

ANNEX

NATIONAL PROGRAMME FOR TURKEY UNDER THE IPA-TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT FOR THE YEAR 2011 PART 1

1. IDENTIFICATION

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| Beneficiary | Turkey |
| CRIS number | 2011/022-984 (<i>decentralised projects</i>), 2011/022-986 (<i>project TR2011/0324.02</i>) |
| Year | 2011 |
| Cost | EUR 81 378 500 |
| Implementing Authority | The Implementing Agency responsible for the execution of the projects is the Central Finance and Contracts Unit (CFCU) at the Under-Secretariat of the Treasury except for: Project TR2011/0465.09 "Participation in Union Programmes and Agencies", where implementation will consist in the payment of the IPA part of the financial contribution to the programmes by the National Fund. Project TR2011/0324.02 "Improvement of civilian oversight in Turkey – Phase II" shall be implemented by joint management with the United Nations Development Programme (UNDP). |
| Final date for concluding the Financing Agreements | At the latest by 31 December 2012 |
| Final date for contracting | 2 years following the date of conclusion of the Financing Agreements. No deadline for audit and evaluation projects covered by the Financing Agreements, as referred to in Article 166(2) of the Financial Regulation. These dates apply also to the national co-financing. |
| Final dates for execution | 2 years following the end date for contracting. These dates apply also to the national co-financing. |
| Sector Code | 15112 (Decentralisation), 15150 (Democratic participation and civil society), 15160 (Human rights), 15210 (Security system management), 21010 (Transport policy) |
| Budget line concerned | 22.02.01 |
| Programming Task Manager | DG ELARG Unit B3 (European Commission, Brussels) |
| Implementation Task Manager | Head of Operations section, EU Delegation to Turkey |

2. PRIORITIES FOR EU ASSISTANCE

The priorities for EU assistance are derived from Turkey's 9th Development Plan (DP) 2007-2013 adopted in 2006, which contains five main objectives: Increasing Competitiveness, Increasing Employment, Strengthening Human Development and Social Solidarity, Ensuring Regional Development and Increasing Quality and Effectiveness in Public Services. Turkey also adopted its National Programme for the Adoption of the *acquis* (NPAA) in December

2008 which details Turkey's planned steps in its EU alignment process. The priorities under the NPAA are the fulfilment of the political criteria in areas such as public administration, judiciary reform, prevention of torture and ill treatment, access to justice, freedom of expression, fundamental rights, women, children and trade union rights, as well as meeting the economic criteria and adopt the *acquis* of all negotiation chapters. These priorities reflect those listed in the Accession Partnership and key issues identified in the EU's Enlargement Strategy and Progress report. They are also in line with the Europe 2020 strategy.

The Multi-annual Indicative Planning Document (MIPD) 2011-2013 for Turkey identifies the priorities (1) to make progress in the critical areas of rule of law in order to tackle key reforms of the judiciary and fundamental rights; (2) to adopt the EU *acquis* in areas where there is complex legislation or costly requirements to adopt EU standards in areas such as transport, agriculture, food safety, environment, climate change and energy; (3) and to support Turkey in its economic and social development and to enhance competitiveness; thereby contributing to the achievement of the Copenhagen criteria.

As in previous years IPA funds will continue to be provided to Turkey to support its participation in Union programmes and agencies, as provided for in the framework agreement on participation in EU programmes.

The MIPD 2011-2013 contains 7 sectors on which IPA support will be focussed:

- Justice, Home Affairs and Fundamental Rights.
- Private Sector Development
- Environment and Climate Change
- Transport
- Energy
- Social Development.
- Agriculture and rural development.

IPA component I for Transition Assistance and Institution Building (TAIB) under which the current programme will be financed, supports the EU pre-accession strategy for Turkey adopted in the conclusions of the European Council of December 2004. Since the EU has opened accession negotiations with Turkey in October 2005, assistance is focussed increasingly on priority areas that will allow making progress in the negotiations.

The current programme for IPA 2011 part 1 will support projects in the sectors "Justice, Home Affairs and Fundamental Rights", "Transport" and "Social Development". Projects under these sectors were selected as they were mature for implementation and are of high priority for Turkey. In order not to delay the implementation of mature projects, it was decided to split the national programme for 2011 into two parts. Additional sectors of the MIPD are expected to be supported under the IPA 2011 part 2 programme. Relevant projects and programmes are already under development.

2.a Priorities selected under this programme

The IPA 2011 component I programme part 1 includes 9 projects, and have been selected among the priorities identified in the 2011-2013 MIPD after analysis of the Turkish authorities and in consultation with the Commission under sector 1 – justice, home affairs and

fundamental rights, 2 – *acquis* harmonisation in areas of transport and 3 – social development. Turkey's participation in union programmes and agencies in 2012 will be supported through one of these projects, which is included in the sector Social Development, as the bulk of funding supports programmes related to this sector.

As part of the programming process, only projects that have achieved sufficient readiness for implementation have been accepted. Efforts were made to better focus projects on the political priorities of the accession process as well as on aligning them with sector priorities. Under the objectives defined in the MIPD 2011-2013, this programme will support the objectives as outlined in the following section 2b.

