

**FINANCING AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF TURKEY**

**AND**

**THE EUROPEAN COMMISSION**

**CONCERNING THE NATIONAL PROGRAMME FOR  
TURKEY 2010 UNDER THE INSTRUMENT FOR  
PREACCESSION ASSISTANCE – TRANSITION ASSISTANCE  
AND INSTITUTION BUILDING COMPONENT – PART 1  
(2010/022-563)**

(Decentralised Management)



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# FINANCING AGREEMENT

## THE GOVERNMENT OF THE REPUBLIC OF TURKEY

and

## THE EUROPEAN COMMISSION

hereafter jointly referred to as "the Parties" or individually as "the beneficiary country", in the case of the Government of the Republic of Turkey, or "the Commission", in the case of the European Commission.

### Whereas

- (a) On 1 August 2006, the Council of the European Union adopted Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (hereafter: the "IPA Framework Regulation"). With effect from 1 January 2007, this instrument constitutes the single legal basis for the provision of financial assistance to candidate countries and potential candidates in their efforts to enhance political, economic and institutional reforms with a view to their eventually becoming members of the European Union.
- (b) On 12 June 2007, the Commission adopted Regulation (EC) No 718/2007 implementing the IPA Framework Regulation, detailing applicable management and control provisions (hereafter: the "IPA Implementing Regulation").
- (c) European Union assistance under the instrument for pre-accession assistance should continue to support the beneficiary countries in their efforts to strengthen democratic institutions and the rule of law, reform public administration, carry out economic reforms, respect human as well as minority rights, promote gender equality, support the development of a civil society and advance regional cooperation as well as reconciliation and reconstruction, and contribute to sustainable development and poverty reduction.

European Union assistance for candidate countries should additionally focus on the adoption and implementation of the full *acquis communautaire*, and in particular

prepare them for the implementation of the European Union's agricultural and cohesion policy.

- (d) The Parties have concluded on 11 July 2008 a Framework Agreement setting out the general rules for cooperation and implementation of the European Union assistance under the Instrument for Pre-accession Assistance.
- (e) The Commission adopted on 23 November 2010 the National Programme for Turkey under the IPA Transition Assistance and Institution Building Component for 2010. This programme is to be implemented partly on decentralised basis by the beneficiary country, partly by the Commission on centralised basis.
- (f) It is necessary for the implementation of this programme that the Parties conclude three Financing Agreements to lay down the conditions for the delivery of European Union assistance, the rules and procedures concerning disbursement related to such assistance and the terms on which the assistance will be managed.
- (g) This Financing Agreement relates to Part 1 of the 2010 National Programme for Turkey, which will consist of 1 project as specified in section 1 of the Financing Agreement.

## **HAVE AGREED ON THE FOLLOWING:**

### **1 THE PROGRAMME**

The Commission will contribute, by way of grant, to the financing of part 1 of the National Programme for Turkey under the IPA Transition Assistance and Institution Building Component for 2010 (Programme number: IPA 2010/022-563), which is set out in Annex A to this Agreement.

Part 1 of the IPA National Programme 2010 for Turkey consists of project *TR2010/0465.01 Turkey's Participation in Union Programmes and Agencies* (hereafter "the Programme").

### **2 IMPLEMENTATION OF THE PROGRAMME**

- (1) The Programme shall be implemented by decentralised management, in the meaning of Article 53c of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, as last modified by Regulation (EC, Euratom) No 1525/2007 of 17 December 2007 (hereafter: "the Financial Regulation").
- (2) The Programme shall be implemented in accordance with the provisions of the Framework Agreement on the rules for co-operation concerning EU Financial Assistance to Turkey and the implementation of the Assistance under the Instrument for Pre-accession Assistance (IPA), concluded between the Parties on 11 July 2008 (hereafter: "the Framework Agreement"), which is set out in Annex B to this Agreement.

