

Standard Summary Project Fiche – IPA decentralised National programmes
(maximum 12/15 pages without the annexes)

1. Basic information

1.1 CRIS Number: TR080219

1.2 Title: Improving data quality in public accounts.

1.3 Statistical Codes: 18 (Statistics) and 32 (Financial Control)

1.4 Location: Ankara, Turkey

Implementing arrangements:

1.5 Implementing Agency: Mr. Muhsin ALTUN (PAO-CFCU Director) Central Finance and Contracting Unit

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1.6. Beneficiary (including details of SPO): General Directorate of Public Accounts (GDPA), Ministry of Finance

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Pilot Institutions: Ministry of Culture, Social Security Institution, The Scientific and Technological Research Council of Turkey, Ankara University, Metropolitan Municipality of Ankara

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1.7 Overall cost: 1.875.000 €

1.8 EU contribution: 1.721.250 €

1.9 Final date for contracting: 2 years after the signature of the Financing Agreement

1.10 Final date for execution of contracts: 2 years following the end date for contracting

1.11 Final date for disbursements: 3 years following the end date for contracting

2. Overall Objective and Project Purpose

2.1 Overall Objective: To enhance transparency and accountability of government financial management by means of improving data quality in public accounts.

2.2 Project Purpose: To develop public accounting system and to improve the quality of the government financial statistics by means of organizing seminars, conferences and training activities on international standards and EU best practices related to data quality; piloting the new system in 5 public intuitions; purchasing and using a data analysis and management software.

2.3 Link with AP/NPAA / EP/ SAA

Within the scope of accession negotiations with EU, with respect to financial control and statistics chapters, Turkey has committed to produce financial accounts and statistics for general government sector in line with the EU acquis and to ensure full harmonization in this area by 2009. In preparation and dissemination of public accounts and GFS, a systematic control regarding the degree of consistency with EU acquis (ESA95, GFS norms and EDP Notification Guideline), and an assurance for the quality of public accounts are required and these needs can only be achieved by enhancing the administrative capacity to perform these functions.

In the national program of 2003, the requirement of producing and reporting public accounts in accordance with the EU acquis within the framework of accrual based accounting and reporting has been emphasized. In addition to the public accounts and reporting, that all government financial statistics in the scope of general government (GG) shall be compiled by the Ministry of Finance in accordance with the international standards, was also underlined.

On the other hand, in the Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the Accession Partnership with the Republic of Turkey and repealing Decision 2006/35/EC(2008/157/EC) the timely production of key national account indicators in accordance with ESA 95, is also emphasized under chapter “3.1. SHORT-TERM PRIORITIES, 18-Statistics”.

2.4 Link with MIPD

In “Multi-annual indicative planning document (2007-2009), Component I – Transition Assistance and Institution Building, 1. Main priorities and objectives,” , it is stated “Since interventions in the area of Institution Building often require mainly technical assistance (that is less costly investments and for which there is limited absorption capacity within a given recipient institution) the number of intervention areas identified in this section is commensurate with the indicative budget, and it is comparable with the scope of interventions programmed in the 2002-2006 period. Considering the current situation described in the Progress Report, and depending on project maturity and on the outcome of projects under on-going programmes, the priorities for assistance under the Institution Building component will be:

...

public administration...; Implementation of the Regulation on Principles of Ethical Behaviour for Civil Servants;

...
...Development of IT systems for the exchange of data with the EU and its Member States,”

In addition to the above priorities, Institution Building support may also be provided in the following areas of the *acquis*, with more modest budgetary allocations; Statistics (national accounts, macro-economic, demographic, labour market, regional, agricultural and business statistics);...”

2.4 Link with National Development Plan (where applicable)

In the 9.th National Development Plan, it is emphasized that in order to ensure accountability, transparency and the effective, economic and efficient collection and utilization of public resources, the structure and functioning of the public financial management, the preparation and implementation of the public budgets, the accounting and reporting of all financial transactions, and financial control were re-regulated.

2.5 Link with national/ sectoral investment plans(where applicable)

Not Applicable

3. Description of project

3.1 Background and justification:

The Official Statistics Programme (2007-2011), based on the Statistics Law of Turkey No 5429, has been prepared for a 5-year-period by TURKSTAT in order to determine the basic principles and standards dealing with the production and dissemination of official statistics and to produce reliable, timely, transparent and impartial data required at national and international level. In relation to the implementation of the Programme, data identified to be produced by institutions and organizations other than The Statistical Institute in the Official Statistics Programme shall be considered as official statistics.