2.b Sectors selected under this programme

Sector 2: Justice, Home Affairs and Fundamental Rights

In line with the renewed consensus on enlargement and taking into account experience from the fifth enlargement, democratisation and rule of law are key priorities which need to be addressed by candidate countries during the accession process. Despite important democratic reforms carried out in recent years further results are needed regarding the Justice, Home Affairs and Fundamental rights. To address them will be a decisive condition in the EU accession process under the Copenhagen political criteria. This sector also affects public perceptions of the enlargement policy in general and Turkey's membership bid to the EU. Substantial efforts, including constitutional reforms, are under way in Turkey to address the remaining problems but further efforts are needed.

This programme will contain 7 projects in the justice, home affairs and fundamental rights sector and cover approximately 29 % of the programme's budget. The programme will address the following objectives under this sector in line with the MIPD:

- Effective law enforcement, successful fight against crime and corruption and improved integrated border management and prevention of illegal migration
- Measurable progress towards the full enjoyment of all fundamental rights and freedoms by all individuals without discrimination
- Well functioning and effective civil service and modernization of the public administration.
- Strong democratic institutions and civil society promoting pluralism and the values of European integration.

Sector 4: Transport

The NPAA describes Turkey's priorities in the transport area which includes maritime transport and aviation. In addition to the considerable investments required, Turkey needs to complete the adoption of the *acquis*. Moreover, transport safety and sustainable development are considered as key horizontal priorities. Separate pre-accession and reform strategies are in place for land transport, aviation and the maritime and railways, which are focussed and outline priority needs.

This programme will contain 1 project in the transport sector and cover approximately 2 % of the programme's budget. The programme will address the following objectives under this sector in line with the MIPD:

- Transposition of the EU's transport legislation thereby aiming at improving the functioning of the market by promoting safe, efficient, low carbon, environmentally sound and user friendly transport services in the area of land transport, aviation and railways and maritime, focusing in particular on achieving proximity with EU neighbours.

Sector 7: Social Development

Unemployment levels have remained quite high in Turkey, and especially high among young people in urban areas. Women's labour market participation remains below 30%. There is an incompatibility between the skills provided by the education system and those required in the labour market. In addition to a generally still relatively low enrolment rate in education, girls and women attend school in significantly lower numbers than men. Moreover, important disparities remain in basic health and nutrition indicators to the detriment of rural areas and some regions. Social development is a key objective as development axes of the Development Plan focussing on the increase of employment and the strengthening of human development and social solidarity. Besides the Development Plan, for the moment no single comprehensive strategy exists for this sector as a whole. However, a number of key documents such as the NPAA, the Development Plan, the Strategic Coherence Framework (SCF) provide the strategic framework for the programming of IPA assistance under the Regional Development and Human Resources Development components for IPA.

This programme will contain 1 project in the social development sector and cover approximately 69 % of the programme's budget. The programme will address the following objectives under this sector in line with the MIPD:

- Effective implementation of the European Social Fund (ESF) and bringing Turkey closer to the EU policies and parameters of the Europe 2020 strategy, both in terms of strengthening employment and human resources development as well as building institutional and administrative capacity.

A number of key indicators in the MIPD under the above objectives in the three sectors will be addressed by the projects included in this programme.

2. c Description of projects and/or other implementation modalities under each sector¹

Sector 2 – Justice, Home Affairs and Fundamental Rights

Sector objective: Effective law enforcement, successful fight against crime and corruption and improved integrated border management and prevention of illegal migration (EUR 1.7 million in total)

Key results and indicators to be achieved:

- Effective integrated border management and prevention of illegal migration through effective systems to manage asylum, illegal migration and borders; establishment and effective functioning of the integrated border management system and reduction of cross-border crimes, in particular focusing on trafficking and smuggling in human beings.

Project to be supported in order to achieve results:

¹ All budget amounts provided relate only to the IPA contribution, for a detailed breakdown see point 3.1 "Indicative budget table"

TR2011/0324.01 Protecting victims of human trafficking (EUR 1.7 million)

The project purpose is the effective implementation of the national strategy and policy on organized crime including trafficking of persons in line with National Action Plan and Council of Europe Convention on Action against Trafficking in Human Beings. The project will improve law enforcement capacity to identify and protect victims of trafficking, strengthen the national referral system and expand services provided by a helpline. The Ministry of Interior's Directorate of National Security will be the main beneficiary.

The project will be implemented through a direct grant contract with the International Organisation for Migration (IOM) as a follow-up to the project *TR 06 01 07 Supporting Turkey's efforts to combat human trafficking and promote access to justice for all trafficked persons* previously implemented by the same organisation. Taking into account IOM's previous experience within the area of trafficking and strengthening the national referral system in Turkey and *de facto* monopoly situation as the only institution combining the necessary features; the award is made in accordance with the Implementing Rules, Article 168.1.c. Contract signature to take place in the 1st quarter of 2012.