### **3 NATIONAL STRUCTURES AND AUTHORITIES**

- (1) The structures and authorities with functions and responsibilities for the implementation of this Agreement are described in Annex B to this Agreement.
- (2) Further responsibilities of the national authorizing officer and the national fund are set out in Annex C to this Agreement.

### **4 FUNDING**

The funding for the implementation of this Agreement shall be as follows:

- (a) The European Union contribution for The Programme is fixed at a maximum of EUR 67 607 076 (sixty seven million six hundred seven thousand seventy six euros). However, payments of the European Union contribution by the European Commission will not be made if the minimum requirements referred to in Article 41 of the IPA Implementing Regulation are not met.

- (b) The cost of the national structures and authorities indicated in Annex B shall be borne by the beneficiary country.

## **5 CONTRACTING DEADLINE**

- (1) The individual contracts and agreements which implement this Agreement shall be concluded no later than two years from the date of conclusion of this Agreement.
- (2) In duly justified cases, this contracting deadline may be extended with the agreement of the Commission before its end date to a maximum of three years from the date of conclusion of this Agreement.
- (3) Any funds for which no contract has been concluded before the contracting deadline shall be cancelled.

## **6 DEADLINE FOR THE EXECUTION OF CONTRACTS**

- (1) The contracts must be executed within a maximum of 2 years from the end date of contracting.
- (2) The Commission may agree, upon request by the beneficiary country, to an appropriate extension of the deadline for the execution of contracts. Such request must be addressed to the Commission before the end of the deadline for the execution of contracts, and be duly justified by the beneficiary country.

## **7 DISBURSEMENT DEADLINE**

- (1) Disbursement of funds must be made no later than one year after the final date for the execution of contracts.
- (2) The deadline for disbursement of funds may be extended with the agreement of the Commission before its end date in duly justified cases.

## **8 INTERPRETATION**

- (1) Subject to any express provision to the contrary in this Agreement, the terms used in this Agreement shall bear the same meaning as attributed to them in the IPA Framework Regulation and the IPA Implementing Regulation.
- (2) Subject to any express provision to the contrary in this Agreement, references to this Agreement are references to such Agreement as amended, supplemented or replaced from time to time.

- (3) Any references to Council or Commission Regulations are made to the version of those regulations as indicated. If required, modifications of these regulations shall be transposed into this Agreement by means of amendments.
- (4) Headings in this Agreement have no legal significance and do not affect its interpretation.

## **9 PARTIAL INVALIDITY AND UNINTENTIONAL GAPS**

- (1) If a provision of this Agreement is or becomes invalid or if this Agreement contains unintentional gaps, this will not affect the validity of the other provisions of this Agreement. The Parties will replace any invalid provision by a valid provision which comes as close as possible to the purpose of and intent of the invalid provision.
- (2) The Parties will fill any unintentional gap by a provision which best suits the purpose and intent of this Agreement, in compliance with the IPA Framework Regulation and the IPA Implementing Regulation.

## **10 REVIEW AND AMENDMENT**

- (1) The implementation of this Agreement will be subject to periodic reviews at times arranged between the Parties.
- (2) Any amendment agreed to by the Parties will be in writing and will form part of this Agreement. Such amendment shall come into effect on the date determined by the Parties.

## **11 TERMINATION**

- (1) Without prejudice to paragraph 2, this Agreement shall terminate eight years after its signature. The termination of this Agreement shall not preclude the possibility for the Commission to make financial corrections in accordance with Articles 49 to 54 of the IPA Implementing Regulation.
- (2) This Agreement may be terminated by either Party by giving written notice to the other Party. Such termination shall take effect six calendar months from the date of the written notice.

## **12 SETTLEMENT OF DIFFERENCES**

- (1) Differences arising out of the interpretation, operation and implementation of this Agreement, at any and all levels of participation, will be settled amicably through consultation between the Parties.
- (2) In default of amicable settlement, either Party may refer the matter to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration



Involving International Organisations and States in force at the date of this Agreement.