According to this official programme, the national accounts, money, banking and finance statistics are produced by TURKSTAT, Ministry of Finance, Undersecretariat of Turkish Treasury, The Central Bank of Republic of Turkey (CBRT), Banking Regulation and Supervision Agency, Savings Deposit Insurance Fund (SDIF), Capital Markets Board of Turkey and T.R. Prime Ministry State Planning Organization (SPO).

In this context, Ministry of Finance is responsible for forming the table of central and general government balance and budget implementation results, the revenues and expenditures (activity) table, the cash flow table, the annual financial statement, functional expenditure, the detailed statistics on tax and social contribution revenues depending on tax or social contribution type, the government finance statistics (GFS) and also the statistics on tax identity numbers and the number of tax payers.

According to the National Statistic Programme, the financial tables produced by Ministry of Finance will have to be formed in the standards of ESA 95 and GFSM 2001.

On the other hand, in the public financial management system, with the Public Financial Management and Control law no. 5018, the scope of general government has been redefined in line with the international classifications so as to cover all public administrations. And according to the PFMC, the Ministry of Finance is the only unit responsible for compiling and disseminating GFS and, the GDPA should compile accounting data received from all government institutions and agencies in the scope of general government definition. GDPA also performs the secretariat function of the State Accounting Standards Board.

General government sector (GG) covers the following agencies:

A- Central Government

- 1- Consolidated Budget (CB)
 - a) General Budget
 - b) Special Budget
 - c) Autonomous Agencies
- 2- Revolving Funds
- 3- Extra Budgetary Funds

B- Local Government

- 1- Municipalities (3225 units)
- 2- Provincial Administrations (81 units)
- 3- Local Government Unions (1610 units)

C- Social Security Institution

In order to compile accounting transactions all of these agencies on a centralised database and share compiled data with other public institutions and agencies over say2000i system (web-based automation system) in accordance with 5018 PFMC law, and the Statistics Law of Turkey No: 5429 the Ministry of Finance signed a twinning contract with Ministry of the Economy and Finance of Italy. (TR/2005/IB/ST/01 “Capacity building for the compilation of accounting data in all institutions and agencies within general government sector in the context of e-governments.”)

The ongoing project aims at producing statistical tables from accounting data of public institutions defined in the concept of general government and sharing compiled data with relevant public institutions in parallel with the principles of transparency and accountability.

Within the context of transforming accounting data to statistical data, the GDPA shall: First, produce consolidated detailed accounting reports through a software for general government sector. Then, transform accounting data to Government Finance Statistics (GFS) and ESA95; the aim is to produce related tables directly from the accounting system.

In this context, Government Accounting General Regulation have been prepared and adopted for the whole of the general government sector. In addition, detailed chart of accounts has been put into practice.

In the preparation of these initiatives, Council Regulation No: 2223/96 on the European system of national and regional accounts and other related EC Legislation have been considered.

Despite some important progress made in the fields of public accounts and government financial statistics in accordance with the former progress reports, several weaknesses can still be identified in the procedures followed in the compilation and reporting of government accounts. Furthermore, the government financial statistics which are generated from public accounts are not yet as reliable and transparent as they need to be, and lack of a quality assessment.

In “Statistics” chapter of Progress Report 2007 it is stated, “Turkey has made further progress in statistical infrastructure. However, regular data delivery to Eurostat in more areas, as well as the establishment of a full system of national accounts in accordance with EU standards require further attention. The overall alignment with the *acquis* remains well advanced, albeit incomplete as regards in particular registers, agricultural statistics and economic and monetary statistics”.

The report also states in the “Financial Control” chapter that “The state accounting standards board continued to determine and publish accounting and reporting standards applicable to public bodies falling within the category of general government”.

Despite this positive statements, under the "Financial and Budgetary Provisions" chapter of the report, it is stated “Turkey needs to continue its efforts to align with the relevant *acquis* chapters, in particular customs, taxation, statistics and financial control”.

Indeed, the 2007 fiscal notifications presented by the candidate countries to Directorate-General for Economic and Financial Affairs (Number 33 - June 2007) is a good example of how sufficient are Turkish government financial statistics and government accounts to meet EU *acquis*. In “conclusion” chapter of main results of the notification, it is expressed that, “There have been some revisions of figures since the previous notification, mainly due to the availability of more definitive data and to changes in some adjustment items. There are still methodological issues that should be clarified with Eurostat, especially regarding the delimitation of general government, the accruals recording notably for taxes and other revenue items, the recording of guarantees and military expenditure. The statistical discrepancies have been reduced, however further improvement is expected...A full assessment of the data remains difficult. Therefore, it is recommended that the authorities give high priority to further improving the quality of the deficit and debt figures. One of the means to achieve this is that the statistical authorities compile of a full set of ESA 95 accounts (non-financial and financial) for the general government sector and its sub-sectors. The lack of ESA Table 2 (government revenue and expenditure) and ESA Table 6 (annual financial accounts) or alternatively of ESA Table 27 (quarterly financial accounts for general government) prevents applying consistency tests that are essential for the assessment of the quality of the fiscal data”.