Sector Objective: Measurable progress towards the full enjoyment of all fundamental rights and freedoms by all individuals without discrimination (EUR 3.4 million in total)

Key results and indicators to be achieved:

- Improved integration and protection of persons belonging to minorities and disadvantaged groups, including internally displaced persons, Roma; children's rights and women's rights are protected and promoted effectively, reduction of violence against women and children; gender equality and anti-discrimination policies are implemented and promoted; support mechanisms in place for persons with disabilities, mental illnesses and elderly persons and enjoyment of full trade union rights by workers and public servants

Project to be supported in order to achieve results:

TR2011/0136.03 Economic and social integration of Internally Displaced Persons in Van Province (EUR 3.4 million)

The project will help to improve the socio-economic conditions for internally displaced persons (IDPs) in Van Province by improving access to basic services and by supporting their social integration. This will be achieved through training to both service providers and IDPs with a particular focus on women entrepreneurs. The Ministry of Interior will be the lead beneficiary.

The project will be implemented through 1 service contract (EUR 2.2 million), tender launched in 1st quarter of 2012, and 1 grant scheme* (EUR 1.2 million) for women entrepreneurs, call for proposals to be launched 1st quarter 2013.

Sector Objective: Well functioning and effective civil service and modernization of the public administration (EUR 5.6 million in total)

Key results and indicators to be achieved:

- Effective implementation of the legislation regarding the reform and restructuring of the central public administration and transferring authority to the local and provincial administrations; reduced bureaucracy, strengthened policy making systems and sustainable development of a professional, accountable, transparent and merit-based civil service; Parliamentary and civilian oversight mechanism over security sector secured; oversight, control and participatory mechanisms supported including strengthened external and internal audit functions and establishing an independent data protection system.

Projects to be supported in order to achieve results:

TR2011/0324.02 Improvement of civilian oversight in Turkey – Phase II (EUR 3.8 million)

The project will help to embed expanded enjoyment of civil rights by Turkish citizens and democratic control of internal security in the regulatory system and administrative practice of Turkey. This will be achieved through the completion of the legislative framework for effective civilian oversight over law enforcement body, accompanied by targeted and sustainable training, with the Ministry of Interior as main beneficiary.

The project will be implemented through joint management with UNDP as a follow-up to the project *TR 06 01 02 Civilian Oversight of Internal Security Sector* previously implemented by the same organisation. On the 1st quarter of 2012 a contribution agreement will be concluded with UNDP in accordance with the Financial and Administrative Framework Agreement (FAFA) concluded between the European Commission and the United Nations on 29 April 2003.

TR2011/0136.04 Strengthening of Local Investment Planning Capacity with the participation of local actors (EUR 1.8 million)

Through targeted training and sustainable training adequate capacity will be built at the local level to improve the process of investment planning. As result of the project responsibilities of local actors will be better defined and the consultation process with civil society will become institutionalised. Board of Strategy Development under the Ministry of Interior will be the lead beneficiary.

The project will be implemented through 1 service contract (EUR 1.8 million) tender launched in 1st quarter of 2012.

Sector Objective: Strong democratic institutions and civil society promoting pluralism and the values of European integration (EUR 12.5 million in total)

Key results and indicators to be achieved:

- Civil society development and civil society dialogue, democratisation, promotion of the values of the EU² and of cultural diversity and protection and preservation of cultural heritage; development of democratic standards and structures, including capacity building of the Parliament and political parties; improved environment for civil society and strengthening the capacities of organised active citizens, more effective civic participation in policy processes at all levels, including a better legal framework for establishing, operating and funding civil society organizations; support provided to the sustainable

² As defined in article 3 of the EU Treaty

development of grassroots civil society organisations and newly established organizations and strengthening, sustainability and activism of civil society organisations ensured.

- Fostered dialogue, communication and cooperation between Turkish civil society organisations and those in EU member states and candidate countries and increased awareness among civil society and population in Turkey about EU values, fundamental rights, policies and Turkey's EU accession process through improved provision of targeted EU information and communication.

Projects to be supported in order to achieve results:

TR2011/0136.05 Common Cultural Heritage: Preservation and dialogue between Turkey and the EU (Phase 1) (EUR 2.7 million)

With the Ministry of Culture and Tourism as main beneficiary, the project aims to enhance the preservation and international cooperation of Turkey on cultural heritage by developing sustainable model management plans and training curricula that will be piloted in Sinop.

The project will be implemented through 1 service contract (EUR 3 million) tender to be launched in the 1st quarter of 2012.

TR2011/0136.06 Students Learning About the EU – Common Values, Fundamental Rights And Policies (EUR 3.2 million)

Under the lead of the Ministry of National Education, through revision of curricula and textbooks, developing information materials and organisation of EU knowledge competitions in schools, the expertise of Turkish students between 7 and 19 about the EU's values, fundamental rights and policies will be raised. Information about the EU, Turkey's EU accession process, and educational opportunities will be disseminated to students, teachers and public officials in a targeted manner.

The project will be implemented through 1 service contract (EUR 2.7 million) tender launched in 3rd quarter of 2011 and 1 supply contract (EUR 0.51 million) for necessary materials, tender to be launched in 1st quarter of 2012.

TR2011/0135.07 Strengthening Civil Society Development and Civil Society-Public Sector Cooperation in Turkey (EUR 6.6 million)

The project aims to strengthen the capacity of civil society for better organisation and more effective civic participation in public policy processes at all levels. This will be achieved through the establishment of a permanent dialogue between civil society and the Turkish public administration and through targeted capacity building and training aiming at more active citizenship and better reputation of civil society. The project will be implemented under the coordination of the Secretariat General for EU Affairs.