- (3) The language to be used in the arbitration proceedings shall be English. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration following a written request submitted by either Party. The Arbitrator's decision shall be binding on all Parties and there shall be no appeal.

### **13 NOTICES**

- (1) Any communication in connection with this Agreement shall be made in writing and in the English language. Each communication must be signed and must be supplied as an original document or by fax.
- (2) Any communication in connection with this Agreement must be sent to the following addresses:

*For the European Commission:*

*The European Union Delegation to Turkey  
Ugur Mumcu cad. No. 88/4  
Gazi Osman Pasa 06700  
Ankara, Turkey  
Fax: (+90.312) 446 6737*

*For the Beneficiary Country:*

*The H. E. Ambassador Volkan Bozkır  
Secretary General  
National IPA Coordinator (NIPAC)  
The Secretariat General for EU Affairs  
Basbakanlik Avrupa Birliđi Genel Sekreterliđi  
Mustafa Kemal Mah. 6.Cad. No: 4  
06800 Ankara, Turkey  
Tel: (+90.312) 218 14 68  
Fax: (+90 312) 218 14 44*

### **14 NUMBER OF ORIGINALS**

This Agreement is drawn up in duplicate in the English language.

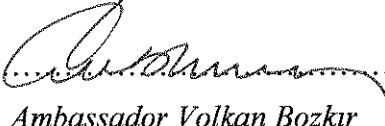
### **15 ANNEXES**

The Annexes A, B and C shall form an integral part of this Agreement.

**16 ENTRY INTO FORCE**

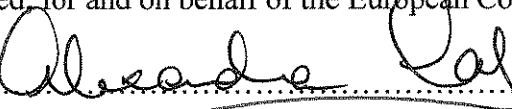
This Agreement shall enter into force on the date on which the Contracting Parties inform each other in writing of its ratification in accordance with the existing internal legislation or procedure of each of the Parties.

Signed, for and on behalf of the Government of the Republic of Turkey, at Ankara on *17.12-2010*

by........

*H. E. Ambassador Volkan Bozkır  
National IPA Coordinator (NIPAC), Secretary General for EU Affairs*

Signed, for and on behalf of the European Commission, at Brussels on *07.12-2010*

by........

*Alexandra Cas Granje, Director for Croatia, The former Yugoslav Republic of Macedonia,  
Turkey, Iceland, DG Enlargement*



ANNEX A

**NATIONAL PROGRAMME FOR TURKEY UNDER THE IPA-TRANSITION  
ASSISTANCE AND INSTITUTION BUILDING COMPONENT FOR THE YEAR 2010**

**1. IDENTIFICATION**

Beneficiary	Turkey
CRIS number	2010/022-518, 2010/022-563, 2010/022-565
Year	2010
Cost	EUR 217 809 826
Implementing Authority	<p>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:</p> <p>Project TR2010/0465.01 "Participation in Union Programmes and Agencies", where implementation will consist in the payment by the National Fund of the IPA part of the financial contribution to the programmes.</p> <p>Project TR2010/0301.02 "Improving chemical and ionising radiation metrology II" which will be sub-delegated to the Commission's Joint Research Centre Institute for Reference Materials and Measurements (JRC-IRMM) through an administrative arrangement signed by Enlargement (DG ELARG).</p> <p>Project TR2010/0329.01 "Modernisation of the Turkish Customs Administration VII" which will be cross-sub-delegated from DG Enlargement to the Commission's Directorate-General Taxation and Customs Union (DG TAXUD).</p>
Final date for concluding the Financing Agreements	<p>At the latest by 31 December 2011</p> <p>Three separate Financing Agreements are foreseen, one for the centralised projects (2), one for the project TR2010/0465.01 "Participation in Union Programmes and Agencies" and one for the remaining decentralised projects (30).</p>
Final date for contracting	<p>2 years following the date of conclusion of the Financing Agreements.</p> <p>No deadline for audit and evaluation projects covered by the Financing Agreements, as referred to in Article 166(2) of the Financial Regulation.</p>