At the end of the ongoing project, GDPA, as a direct beneficiary, will be generating statistical tables of general government in conformity with ESA 95 and

International Accounting Standards and will be sharing them with other institutions like the TURKSTAT. However, it is important to disseminate high quality data with assurance but the culture of data quality is not well established within the institutional structure. Besides, some common terms like ESA95 and GFS in the international system have not been assimilated by the data producers. It is essential that financial statistics be understandable and easily accessible by the users; however, government financial statistics are still in need of some improvement in terms of reliability, completeness and transparency. For the accounting standards, just one government accounting standards has been published so far, and no further efforts have been made to raise the awareness of the institutions in this direction. Considering the importance of controlling accounting transactions and financial reports of institutions within general government, an audit methodology and guidelines for accounting system in parallel with the international standards still need to be developed. Say2000i system provides IT support for the general government institutions but the system is not equipped with professional software. The required professional software is crucial to support accounting control and audits, thus ensure sufficient data quality.

Consequently, in order to produce data in accordance with the EU classification and qualification standards in the government accounting system and to set up a quality control system including a whole process starting from data collection to publication and to provide assurance of accurate and reliable information there is a strong need for building a capacity that widely employs the EU best practices related to data collection, compilation, and dissemination processes in the public accounting system.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

Project Impact:

The project is expected to produce following outcomes:

1. Increasing the quality of GFS through developing awareness of the quality term and accelerating the EU accession negotiations through providing reliable statistical indicators.
2. Enhancing awareness about international public accounting standards and enhancement of their implementation capacity.
3. Building capacity of accounting control system for the quality assurance of government financial statistics.
4. Providing serviceability and accessibility of government accounts and financial statistics.

Catalytic Effect:

Awareness of the quality concept and international public accounting standards will increase in local governments, special budget agencies and social security institutions by the main beneficiary institution (GDPA) through training activities, conferences and various seminars so that, not only central government agencies but also the other general government agencies and institutions will be able to produce their financial reports in accordance with international quality and accounting standards. In this way, they will be able to establish the requirements for users about their financial statistics,

assess the gap between existing standards of delivery and user requirements, design and implement the required changes in the collection, compilation, and dissemination processes, and operate the new system. Consequently, the long term catalytic effect of this Project will increase in public and international trust towards the public accounts and government financial statistics of Turkey.

Sustainability:

The quality culture developed by this project will have a long term increasing effect on data providers and users in Turkey. Institutions will continue to develop new standards and approaches to satisfy public expectations and Ministry of Finance will follow the new concepts and international quality standards developed by international community even after the termination of the twinning contract.

Cross Border Impact:

Not Applicable.

3.3 Results and measurable indicators:

Result 1: The quality of GFS increased.

Objectively verifiable indicators are:

- 1.1. A kick-off meeting to introduce the project organised by the end of first month.
- 1.2. Legal and institutional environment related to data quality prerequisites completed and a comprehensive report of its findings and recommendations prepared. Gap analysis report completed by the end of third month.
- 1.3. Five one-day conferences organised for the introduction of data quality concepts in the field of public accounting and financial statistics for 125 participants from main beneficiary institution(GDPA) pilot institutions and various local governments, autonomous agencies, special budget institution, revolving funds and extra budgetary funds by the end of fourth month.
- 1.4. Training on the issue of data quality for at least 100 participants from pilot institutions and GDPA organised by the end of sixth month.
- 1.5. Five one day seminar organised in order to introduce prepared ethical standards for data providers for 125 participants from main beneficiary institution (GDPA), pilot institutions and various local governments, autonomous agencies, special budget institutions, revolving funds and extra budgetary funds by the end of seventh month.
- 1.6. A three day study visits to one member state related to ethical standards for data providers organised for five participants by the end of seventh month.
- 1.7. Tertiary regulations prepared to enhance the processes of data access and to improve capacity of printing house by the end of eighth month

1.8. On-the-job training programs of three weeks on international quality standards and best practices organised in the field of government financial statistics and government accounts for two separate groups of staff each composed of 50 persons in related member countries by the end of ninth month.

Result 2: Data analysis system purchased.