The project will be implemented through 4 direct grants to umbrella organizations of civil society (EUR 5.4 million) given their de facto monopoly situation as a consortium consisting of the only organisations combining the necessary features, the award is made in accordance with the Implementing Rules, Article 168.1.c and 1 grant scheme* (EUR 1.3 million) for grass roots civil society organisations and established organisations and networks. The

relevant organisations are: the Civil Society Development Center (STGM), Third Sector Foundation of Turkey (TUSEV) and YADA foundation, Istanbul Bilgi University CSO Research and Training Centre Unit and Istanbul Bilgi University Youth Studies Unit, Capacity Development Association (KAGED) and the Helsinki Citizens Assembly (hCa). They are widely recognised in Turkey as being in the position to form a unique monopoly and umbrella consortium for civil society organisations, which is able to ensure the necessary strengthening of the civil society sector and to have the required geographical outreach. Within the consortium the different organisations have different specialisations (such as legal analysis, grant support, training or research) and a division of labour among the different partners within the consortium exists, explaining the need for different components and grants. For reasons related to Turkish legislation, the four consortia cannot be provided with a single grant as the current legal framework in Turkey for associations and foundations prevents these organisations to transfer funds to each other, which would be a requirement in a single grant contract. As a consequence, the proposed implementation arrangements providing four separate grants to the different consortium members is the only feasible way to achieve the project objectives and results. Direct grants to be contracted in 1st quarter of 2012 and call for proposal for grant scheme to be launched in the 2nd quarter 2012.

Sector 4 – Transport

Sector Objective: Transposition of the EU's transport legislation thereby aiming at improving the functioning of the market by promoting safe, efficient, environment sound and user friendly transport services in the area of maritime transport, focusing in particular on achieving proximity with EU neighbours. (EUR 1.84 million in total)

Key results and indicators to be achieved:

- Professional competence and policy training completed for institutions and universities in the field of road, maritime, aviation transport and railways

Project to be supported in order to achieve results:

TR2011/0314.08 Improvement Of Maritime Safety Regarding Handling Of Dangerous Goods At Ports And Coastal Facilities (EUR 1.84 million)

Project purpose: to establish a system for the Administration to ensure safe handling of dangerous goods in ports and coastal facilities. The legal framework for safe handling of dangerous goods will be adopted and capacity building provided, together with the development of a monitoring system. The main beneficiary will be the Undersecretariat for Maritime Affairs.

Implementation: The project will be implemented through a Twinning contract** (EUR 1.33 million) to be launched in 4th quarter of 2011 and through one service contract (EUR 0.51 million) for an IT system, tender to be launched in the 1st quarter 2012.

Sector 7 – Social Development

Sector Objective: Effective implementation of the European Social Fund (ESF) and bringing Turkey closer to the EU policies and parameters of the Europe 2020 strategy, both

in terms of strengthening employment and human resources development as well as building institutional and administrative capacity. (EUR 56.3 million in total)

Key results and indicators to be achieved:

- Adapted education and training to the needs of the labour market; increased attractiveness of secondary/ vocational education training (VET), in particular for girls.
- Improved lifelong learning opportunities through the development and implementation of coherent and comprehensive strategies for lifelong learning.

TR2011/0465.09 Turkey's Participation in Union Programmes and Agencies (EUR 56.3)

Project purpose: To co-finance Turkey's participation in relevant Union programmes and agencies. Programmes of relevance are “inter alia”: Lifelong Learning, Youth in Action, Culture 2007-2013, CIP/EIP and others. Participation in Agencies such as the European Environment Agency and the European Monitoring Centre for Drugs and Drug Addiction is also foreseen.

Implementation: Turkey's participation in relevant Union programmes shall follow the specific terms and conditions set out for each programme in the memorandum of understanding concluded by the Commission and Turkey, in accordance with the agreements establishing the general principles for participation of Turkey in Union programmes. It shall include provisions on both the total amount of Turkey's contribution and the amount funded through IPA. The biggest share of the EU funds to this project (EUR 53 M) is allocated to the Lifelong Learning and Youth in Action programmes, which justifies the projects inclusion under the Social Development sector. However the remaining funds will be supporting Union Programmes and Agencies which normally would fall under other sectors.

* The essential selection and award criteria of the call for proposals are laid down in the Practical Guide to contract procedures for EU external actions (see point 4.2 below).

** The essential selection and award criteria for the selection of the proposals are laid down in the twinning manual referred to in point 4.3 of this Financing Proposal.

2. d Overview of past and on going assistance (EU / international financial institutions / Bilateral and national assistance) including lessons learned and donor co-ordination

Past/on-going assistance

The financial assistance allocated between 2000 and 2010 to Turkey by the EU for meeting the political criteria and carrying out judiciary and public administration reforms has amounted to around EUR 700 million. Under the political criteria, democratisation and the rule of law, the promotion of human rights (including the protection and rights of disadvantaged and vulnerable groups) and women's rights and the situation in the east and the South-East), as well as good governance – have been addressed through a number of projects aimed at the judiciary, the law enforcement bodies, civil society and education institutions. Many projects have already been completed successfully and a number of positive immediate and intermediate impacts in areas such as judiciary reform or adoption of the *acquis* in this sector have been achieved through training, awareness raising, the drafting of legislation, development of IT systems, preparation of strategies/action plans and the commissioning of supplies.