	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	15160 (priority axis 1 – Political Criteria); 15110 (priority axes 2 and 4 – <i>acquis</i> alignment and support activities as well as project TR2010/0465.01) and 15150 (project TR2010/0135.01)
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. PRIORITY AXES / PROJECTS

### 2.a Priority axes

IPA component I for “Institution Building and Technical Assistance” 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 main strategic reference for the national programme in Turkey is the Multi-Annual Indicative Planning Document (MIPD) 2009-2011. It contains four priority axes for this programme: progress towards fully meeting the Copenhagen political criteria, adoption and implementation of the *acquis communautaire*, promotion of an EU-Turkey Civil Society Dialogue and supporting activities.

The IPA 2010 component I programme includes 33 projects selected among the priorities identified in the 2009-2011 MIPD after analysis of the Turkish authorities and consultation with the Commission, according to the priorities identified in the Accession Partnership, the screening process and ongoing negotiations in the different chapters of the *acquis*. The main reference documents for the Turkish side were the National Programme for the Adoption of the Acquis, the 9<sup>th</sup> National Development Plan as well as key sector strategies.

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. The Commission is currently reviewing the priorities to be established for the 2011-2013 period together with Turkey. As part of this process, Turkish authorities have set up sector working groups to review existing strategies and identify sector priorities for financial assistance for the coming years. Based on the results of the working groups and priority areas selected, sectors suitable for a sector approach could be identified in the future.

***Priority 1: Progress towards fully meeting the Copenhagen political criteria***

This priority axis will include 13 projects and cover approximately 14.92% of the programme's budget and focuses on judicial reform, support to law enforcement services and human rights, being fundamental for Turkey's political reform process. Strong emphasis is given on promoting women's and children's rights through several projects in the education and justice sector. Public administration reform is also supported to strengthen Turkey's strategic management capacity, of crucial importance for future sectoral programming.

***Priority 2: Adoption and implementation of the *acquis communautaire****

This priority axis will include 17 projects and cover approximately 46.54% of the programme's budget and provides assistance to key areas related to negotiation chapters where Turkey is harmonising its legislation and standards with the EU and requires assistance to strengthen its institutional capacity to implement and enforce the *acquis communautaire* with a particular focus on those areas where the requirements are extensive in terms of legislative alignment and investment needs. Priority areas to be addressed are the Environment chapter (accession negotiations opened in December 2009) Agriculture and Food Safety (accession negotiations on chapter 12 opened in June 2010), Justice, Freedom and Security (Migration/Asylum), Transport and Energy, Free Movement of Goods and Public Health.

***Priority 3: Promotion of an EU-Turkey Civil Society Dialogue***

This priority axis will cover approximately 35.46% of the programme's budget and addresses the need for a continuation of the EU-Turkey Civil Society Dialogue in the fields of political criteria and media (1 project) and participation in Union Programmes and Agencies (1 project).

***Priority 4: Supporting activities***

This priority axis will cover approximately 3.08% of the programme's budget and supports project preparation and capacity building related to the implementation of IPA assistance (1 project).

**2. b Description of projects grouped per priority axes and (if relevant) per measure<sup>1</sup>**

<b>Priority Axis and project names</b>	<b>Indicative EU contribution in million EUR</b>	<b>Project purpose and implementation summary (type of contract/agreement, <u>indicative</u> amount and <u>indicative</u> launch date of tender procedure/call for proposals)</b>
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**Priority 1:  
Progress  
towards fully  
meeting the  
Copenhagen**

