal framework is in line with the international law. There is already a framework for people under TP or IP to create a bank account. In the field, there are certain cases where some public bank branches refuse to open an account to the refugees.
  - Field experience of members bring out that many banks refuse to give service to customers. It was also noted that banks also have the right to refuse giving service.
- In order to transfer money to private bank accounts, it requires to register them as a vendor/supplier. **Turkish Banks' Compliance Policy Documents directly refer to the lists issued by UN Security Council and European Union** and/or the Guideline prepared and issued by Financial Crimes Investigation Board (MASAK) and Turkish Union of Banks' (TBB).
- The guideline titled **"The Importance of Prevention of Laundering Proceeds of Crime and the Financing of Terrorism: Good Practice Guideline on the Turkish Banking System"** which clearly refers to the lists issued European Union with regards to the laundering proceeds of crime and the financing of terrorism.

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## b. Data Protection:

- **Law No. 6698** [\[Turkish\]](#) [\[English\]](#) establishes:
  - The requirement of consent from individuals, with some specific exceptions.
  - Principles for collecting, storing, processing and sharing data.
- The law regulates the requirement before processing, sharing, transferring and any kind of assessment of the information. Therefore, before any transfer or processing, we should think about what the consequences of collecting, proceeding or editing any information which is not required or allowed for this purpose. Based on this information UNHCR globally established a new policy.
- Some institutions have issued secondary legislation which is more specific.
- A number of institutions have also signed bilateral protocols of data sharing (what and how).
- There are also international / humanitarian resources on personal data protection – Each organization has some internal guidance.
- Basic principles of the Data Protection Policy (DPP) and how to apply them to different UNHCR processes and to Data Transfer Agreements (DTA).
- Scope of the Data Protection Policy: Personal data is distinguished from aggregate or anonymized data, which is used for reporting and statistics.
- Personal data is defined as “any data related to an individual who can be identified from that data; other information; or by means reasonably likely to be used related to that data.”
  - Includes biodata (name, sex, marital status, date and place of birth, COO, COA, registration number, occupation).
  - Biometric data (photograph, fingerprint, facial or iris).
  - Any expression of opinion of individuals such as status assessments and/or specific needs.
- *Data subjects right to be informed of:* We have to clearly inform our beneficiaries or person of concerns for what purpose specifically the data is collected for/what will be done with this information in the future. They need to update the changes in their demographic status by informing the relevant organizations. Archiving-not accessible to anyone to have access. Case is not being deleted. Wrong information can be updated. However deleting is not the case.
- *UNHCR’s Data Processing:* Confidentiality is safeguarded through filing/storing only accessible to authorized personnel and is only transferred through protected means.
- Data security measures are to protect against risk of accidental or unlawful/illegitimate destruction, loss, alternation, unauthorized disclosure of or access to personal data.
- *Data Processing by UNHCR Partners:* Partnership agreement; It should include requiring IP to comply with the DPP and should specify the specific purpose for processing of personal data and legitimate basis for processing.
- *Data transfer:* UNHCR may transfer personal data to third parties on condition that the third party affords a level of data protection the same or comparable to this Policy.
- *Data transfer to third parties:* We transfer data for assistance, distribution lists, for protection intervention, for resettlement.
- Roles and Responsible of the 3 main responsible partners:
  - Data controller: The UNHCR staff member, usually **the Representative** in a UNHCR country office, who has the authority to oversee the management of, and to determine the purposes for, the processing of personal data.
  - Data processor: Any UNHCR staff member or other natural person or organization including an IP or third party that carries out processing of personal data on behalf of the data controller
  - Data protection focal point: In principle, the most senior UNHCR protection staff member in a UNHCR country office or operation, who assists the data controller in carrying out his or her responsibilities regarding this Policy.
- As UNHCR is registering the refugees in Turkey, it has to apply the procedure in every stage.