The implementation of the Operational Programme for “Transport” under IPA component III started in late 2009 when the Financing Agreement was signed and the management powers were conferred. Since then several major projects are under preparation for implementation. Moreover, around EUR 30 million of EU funds have been provided between 2000 to 2010 for institution building and the adoption of the *acquis* in the transport sector focussing on the maritime, rail and road areas.

Lessons learned

Turkey receives assistance from IPA under 5 components with a total allocation of EUR 4.87 billion for 2007-2013. Based on the Commission’s own assessment of past performance and recent audits and evaluations³ the following lessons learnt have been drawn to improve the financial assistance:

- (1) There has been an insufficient direction and lack of specific criteria to determine the priorities of EU assistance and insufficient measurability of achievements of assistance given to Turkey in the past. Consequently, a number of measures were brought under way by the Commission to improve the programming and monitoring of assistance. Improvements were introduced in the annual programming process by strengthening project design and in the 2011-2013 MIPD through more links to sector strategies. Given the vast number of areas that remain to be addressed under the NPAA and Accession Partnership, the MIPD still covers a wide range of priorities. However, an effort has been made to make priorities more specific and focussed and to only include areas where concrete support projects are likely to materialise in the coming years, moving away from an approach of listing all potential reform needs. This will make the MIPD more realistic, strategic and relevant and will allow an assessment in the future on whether the intended results have been achieved. The 2011-2013 MIPD presents a step in the direction of a more sector based approach which is expected to be developed further in the future.
- (2) Although projects in the past have generally achieved their intended outputs and results were likely to be sustainable, the results and impact of assistance has not always been measurable. Further efforts are therefore made in the programme and project design to have measurable objectives and results and adequate indicators.
- (3) Given the delays in implementation of assistance, measures have been taken to improve financial execution through better forecasting, procurement planning and capacity increase in the national authorities managing the funds.
- (4) Within the field of civil society efforts are under way to bring together key organisations in order to develop a clear strategy for the development of this sector

³ European Court of Auditors (ECA) in its Special Report on "The European Commission's management of pre-accession assistance to Turkey" An evaluation on the intervention logic for programming pre-accession assistance to Turkey under IPA was completed in September 2009: *Ad Hoc Evaluation of the European Commission's intervention logic for Financial Assistance in candidate countries and key lessons for MIPD 2010-2012 revision A case study – Turkey*. A number of thematic evaluations were also carried out between 2008 and 2010. A Country Programme Interim Evaluation of EU pre-accession assistance to Turkey was finalized in 2010. The need to increase effectiveness and impact of assistance was also part of the conclusions of a conference held by the Swedish Presidency and the Commission in Brussels in October 2009 and was confirmed by the Member States in the Council conclusions of December 2009.

and to maximize the contribution which civil society can make to Turkey's preparations for EU membership.

- (5) The evaluation report on *Gender Equality in Turkey* emphasised the need to systematically carry out gender mainstreaming within the IPA structures, while the thematic report focusing on political criteria highlighted the need for priority indicators - particularly in the field of gender equality - to ensure sufficient prioritisation between projects.

Donor/IFI cooperation

The EU Delegation in Ankara leads efforts towards improved donor coordination in Turkey. A dialogue with the national authorities is ongoing to more closely involve national authorities in donor coordination.

In the sector "rule of law and fundamental rights" international organisations such as the Council of Europe and a number of United Nations Agencies have provided substantial support, together with relevant Turkish and international non-governmental organisations working on Human Rights, Civil Society Development and other right-based areas. The World Bank provides support for public administration reform. Bi-lateral support is provided by several EU member states (e.g.: Denmark, France, Germany, the Netherlands, Sweden the United Kingdom etc.) and/or their development agencies as well as by Canada. Local donor working groups on governance and migration issues (asylum and border management) help to coordinate efforts in this area.

Among the other donors in the "transport" sector, Spain, France and the Netherlands provide support. In addition, the EIB and the World Bank provide loans. Donor coordination takes place via a sector group on transport issues which is led by the EIB.

2. e Horizontal issues

Horizontal/cross-cutting issues have become an integral part of the programming process (including through the setting of relevant conditions) and as a result of project fiches. Horizontal/cross-cutting issues given particular attention include equal opportunities for men and women, support to minorities and vulnerable groups (including disabled people, children, women), environmental protection, good governance and civil society/stakeholder involvement.

2. f Conditions

Agreement on the 2011 IPA component I programme will depend on the Turkish Government confirming the availability of sufficient resources, including national co-financing, and adequate organisational structures in the decentralised implementation system (DIS) authorities, in particular in the National IPA Coordinator (NIPAC) and Programme Authorising Officer (PAO) offices, to carry out programme monitoring effectively. The capacity of Senior Programme Officers to effectively oversee implementation will be checked by the PAO prior to the implementation of projects.