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

## political criteria

### *Public Administration Reform (EUR 2.3 million in total)*

TR2010/0136.01	2.3	<p><u>Project purpose:</u> To realise more effective strategic planning with higher impact by central public administration, being a crucial element of public administration reform.</p> <p><u>Implementation:</u> 1 service contract (EUR 2.2 million) for capacity development measures tender launched 2<sup>nd</sup> quarter 2011. 1 supply contract (EUR 0.2 million) for necessary hardware/software equipment tender launched 4<sup>th</sup> quarter 2011.</p>
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Improved  
Strategic  
Management  
Capacity

### *Human Rights/Women's rights (EUR 8.3 million in total)*

TR2010/0136.02	2.3	<p><u>Project purpose:</u> To improve human rights violation complaints and investigation mechanisms and to raise awareness among the society on human rights, with a special focus on women's participation in social, economic and cultural life and to prevent domestic violence and honor killings.</p> <p><u>Implementation:</u> 1 service contract for training and awareness raising activities, launched 2<sup>nd</sup> quarter of 2011.</p>
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Support to the  
Local Human  
Rights Boards  
and Women's  
Rights Awareness

TR2010/0136.03	2.8	<p><u>Project purpose:</u> To ensure that women are provided with sufficient protection against domestic violence and enhance human rights for women.</p> <p><u>Implementation:</u> 1 service contract for capacity building, training and awareness raising activities launched 3<sup>rd</sup> quarter 2011.</p>
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Prevention of  
Domestic  
Violence against  
Women

TR2010/0136.04	3.2	<p><u>Project purpose:</u> To promote gender equality and equal opportunities for girls and boys in schools and capacity development on gender sensitive approaches to teaching and learning.</p> <p><u>Implementation:</u> 1 service contract for capacity building, training, review of legislation and textbooks and awareness raising activities launched 2<sup>nd</sup> quarter 2011.</p>
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Promoting  
Gender Equality  
in Education

### *Children's rights and social inclusion (EUR 11.0 million in total)*

TR2010/0136.05	2.9	<p><u>Project purpose:</u> To increase the attendance rates in primary education by taking measures to decrease drop-outs and non attendance rates, targeting areas with a high concentration of vulnerable groups.</p> <p><u>Implementation:</u> 1 service contract to develop a revised language training programme, provide training and awareness raising launched 2<sup>nd</sup> quarter 2011.</p>
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Increasing  
Primary School  
Attendance Rate  
of Children

TR2010/0136.06  Supporting Social Inclusion through Sports Education	2.1	<p><u>Project purpose:</u> To increase social inclusion and cohesion in pilot areas of Southeast Turkey by realising preparatory studies and management structures for new sports facilities and supplementary education opportunities for youth and children.</p> <p><u>Implementation:</u> 1 service contract to develop curriculum for recreational training programmes and provide training to school personnel launched 2<sup>nd</sup> quarter 2011.</p>
TR2010/0136.07 Fight Against Violence Towards Children	2.7	<p><u>Project purpose:</u> To reduce and prevent violence towards children through increased capacities of follow up and prevention services by developing policies for taking legal measures and promotion of Counselling Services, developing a Safer School Model which is free from physical, emotional, verbal and psychological violence and increasing the awareness of parents, NGO members, non-teaching staff, teaching staff and students.</p> <p><u>Implementation:</u> 1 service contract for policy development and awareness raising activities launched 2<sup>nd</sup> quarter 2011.</p>
TR2010/0136.08  Justice for Children	3.3	<p><u>Project purpose:</u> Effective implementation of the Child Protection Law and full realisation of all rights of the children in contact with the law through protecting children's right to fair trial, improve inter-sectoral collaboration in the juvenile justice system and ensure high standard of services provided to children deprived of liberty.</p> <p><u>Implementation:</u> 1 direct grant contract with UNICEF (EUR 2.8 million) given their previous experience within the area of children's rights in Turkey and <i>de facto</i> monopoly situation as the only institution combining the necessary features, the award is made in accordance with the Implementing Rules, Article 168.1.c. Award procedure to be launched 1st quarter 2011. 1 supply contract (EUR 0.5 million) for interview rooms in court house, tender launched 2<sup>nd</sup> quarter 2011.</p>