Objectively verifiable indicators are:

2.1. One week study visits to two different member states related to data analysis software practices in the field of government accounting system organised for five participants by the end of tenth month.

2.2. Data analysis system purchased by the end of eleventh month.

2.3. Required assistance to identify the requirements and to implement new software in the existing IT structure provided by short term experts by the end of eleventh month.

2.4 Training on the data analysis software for at least 100 personnel organised by the end of twelfth month.

Result 3: Implementation capacity of the international public accounting standards in all institutions in the scope of the general government enhanced.

Objectively verifiable indicators are:

3.1. Training on public accounting system and standards for at least 50 participants from pilot institutions and GDPA organised by the end of thirteenth month.

3.2. A three day study visit to one member state to observe and evaluate member states practices related to public accounting system and standards organised for five participants by the end of fourteenth month.

3.3. Published government accounting standards reviewed and instruments and other elements necessary to improve the quality of public accounts determined and developed by the end of fifteenth month.

Result 4: Capacity of accounting control system and assurance of government accounts developed.

Objectively verifiable indicators are:

4.1. To develop capacity of accounting control system and capacity of giving assurance government accounts one month internships in the field of accounting control and accounting audit for 20 GDPA accounting controllers in two different member states organised by the end of sixteenth month.

4.2. Manuals related to the accounting control and accounting audit prepared by the end of seventeenth month.

Result 5: Pilot studies related to data quality and accounting standards in each pilot institution conducted.

Objectively verifiable indicators are:

5.1 Quality control applications software and quality assessment reports including implementation of accounting standards and accounting control applications developed for all pilot institutions by the end of eighteenth month.

3.4 Activities:

All activities will be conducted under a twinning and one supply contracts. National Public Contributions which are % 5 per cent for the twinning contract and % 25 per cent for the supply contract will be provided by Central Budget allocations in 2009.

Component 1. Improving the quality of GFS prepared by MoF

1.1. Organizing a kick-off meeting to introduce the project: In order to introduce the project to the pilot institutions and other public agencies that will benefit from the project impacts in a longer term a kick-off meeting will be organised with the participation of relevant stake holders.

1.2. Revising legal and institutional environment for prerequisites of data quality; In order to enhance the quality of government accounts and financial tables, legal and institutional environment will be revised, gap analysis will be completed, primary and secondary legislation will be reviewed, amendments required for legislation will be identified and proposals for new administrative arrangements will be set.

1.3. Organizing conferences to increase the awareness of data quality; ensure that the quality term be comprehended broadly in the government accounting system extensively and to create a quality culture, five conferences about data quality will be organised for 125 participants from various local governments, autonomous agencies, revolving funds and extra budgetary funds, pilot institutions and GDPA under TC with assistance of short term experts of EU. As a result of these conferences, all institutions within the context of GG, will also be aware of the quality dimensions and concepts of GFS, as well

1.4. Providing training on the issue of data quality; Besides these important studies related to quality, training on the issue of data quality for at least 100 participant from pilot institutions and GDPA will be organised under TC.

1.5. Introducing prepared ethical standards for data providers for assurances of integrity; Ethical standards for data providers to provide assurance of integrity will be introduced to 125 participants from pilot institutions and GDPA, various local governments, autonomous agencies, revolving funds and extra budgetary funds by means of five one day seminar under TC with assistance of short term experts of EU.

1.6. Organizing a three day study visit to one member state: In order to observe and evaluate member states practices related to ethical standards for data providers a three

day study visit to one member state for 5 participants from main beneficiary institution will be organised under TC.

1.7. Enhancing the processes of data access and improve the capacity of printing house for accessibility; Tertiary regulations to enhance the processes of data access and improve the capacity of printing house will be prepared.

1.8. Organizing on-the-job training programs; on-the-job training programs of three weeks on international quality standards and best practices in the field of government financial statistics and governments account for two separate groups of staff each composing of 50 persons, who will be responsible for domestic training, in related member countries mostly recognized to be developed in the public accounts and GFS fields will be organised under TC.

Component 2 Purchasing a Data analysis software

2.1 Organizing one week study visit to two different member states: To observe and evaluate member states practices related to data analysis software in the field of government accounting system including accounting control activities with IT support study visits to two different member states for 5 participants from main beneficiary institution will be organised under TC.

2.2. Obtaining a data analysis system; The MoF produces accounting data of all institutions in the scope of the general budget by means of “say2000i” system (web-based automation system). However, required arrangements have done for the use of the system by other institutions in the scope of GG. With this respect, “say 2000i” system is the main data source enabling collection of accounting data from all GG institutions. Obtaining package programs for data analysis running on through say2000i system will enable GDPA to benefit from IT support in accounting control and to provide reliable data for improving the quality of produced data. Hence, a data analysis software and required hardware components will be purchased by means of a Supply Contract.