The PAO will verify that project level conditionalities are respected before contracts are concluded. The National Authorising Officer (NAO) and PAO are committed to maintain the procurement timetables of the projects and will take effective corrective measures in case of delays. The NAO shall inform the Commission on changes to project results or the use of funds after the completion of contracts and following the submission of the final report for the programme. Any infringement of the applicable rules may lead to a review of the eligibility of EU financing provided.

2. g Benchmarks

| | N | N+1 (cumulative) | N+2 (cumulative) |
|---|------|------------------|------------------|
| | EU | EU | EU |
| Number of tenders launched* (service, supply, works) | 1 | 6 | 6 |
| Number of calls for proposals launched* (twinning, grants) | 1 | 2 | 3 |
| Number of direct grants without call for proposals | 0 | 5 | 5 |
| Contracting Rate (%) | 30 % | 80 % | 100 % |

* Project TR2011/0465.09 (participation in Union programmes and agencies) and TR2011/0324.02 under joint management not included – contribution agreement with UNDP planned to be concluded N+1.

2.h Roadmap for the decentralisation of the management of EU funds without *ex ante* controls by the European Commission

A Commission Decision establishing conferral of management with ex-ante controls on the IPA Transition Assistance and Institution Building Component was adopted on 29 October 2008, thereby accrediting the Turkish decentralised implementation system (DIS) institutions and procedures. The Decision includes a number of recommendations to further improve the management and control system, which are monitored closely by the Commission. The Turkish authorities have in 2009 also prepared a roadmap for full decentralisation of the management of EU funds without *ex ante* controls by the European Commission. Once the roadmap is implemented and the Commission confirms that the necessary conditions are met, a partial or full waiver of ex ante controls may be considered.

3. BUDGET (AMOUNTS IN EUR)

3.1. Indicative budget table

| <u>Decentralised management*</u> | Institution Building (IB) | | | | | Investment (INV) | | | | | Total | Total IPA EU contribution | |
|---|---------------------------|---------------------|----------------|---|----------------|--------------------------|---------------------|----------------|---|----------------|-------------------|---------------------------|----------------|
| | Total public expenditure | IPA EU contribution | | National public contribution ¹ | | Total public expenditure | IPA EU contribution | | National public contribution ¹ | | (IB + INV) | | |
| | EUR | EUR | % ² | EUR | % ² | EUR | EUR | % ² | EUR | % ² | EUR | EUR | % ³ |
| | (a)=(b)+(c) | (b) | | (c) | | (d)=(e)+(f) | (e) | | (f) | | (g)=(a)+(d) | (h)=(b)+(e) | |
| Justice, Home Affairs and Fundamental Rights | 24 865 000 | 22 758 500 | 92 | 2 106 500 | 8 | 600 000 | 510 000 | 85 | 90 000 | 15 | 25 465 000 | 23 688 500 | 28.6 |
| TR2011/0324.01 Trafficking | 1 900 000 | 1 710 000 | 90 | 190 000 | 10 | 0 | 0 | 0 | 0 | 0 | 1 900 000 | 1 710 000 | |
| TR2011/0324.02 Civilian Oversight* | 3 800 000 | 3 800 000 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 800 000 | 3 800 000 | |
| TR2011/0136.03 IDPs in Van | 3 800 000 | 3 420 000 | 90 | 380 000 | 10 | 0 | 0 | 0 | 0 | 0 | 3 800 000 | 3 420 000 | |
| TR2011/0136.04 Local planning | 2 000 000 | 1 800 000 | 90 | 200 000 | 10 | 0 | 0 | 0 | 0 | 0 | 2 000 000 | 1 800 000 | |
| TR2011/0136.05 Cultural heritage | 3 000 000 | 2 700 000 | 90 | 300 000 | 10 | 0 | 0 | 0 | 0 | 0 | 3 000 000 | 2 700 000 | |
| TR2011/0136.06 Students EU | 3 000 000 | 2 700 000 | 90 | 300 000 | 10 | 600 000 | 510 000 | 85 | 90 000 | 15 | 3 600 000 | 3 210 000 | |

| | | | | | | | | | | | | | |
|--|--------------------|-------------------|-----------|-------------------|-----------|-------------------|------------------|-----------|----------------|-----------|--------------------|-------------------|-------------|
| TR2011/0135.07 CS Development | 7 365 000 | 6 628 500 | 90 | 736 500 | 10 | 0 | 0 | 0 | 0 | 0 | 7 365 000 | 6 628 500 | |
| Transport | 1 400 000 | 1 330 000 | 95 | 70 000 | 5 | 600 000 | 510 000 | 85 | 90 000 | 15 | 2 000 000 | 1 840 000 | 2.3 |
| TR2010/0314.08 Maritime Safety | 1 400 000 | 1 330 000 | 95 | 70 000 | 5 | 600 000 | 510 000 | 85 | 90 000 | 15 | 2 000 000 | 1 840 000 | |
| Social Development | 102 094 895 | 56 270 000 | 55 | 45 824 895 | 45 | 0 | 0 | 0 | 0 | 0 | 102 094 895 | 56 270 000 | 69.1 |
| TR2011/0465.09 Union Programmes | 102 094 895 | 56 270 000 | 55 | 45 824 895 | 45 | 0 | 0 | 0 | 0 | 0 | 102 094 895 | 56 270 000 | |
| TOTAL | 128 359 895 | 80 358 500 | 63 | 48 001 395 | 37 | 12 000 000 | 1 020 000 | 85 | 180 000 | 15 | 129 559 895 | 81 378 500 | |

* Project TR2011/0324.02 shall be implemented by joint management with the United Nations Development Programme (UNDP).