***Judiciary (EUR 10.9 million in total)***

TR2010/0136.09  Towards an effective and professional Justice Academy	1.9	<p><u>Project purpose:</u> Support the Academy to become a strong and independent training provider for the entire judiciary to attain a high degree of professionalism.</p> <p><u>Implementation:</u> 1 twinning** (EUR 1.1 million) contract, selection procedure to be launched 1<sup>st</sup> quarter 2011. 1 supply contract for a language laboratory and library (EUR 0.4 million) to be launched 4<sup>th</sup> quarter 2011. 1 service contract for translations (EUR 0.4 million) launched 4<sup>th</sup> quarter 2011.</p>
TR2010/0136.10 Improvement of Enforcement Services in	5.0	<p><u>Project purpose:</u> To contribute to a well-defined, standardised and structured enforcement service, including a system ensuring rehabilitation, treatment and successful reintegration of prisoners into society as well as prison staff performing in line with European</p>

Prisons

standards.

Implementation: 1 twinning\*\* contract (EUR 1.9 million) selection procedure to be launched 1<sup>st</sup> quarter 2011. 1 service contract to develop a classification and risk assessment system (EUR 1.7 million) and 1 supply contract (EUR 1.4 million) for a distance learning centre, both to be launched 2<sup>nd</sup> quarter 2011.

TR2010/0136.11

1.0

Strengthening  
witness protection  
capacities

Project purpose: To strengthen the institutional capacity of the Ministry of Justice, Turkish National Police and Gendarmerie on the implementation of an effective witness protection system.

Implementation: 1 twinning\*\* contract selection procedure launched 1<sup>st</sup> quarter 2011

TR2010/0136.12

1.6

Improved  
Relations  
Between Mass  
Media and  
Judiciary

Project purpose: To create a judiciary spokespersonship and to create a sound functioning relationship between judiciary and independent media.

Implementation: 1 twinning\*\* contract, selection procedure launched 1<sup>st</sup> quarter 2011.

TR2010/0136.13

1.4

Improved Court  
Expert System

Project purpose: To complete reform and standardization of the court expert system with a view to maximise the efficiency, effectiveness and impartiality of the judiciary.

Implementation: 1 twinning\*\* contract, selection procedure launched 1<sup>st</sup> quarter 2011.

**Priority 2:  
Adoption and  
implementation  
of the *acquis*  
*communautaire***

***Free movement of goods (EUR 4.1 million in total)***

TR2010/0301.01

2.5

Strengthened  
Market  
Surveillance  
System For ICT  
sector

Project purpose: To establish a modern and efficient product safety system in the information and communications technology (ICT) sector through strengthening of the existing market surveillance structures, determining appropriate administrative organisation and introducing standardised information system, in line with the European Union's rapid exchange of information system (RAPEX) on risky products.

Implementation: 1 twinning\*\* (EUR 0.7 million) selection procedure to be launched 1<sup>st</sup> quarter 2011, 1 service contract for software development (EUR 0.9 million) and 1 supply contract for hardware (EUR 0.9 million) both to be launched 2<sup>nd</sup> quarter 2011.



TR2010/0301.02 1.6 Project purpose: To enhance institutional and measurement capacity in chemical and ionising radiation metrology to ensure that Turkish laboratories are able to produce traceable and comparable measurement results. This is a continuation of TR080209 “Improving chemical and ionising radiation metrology” project and aims at consolidating its achievements and enhancing its results.

Implementation: 1 service contract for enhanced human resources development (long-term scientific internships), to be implemented via an administrative arrangement between the Commission and the Joint Research Centre – the Institute for Reference Materials and Measurements (JRC-IRMM). Contract to be concluded 4<sup>th</sup> quarter of 2012.