Data analysis software which is to be purchased under supply contract isn't appropriate for further development because it is professional package programme ready to use and only appropriate for making custom design like Commercially Available off-the-shelf goods (COTS) package software.

2.3 Required assistance to identify the requirements and to implement new software in the existing IT structure will be provided by short term experts under TC

2.4. Providing training seminars related to the software; Training programs for at least 100 participants from the main beneficiary institution (GDPA) who will use the software will be organised under TC.

Component 3 Enhancing implementation capacity of the international public accounting standards in all institutions within the context of GG

3.1. Organizing a training seminar on public accounting system and standards; Training on public accounting system and standards for at least 50 participants from pilot institutions and GDPA will be organised under TC.

3.2. Organizing a three day study visit to one member state: To observe and evaluate member states practices related to public accounting system and standards a three day study visit to one member state for 5 participants from main beneficiary institution will be organised under TC.

3.3. In addition to training activities about government accounting standard, published government accounting standards will be reviewed and required changes and contributions to the published standards will be made; As a significant part of this Project, having government accounting standards prepared in accordance with international principles will be one of the important outcome of the project that give rise to increase the quality of public accounts and as well as financial statistics. To this end standards, instruments and other elements necessary to improve the quality of financial accounts including the structure and implementation capacity of the State Accounting Standards Board will be determined and developed under TC.

Component 4 Developing capacity of accounting control system and assurance for government accounts

4.1. Providing the internship on accounting internal control and accounting audit ; In order to train the staff who is going to join the preparation and training studies and responsible for accounting control internship for 20 GDPA accounting controllers in the field of accounting internal control and audit will be organised in two different member states under TC.

4.2. Preparing a manual of the accounting control for the quality assurance of the entire government accounting system so as to GFS; As a verifying process audit and controlling of public accounts are important and indispensable parts of the quality assurance of government accounts and financial statistics. As a result of this quality requirement, manuals related to the accounting control will be prepared. In addition to this manual, a manual of the accounting audit which is going to provide quality assurance of source data will be prepared under TC. These manuals completely will be different from those used by internal auditors in the future because they will be just related to controlling accounting transactions, their transformation process to statistical tables, used accounting and reporting techniques and quality dimensions of public accounting system.

Component 5 Conducting pilot studies related to data quality and accounting standards in each pilot institution.

5.1 Quality control software applications and quality assessment reports including implementation of accounting standards and accounting control applications will be developed for all pilot institutions by the end of the project.

3.5 Conditionality and sequencing:

The tender of this project can be launched on the condition that, by submitting a formal Declaration of Assurance, showing that the beneficiary has sufficient staff in a list for technical implementation and monitoring of the contract. There is no conditionality foreseen for the implementation of this project.

3.6 Linked activities:

1- “TR 05 03 16 Upgrading the Statistical System of Turkey – Phase II”

The Project conducted by Turkstat just focuses on capacity building of Turkstat responsible for sectoral statistical systems and the harmonisation of data collection and processing, and its efficient coordination by the Turkstat. It supports the improvement of the Business Register System and business, social, demographic, tourism agricultural, environmental and health statistics. Assistance is also provided for a revision of the classification system of the Turkstat, the development of statistical analysis, the improvement of national accounts, and of IT technology and administrative structures.

2- Multi- Beneficiary Programme for Statistics 2005.

European specialists took part in the implementation of the project on improving information and communication technologies in the Turkstat. In this context, evaluation of the Turkstat’s metadata base model was accomplished, possibilities to apply alternative models in the census data repository, software requirements of metadata management were revised and recommendations for the strategy of data repository establishment were prepared so far.

3- TR/2005/IB/ST/01 “Capacity building for the compilation of accounting data in all institutions and agencies within general government sector in the context of e-governments.”

The ongoing project conducted by GDPA just aims the compilation of accounting data from public administrations within the context of general government by means of a data collection software and reporting these data in compliance with the European Union standards by the Ministry of Finance. The aim is to produce related tables directly from the accounting system and GDPA, as a direct beneficiary, will be generating statistical tables of general government in conformity with ESA 95 and International Accounting Standards and will be sharing them with other beneficiary units like the TURKSTAT at the end of the project.