¹ Public contribution (private contributions are not taken into account (Article 67(1) IPA IR) under decentralised management)

² Expressed in % of the Total expenditure IB or INV (column (a) or (d))

³ Sector rows only. Expressed in % of the grand total of column (h). It indicates the relative weight of the sector allocation with reference to the total IPA EU contribution of the entire FP

3.2. Principle of Co-Financing applying to the projects funded under the programme

The EU contribution, which represents 62.8 % of the total budget allocated to this programme, has been calculated in relation to the eligible expenditure, which in the case of decentralised management is based on the public expenditure. Joint co-financing will be used as a rule. Co-financing requirements at project level have been complied with for all projects and are detailed in the project fiches, except for project *TR2011/02.02 Improvement of civilian oversight in Turkey – Phase II* where the co-financing requirement has been waived exceptionally as the project will be implemented by joint management with UNDP.

In the case of grants, final grant beneficiaries should contribute with a minimum of 10 % of the total eligible cost of the project, both for investment and institution building projects. An exception will be given for the grant scheme in project *TR2011/02.01 Economic and social integration of Internally Displaced Persons in Van Province* where the co-financing will be provided by the central budget due to the particular nature/situation of the grantees. Final grant beneficiaries will finance directly part of the overall project's eligible costs with their co-funding. A minimum of 5% of joint co-financing is required in the case of twinning, in addition to the parallel co-financing required for implementation of contracts in line with the Twinning Manual.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of Implementation

This programme shall be implemented by decentralised management in accordance with Article 53c of the Financial Regulation⁴ and the corresponding provisions of the Implementing Rules.⁵ The Beneficiary Country will continue to ensure that the conditions laid down in Art. 56 of the Financial Regulation are respected at all times. The Financing Agreement with Turkey will be signed in accordance with article 166 of the Financial Regulation.

The ex ante control by the European Commission shall apply to all tendering of contracts, launch of call for proposals and the award of contracts and grants until the European Commission allows for decentralised management without ex ante controls as referred in Article 18 of the IPA Implementing Regulation.

Project *TR2011/0324.02 Improvement of civilian oversight in Turkey – Phase II* will be implemented by the European Commission by joint management with UNDP following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the Commission and UNDP will conclude a Contribution Agreement in accordance with the Financial and Administrative Framework Agreement (FAFA) of 29 April 2003.

4.2. General rules for Procurement and grant award procedures

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation and Part Two, Title III, Chapter 3, of its Implementing Rules as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Union for the purposes of cooperation with third countries adopted by the European Commission on 24 May 2007 (C (2007)2034).

Grant award procedures shall follow the provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

⁴ Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1)

⁵ Regulation 2342/2002 (OJ L 357, 31.12.2002, p. 1)

The Contracting Authorities shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for in the “Practical Guide to contract procedures for EU external actions” (“Practical Guide”) as published on the EuropeAid website⁶ at the date of the initiation of the procurement or grant award procedure. In case of projects containing the works/supervision of works component, the International Federation of Consulting Engineers (FIDIC) conditions of contracts will be followed. In case of project *TR2011/0324.02 Improvement of civilian oversight in Turkey – Phase II*, the general rules for procurement and grant award procedures shall be defined in the Contribution Agreement between the Commission and UNDP implementing such project.

4.3. Implementation Principles for Twinning Projects

Twinning projects shall be set up in the form of a grant agreement, whereby the selected Member State administrations agree to provide the requested public sector expertise against the reimbursement of the expenses thus incurred.

The contract may in particular provide for the long-term secondment of an official assigned to provide full-time advice to the administration of the Beneficiary Country as resident twinning advisor.

The twinning grant agreement shall be established in accordance with relevant provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

The twinning manual is available on the Website of DG ELARG at the following address: http://ec.europa.eu/enlargement/financial_assistance/institution_building/twinning_en.htm

4.4. Environmental Impact Assessment (EIA) and Nature Conservation

All investments shall be carried out in compliance with the relevant EU environmental legislation in particular the EIA and the Habitats and Birds Directives.

An appropriate nature conservation assessment equivalent to the one provided for in Art. 6 of the Habitats Directive⁷ shall be made for any project that is likely to affect sites of nature conservation importance.

5. MONITORING AND EVALUATION

5.1. Monitoring

Programme implementation will be monitored through the IPA Monitoring Committee, assisted by the Transition Assistance and Institution Building Monitoring Committee.

They shall assess the effectiveness, quality and coherence of the implementation of this programme. They may make proposals to the European Commission and the NIPAC, with a copy to the NAO, for decisions on any corrective measures to ensure the achievements of programme objectives and enhance the efficiency of the assistance provided.