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### 3. The Current Situation of the Turkish Economy: Impact on Refugees in Turkey:

- The Turkish economy has contracted by 3% in Q4 2018, and overall growth in 2018 was 2.6%, construction and manufacturing sectors affected the most.
- Construction sector experienced a further 8.7% contraction, following a 5% contraction in Q3 2018. The contraction in the industrial sector was 6.4% in the last quarter of 2018. Many refugees work in the construction and the industrial sectors, so these figures are of particular interest for the ESSN. Please note that these are formal figures, we do not have the informal figures. In January 2019, the formal unemployment rate reached 14.5%. Due to high unemployment rate, it is likely to see a competition between host community and refugees. There is an alert that economic competition which might affect the social cohesion as well.
- USD is around 6 TRY as of May 2019, foreign trade volume is contracting. Currency rate affects the foreign trade.
  - Exports increased by 3.4%, but import reduced by 16.9%
  - Trade volume decreased by 10% in Q1 2019 compared to Q1 2018
  - Turkey's industry relies on imported intermediate goods by %65 in 2007 (%62 excluding oil)
- Energy prices that had went down in Q3 2018 started to increase in Q1 2019. It affects the production as well.
- The annual inflation rate showed a quarterly decline and was 19.7% in March 2019. Full-scale Fight against Inflation Campaign of October did not change the macroeconomic shrinking. It helped creating buffer zone between the customers and the macroeconomics in the country. Temporary 10% discount of certain goods and services affect the inflation by stimulating the economy so that people can continue their consumption behavior. While the inflation is stabilized, food and non-alcoholic beverages prices increased by 25% and fresh fruits and vegetables prices by 74% compared to April 2018. The MEB decreased from 338 TRY in December 2018 to 330 TRY per person per month in January 2019 due to reduction in the prices of utilities, as well as certain food and non-food items. Since then it is increasing and as of April 2019, it is 334 TRY and the current gap is 59 TRY.
- Post Distribution Survey Results:
  - Beneficiaries are using more coping strategies to cope with purchasing power decrease. Resorting to coping strategies might be related to reduced income rather than increased inflation.
  - Increasing debt, particularly for ESSN non-beneficiaries.
  - Regarding the income indicated on slide #29; it is the amount of money that the refugees get from other sources. It is calculated as the gap between the expenditure and ESSN assistance among the poorest 20% of the people who do not generate income through activities incompatible with human dignity (begging, selling assets etc).
  - It can be other income generating activities (informal or non-taxable income), assistance from other organizations, or support from neighbors or relatives.
- Tanzim Satış markets, which were subsidized by municipalities in Istanbul and Ankara as of end of February 2019 to provide lower cost food, and also ignite competition in the market to bring down prices, decreased in number after the elections held in March 31st. Very few are still open, but the available variety of fruits and vegetables have significantly decreased.

4. AOB:

a. Work Plan Update suggestion

- Previously the July meeting’s focus was planned as Financial Process. Co-chairs suggested to change the focus of the next meeting as CBI Landscape and members accepted.
- CBI TWG wants to focus on sectoral cash interventions to bring out different strategic role of cash in each sector.

The updated work plan for 2019:

CBI TWG - 2019 Meeting Plan

March	April	May	June	July	August	September	October	November	December
LIVELIHOODS WG LINKAGE		KYC & DATA PROTECTION		CBI Landscape		PROTECTION WG LINKAGE / or M&E Details TBD		CBI TWG REVIEW	
-CBI mapping -Update on CfW and CfT definitions and efforts -CfW guidance overview and feedback -CBI TWG and Livelihoods WG synergies		-KYC requirements in Turkey especially for IP/TP -data protection legislation in Turkey -data sharing mechanisms in CBI programmes						-plan new CBI mapping -review good practices, work plan for 2020	

Next meeting:

The next CBI TWG meeting is tentatively planned for the fourth week of July 2019, date and time will be confirmed closer to the time.