However, it is important to disseminate high quality data with assurance but the culture of ensuring data quality is not well established within the institutional structure. General government concept has been just opened to discussion and in this context more than 5000 local government institutions, around 100 special budget institutions and social security authority for the first time have started to record their financial transactions according to the new accounting and reporting system which is completely different from the old one. Besides, some common terms like ESA95 and GFS in the international system have not been adequately adopted by the data producers. It is

essential that financial statistics be understandable and easily accessible by the users; however, government financial statistics are still not reliable, complete, transparent, and sufficient government accounting standards have not been published yet and any efforts have not been made to raise the awareness of the institutions in this direction.

Since GDPA compiles accounting transactions of agencies on a centralised database and shares compiled data with other public institutions especially the Central Bank of Republic of Turkey, the Ministry of Finance, Undersecretariat of the Treasury, and TURKSTAT over a web-based automation system (Say 2000i) , the proposed project can achieve adherence to the international quality principles and standards in the collection, compilation, and dissemination of government financial statistics.

3.7 Lessons learned:

In recent years, there has been some significant changes in the field of Public Financial Management System of Turkey and the GDPA has tried to be a decisive part of this process. During this time period the GDPA has provided some important contributions to public financial management system development.

GDPA has also taken some responsibilities during process, such as organizing training activities, participating legislative studies and conducting twinning Project with Ministry of the Economy and Finance of Italy. Especially, when conducting twinning Project, the institution has faced some difficulties. For instance, training activities for too many participants have become an important burden for the institution. In this respect, the proposed project shall focus on training of trainers method which is more effective and practicable.

4. Indicative Budget (amounts in €)

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Activity 1													
contract 1.1	X	-	1,575,000	1,575,000	1,496,250	95	78,750	5	78,750	-	-	-	-
contract 1.2	-	X	300,000	300,000	225,000	75	75,000	25	75,000	-	-	-	-
TOTAL IB			1,575,000	1,575,000	1,496,250	95	78,750	5	78,750	-	-	-	-
TOTAL INV			300,000	300,000	225,000	75	75,000	25	75,000	-	-	-	-
TOTAL PROJECT			1,875,000	1,875,000	1,721,250	91,8	153,750	8,2	153,750	-	-	-	-

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Public** Expenditure (column (b))

(3) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Contract Completion
Twinning	1 Quarter 2009	3 Quarter 2009	4 Quarter 2010
Supply	3 Quarter 2009	1 Quarter 2010	2 Quarter 2010

Duration of the project : 18 months

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity

Participation in this project will be open to both males and females involved in the sector. Records of professionals' participation in all project related activities will reflect this and will be kept with the project documentation.

6.2 Environment

Not applicable

6.3 Minority and vulnerable groups

According to the Turkish Constitutional System, the word minorities encompasses only groups of persons defined and recognized as such on the basis of multilateral or bilateral instruments to which Turkey is a party.

This project has no negative impact on minority and vulnerable groups. Training programs and workshops will be held in buildings where access to buildings for handicapped people is possible.

ANNEXES

- 1- Log frame in Standard Format
- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3- Institutional Framework
 - * Role and responsibilities of the SPO
 - * frequency of project management meetings,
 - * who chairs, who attends and in what role
 - * coordination mechanisms for multi-beneficiary projects
 - * monitoring (roles, responsibilities of all actors)
- 4 - Reference to laws, regulations and strategic documents:
 - Reference list of relevant laws and regulations
 - Reference to AP /NPAA / EP / SAA
 - Reference to MIPD
 - Reference to National Development Plan
 - Reference to national / sector investment plans
- 5- Details per EU funded contract (*) where applicable:
 - For *TA contracts*: account of tasks expected from the contractor
 - For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
 - For *grants schemes*: account of components of the schemes
 - For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (**)
 - For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (**); account of services to be carried out for the *service part* of the contract

(*) non standard aspects (in case of derogation to PRAG) also to be specified

(**) section on investment criteria (applicable to all infrastructure contracts and constructing works):

- Rate of return
- Co financing
- compliance with state aids provisions
- Ownership of assets (current and after project completion)

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number	
Improving data quality in public accounts.	Contracting period expires: FA+2 years	Disbursement period expires: 3 years following the end date for contracting
	Total budget : 1.875.000 €	IPA budget: 1.721.750 €

Overall objective	Objectively verifiable indicators	Sources of Verification	
To enhance transparency and accountability of government financial management system by means of improving data quality in public accounts.	International and EU standards and best practices used by Public Financial Management and Control System (PFMCS).	- Regular reports of international institutions (OECD, SIGMA, IMF etc.) and EU.	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To develop public accounting system and to improve the quality of the government financial statistics by means of organizing seminars, conferences and training activities on international standards and EU best practices related to data quality; piloting the new system in 5 public intuitions; purchasing and using a data analysis and management software.	Public accounting system developed and quality of GFS improved.	<ul style="list-style-type: none"> - Project reports. - Progress reports. - Annual reports of MoF. - General Government Statistics published quarterly. - Central Government Accounts Bulletin published monthly. - Local Government Accounts Bulletin published quarterly. - Social Security Institution Accounts Bulletin published quarterly. 	<ul style="list-style-type: none"> - Turkish government's dedication to prepare Turkey to accession. - There will not be any significant policy changes in PFMCS.