As for the project *TR2011/0324.02 Improvement of civilian oversight in Turkey – Phase II* implemented by the European Commission by joint management with UNDP, the Commission may undertake any actions it deems necessary to monitor the programme concerned. These actions may be carried out jointly with the international organisation concerned.

⁶ Current address: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

⁷ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L206, 22.7.1992).

5.2. Evaluation

Programmes shall be subject to ex ante evaluations, as well as interim and, where relevant, ex post evaluations in accordance with Articles 57 and 82 of the IPA Implementing Regulation with an aim to improve the quality, effectiveness and consistency of the assistance from EU funds and the strategy and implementation of the programmes.

After the conferral of management powers, the responsibility for carrying out interim evaluations shall lie with the beneficiary country, without prejudice the European Commission's rights to perform any ad hoc interim evaluations of the programmes it deems necessary.

Ex post evaluation shall remain a prerogative of the European Commission even after the conferral of management powers to the beneficiary country.

The results of ex ante and interim evaluation shall be taken into account in the programming and implementation cycle.

The European Commission may also carry out strategic evaluations.

6. AUDIT, FINANCIAL CONTROL, ANTIFRAUD MEASURES; FINANCIAL ADJUSTMENTS, PREVENTIVE MEASURES AND FINANCIAL CORRECTIONS

6.1. Audit, Financial Control and Anti-fraud measures

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the European Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the EU Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the EU, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96⁸.

The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received EU funds.

6.2. Financial adjustments

The National Authorising Officer, who bears in the first instance the responsibility for investigating all irregularities, shall make the financial adjustments where irregularities or negligence are detected in connection with the implementation of this programme, by cancelling all or part of the EU assistance. The national authorising officer shall take into account the nature and gravity of the irregularities and the financial loss to the EU assistance.

In case of an irregularity, including negligence and fraud, the national authorising officer shall recover the EU assistance paid to the Beneficiary in accordance with national recovery procedures.

6.3. Audit trail

The national authorising officer shall ensure that all the relevant information is available to ensure at all times a sufficiently detailed audit trail. This information shall include documentary evidence of the authorisation of payment applications, of the accounting and payment of such applications, and of the treatment of advances, guarantees and debts.

⁸ Council Regulation (EC, Euratom) 2185/96 of 11. November 1996, OJ L 292; 15.11.1996; p. 2.

6.4. Preventive Measures

Beneficiary countries shall ensure investigation and effective treatment of suspected cases of fraud and irregularities and shall ensure the functioning of a control and reporting mechanism equivalent to that provided for in Commission Regulation 1828/2006⁹. All suspected or actual cases of fraud and irregularity as well as all measures related thereto taken must be reported to the European Commission services without delay. Should there be no suspected or actual cases of fraud or irregularity to report, the Beneficiary Country shall inform the European Commission of this fact within two months following the end of each quarter.

Irregularity shall mean any infringement of a provision of applicable rules and contracts, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget.

Fraud shall mean any intentional act or omission relating to: the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Union or budgets managed by, or on behalf of, the European Union; non disclosure of information in violation of a specific obligation with the same effect; the misapplication of such funds for purposes other than those for which they are originally granted.

The Beneficiary Country shall take any appropriate measure to prevent and counter active and passive corruption practises at any stage of the procurement procedure or grant award procedure, as well as during the implementation of corresponding contracts.

Active corruption is defined as the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Union's financial interests.

Passive corruption is defined as the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or a third party, or accepts a promise of such advantage, to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Union's financial interests.

The authorities of the Beneficiary Country, including the personnel responsible for the implementation of the programme, shall also undertake to take whatever precautions are necessary to avoid any risk of conflict of interest, and shall inform the European Commission immediately of any such conflict of interest or any situation likely to give rise to any such conflict.

6.5. Financial corrections

In order to ensure that the funds are used in accordance with the applicable rules, the European Commission shall apply clearance-of-accounts procedures or financial correction mechanisms in accordance with Article 53c (2) of the Financial Regulation and as detailed in the Framework Agreement concluded between the European Commission and the beneficiary country.

⁹ OJ L371, 27.12.2006, p. 1.

A financial correction may arise following:

- (i) identification of a specific irregularity, including fraud; or
- (ii) identification of a weakness or deficiency in the management and control systems of the Beneficiary Country;

If the European Commission finds that expenditure under this programme has been incurred in a way that has infringed applicable rules, it shall decide what amounts are to be excluded from EU financing.

The calculation and establishment of any such corrections, as well as the related recoveries, shall be made by the European Commission following the criteria and procedures provided for in the IPA Implementing Regulation.

7. NON SUBSTANTIAL REALLOCATION OF FUNDS

The authorising officer by delegation (AOD), or the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management, may undertake non substantial reallocations of funds without an amending financing decision being necessary. In this context, cumulative reallocations not exceeding 20% of the total amount allocated for the programme, subject to a limit of EUR 4 million, shall not be considered substantial, provided that they do not affect the nature and objectives of the programme. The IPA Committee shall be informed of the above reallocation of funds.

8. LIMITED ADJUSTMENTS IN THE IMPLEMENTATION OF THE PROGRAMME

Limited changes in the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature¹⁰, may be undertaken by the European Commission's authorising officer by delegation (AOD), or by the European Commission's authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

¹⁰ These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.