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>Result 1: The quality of GFS increased.</p> <p>Ten conferences for 250 participants, two training activities for 200 trainees and one study tour for 5 participants related to data quality and ethical standards in the field of government financial statistics and government accounts organised.</p>	<p>1. A kick-off meeting to introduce the project organised by the end of first month.</p> <p>2. Legal and institutional environment related to data quality prerequisites completed and a comprehensive report of its findings and recommendations prepared. Gap analysis report completed by the end of third month.</p> <p>3. Five one-day conferences organised for the introduction of data quality concepts in the field of public accounting and financial statistics for 125 participants from main beneficiary institution(GDPA) pilot institutions and various local governments, autonomous agencies, special budget institution, revolving funds and extra budgetary funds by the end of fourth month.</p> <p>4. Training on the issue of data quality for at least 100 participants from pilot institutions</p>	<p>-Regular Twinning Reports.</p> <p>-Gap Analysis Report.</p> <p>-Participation Records.</p> <p>- Training Questionnaires.</p>	<p>-Participation to awareness raising conferences is ensured by the senior management.</p> <p>-Necessary qualification of trainees on data quality matters is ensured.</p> <p>-All formal procedures necessary for the study visits, internship and on the job training programmes are timely completed.</p> <p>-All tertiary regulations are timely adopted.</p> <p>-Pilot institutions ensure the presence of required staff for the pilot studies.</p>

	<p>and GDPA organised by the end of sixth month.</p> <p>5. Five one day seminar organised in order to introduce prepared ethical standards for data providers for 125 participants from main beneficiary institution (GDPA), pilot institutions and various local governments, autonomous agencies, special budget institutions, revolving funds and extra budgetary funds by the end of seventh month.</p> <p>6. A three day study visits to one member state related to ethical standards for data providers organised for five participants by the end of seventh month.</p> <p>7. Tertiary regulations prepared to enhance the processes of data access and to improve printing house by the end of eighth month.</p> <p>8. On-the-job training programs of three weeks on international quality standards and best practices organised in the field of government financial statistics</p>	<p>-Participation Records.</p> <p>-Study Visit Reports.</p> <p>-Tertiary Regulations.</p> <p>-On-the-job training program reports.</p>	
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<p>of the GG enhanced.</p> <p>A study tour and a training activity related to public accounting system and standards for 5 participants and 50 trainees organised.</p>	<p>50 participants from pilot institutions and GDPA organised by the end of thirteenth month.</p> <p>2. A three day study visit to one member state to observe and evaluate member state's practices related to public accounting system and standards organised for five participants by the end of fourteenth month.</p> <p>3. Published government accounting standards reviewed and instruments and other elements necessary to improve the quality of public accounts determined and developed by the end of fifteenth month.</p>	<p>-Study Visit Reports.</p> <p>- Published Government Accounting Standards.</p>	
<p>Result 4: Capacity of accounting control system and assurance of government accounts developed.</p>	<p>1. To develop capacity of accounting control system and capacity of giving assurance government accounts one month internships in the field of accounting control and accounting audit for 20 GDPA accounting controllers in two different member states organised by the end of sixteenth month.</p> <p>2. Manuals related to the</p>	<p>-Internship Reports.</p> <p>-Accounting control and</p>	

<p>Result 5: Pilot studies related to data quality and accounting standards in each pilot institution conducted.</p>	<p>accounting control and accounting audit prepared by the end of seventeenth month.</p> <p>1. Quality control applications software and quality assessment reports including implementation of accounting standards and accounting control applications developed for all pilot institutions by the end of eighteenth month.</p>	<p>accounting audit manuals. -Regular twinning reports.</p> <p>-Quality assessment reports. -Regular twinning reports.</p>	
Activities	Means	Costs	Assumptions
<p>All activities will be conducted under a twinning and a supply contracts.</p> <p>1. Improving the quality of GFS.</p> <p>1.1 In order to introduce the project to the pilot institutions and other public agencies that will benefit from the project impacts in a longer term a kick-off meeting will be organised with the participation of relevant stake holders.</p> <p>1.2. In order to enhance the quality of government accounts and financial tables, legal and institutional environment will be revised, gap analysis will be completed, primary and secondary legislation will be reviewed, amendments required for</p>	<p>One Twinning Contract. One Supply Contract.</p> <p>Short term experts, training activities, seminars, conferences, study visit.</p> <p>-</p>	<p>1.575.000 € 300.000 €</p> <p>745.180 €</p>	<p>- All of the stakeholders such as public accountants, statisticians, and related institution etc. are ready to cooperation in all area.</p> <p>- The General Directorate of Public Accounts (GDPA) staff is ready to adopt the necessary changes to their working methodologies.</p> <p>- Availability of experts with necessary skills related to twinning project purpose.</p>

<p>legislation will be identified and proposals for new administrative arrangements will be set.</p> <p>1.3. Ensure that the quality term be comprehended broadly in the government accounting system extensively and to create a quality culture, five conferences about data quality will be organised for 125 participants from various local governments, autonomous agencies, revolving funds and extra budgetary funds pilot institutions and GDPA under TC with assistance of short term experts of EU.</p> <p>1.4. Training on the issue of data quality for at least 100 participant from pilot institutions and GDPA will be organised under TC.</p> <p>1.5. Ethical standards for data providers to provide assurance of integrity will be introduced to 125 participants from pilot institutions and GDPA, various local governments, autonomous agencies, revolving funds and extra budgetary funds by means of five one day seminar under TC with assistance of short term experts of EU .</p> <p>1.6. In order to observe and evaluate member states practices related to ethical</p>			<p>- National co-financing available.</p>
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<p>standards for data providers a three day study visit to one member state for 5 participants from main beneficiary institution will be organised under TC.</p> <p>1.7. Tertiary regulations to enhance the processes of data access and improve the capacity of printing house will be prepared.</p> <p>1.8. On-the-job training programs of three weeks on international quality standards and best practices in the field of government financial statistics and government accounts for two separate groups of staff each composing of 50 persons, who will be responsible for domestic training, in related member countries mostly recognized to be developed in the public accounts and GFS fields will be organised under TC.</p>			
<p>2 Purchasing a Data analysis software</p> <p>2.1 To observe and evaluate member states practices related to data analysis software in the field of government accounting system study visits to two different member states for 5 participants from main beneficiary institution will be organised under TC.</p> <p>2.2. Obtaining package programs for data</p>	<p>Supply Contract including software and hardware, short term experts, training activities, study visits.</p>	<p>399.720 €</p>	

<p>analysis running on through say2000i system will enable GDPA to benefit from IT support in accounting control and to provide reliable data for improving the quality of produced data. Hence, a data analysis software and required hardware components will be purchased by means of a Supply Contract.</p> <p>2.3 Required assistance to identify the requirements and to implement new software in the existing IT structure will be provided by short term experts under TC</p> <p>2.4. Training programs for at least 100 participants from the main beneficiary institution (GDPA) who will use the software will be organised under TC.</p> <p>3 Enhancing implementation capacity of the international public accounting standards in all institutions within the context of GG</p> <p>3.1. Training on public accounting system and standards for at least 50 participants from pilot institutions and GDPA will be organised under TC.</p> <p>3.2. To observe and evaluate member states practices related to public accounting system and standards a three</p>	<p>Sort term experts, training activities, study visit.</p>	<p>54.300 €</p>	
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<p>day study visit to one member state for 5 participants from main beneficiary institution will be organised under TC.</p> <p>3.3. Published government accounting standards will be reviewed and required changes and contributions to the published standards will be made; Standards, instruments and other elements necessary to improve the quality of financial accounts including the structure and implementation capacity of the State Accounting Standards Board will be determined and developed under TC.</p> <p>4 Developing capacity of accounting control system and assurance for government accounts</p> <p>4.1. In order to train the staff who is going to join the preparation and training studies and responsible for accounting control internship for 20 GDPA accounting controllers in the field of accounting internal control and audit will be organised in two different member states under TC.</p> <p>4.2. Manuals related to the accounting control will be prepared. In addition to this manual, a manual of the accounting audit which is going to provide quality assurance of source data will be prepared under TC.</p>	<p>Short term experts, internship.</p>	<p>188.880 €</p>	
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<p>5 Conducting pilot studies related to data quality and accounting standards in each pilot institution.</p> <p>5.1 Quality control software applications and quality assessment reports including implementation of accounting standards and accounting control applications will be developed for all pilot institutions by the end of the project.</p>	Short term experts.	72.300 €	
	Other's cost (RTA, management, contingencies)	414.620 €	