***Information Society/Competition (EUR 0.9 million in total)***

TR2010/0310.01 0.9 Project purpose: To strengthen implementation capacity of the Information and Communications Technology Agency (ICTA) with regard to the assessment of anti-competitive behaviours and development of required measures and remedies in order to achieve workable competition in the sector as outlined by the EU *acquis*.

Prevention of anti-competitive behaviors in the electronic communications sector

Implementation: 1 service contract for legislative review/drafting launched 2<sup>nd</sup> quarter 2011.

***Agriculture and Food Safety (EUR 73.8 million in total)***

TR2010/0311.01 39.3 Project purpose: To establish information components of Land Parcel Identification System (LPIS) that corresponds to EU standards and legislation by creating digital orthophotos and digital geographical database of reference parcels covering whole Turkey as one basic element of the Integrated Administration and Control System (IACS) for the efficient and controlled management of direct payment schemes and selected Rural Development Plan (RDP) measures on behalf of farmers and the protection of food safety and environment.

Digitisation of Land Parcel Identification System

Implementation: 1 service contract for acquisition of orthophotos (EUR 19 million), 1 service contract for quality control (EUR 3.8 million) and 1 service contract for the digitalisation of the LPIS (EUR 16.5 million), all tenders to be launched in the 2<sup>nd</sup> quarter of 2011.

TR2010/0312.01 1.9 Project purpose: Control of sylvatic rabies in wild carnivore animals, and thereby the reduction of the risk of farm animals and humans to become infected with rabies.

Oral Vaccination Against Rabies

Implementation: 1 supply contract for vaccines launched 2<sup>nd</sup> quarter 2011.

TR2010/0312.02 Control of Foot and Mouth Disease- Phase 2	32.6	<p><u>Project purpose:</u> Continued control of Foot and Mouth Disease (FMD) by mass vaccination of animals in order to minimise the outbreaks (follow up to TR0603.02 funded under Turkey National Programme 2006).</p> <p><u>Implementation:</u> 1 supply contract (EUR 32.2 million) for vaccines and 1 supply contract (EUR 0.4 million) for sero-surveillance equipment both to be launched in 2<sup>nd</sup> quarter 2011.</p>
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***Transport and energy (EUR 4.1 million in total)***

TR2010/0314.01 Improved Maritime Education and Training	1.2	<p><u>Project purpose:</u> To improve maritime safety through enhanced training, education and certification of seafarers by establishing a long term education strategy, legal alignment and training of trainers.</p> <p><u>Implementation:</u> 1 twinning** contract selection procedure launched 1<sup>st</sup> quarter 2011.</p>
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TR2010/0314.02 Control of Ship- Sourced Emissions	1.5	<p><u>Project purpose:</u> To strengthen administrative capacity and take measures to control ship-sourced emissions.</p> <p><u>Implementation:</u> 1 twinning** (EUR 1.1 million) selection procedure launched 1<sup>st</sup> quarter 2011. 1 service contract (EUR 0.4 million) to develop an emission control software, tender launched 2<sup>nd</sup> quarter 2011.</p>
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TR2010/0315.01 Harmonisation of Transmission System for Electricity	1.4	<p><u>Project purpose:</u> To harmonise the Turkish Power System Transmission Code in line with European Network of Transmission System Operators (ENTSO) for Electricity technical/market requirements to improve the overall interconnected power system operational security and quality of supply for the end users.</p> <p><u>Implementation:</u> 1 service contract for finalisation of the Turkish Transmission Code and conduct of training programmes launched 2<sup>nd</sup> quarter 2011.</p>
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***Justice Freedom Security – Migration/Asylum (EUR 9.8 million in total)***

TR2010/0324.01 Establishment of Reception and Removal Centres – phase II	9.8	<p><u>Project purpose:</u> Well functioning reception and removal centres for asylum seekers, refugees and illegal migrants in line with EU best practice and international standards.</p> <p><u>Implementation:</u> 1 supply contract to provide equipment to reception and removal centres established through EU funding in 2007. Tender to be launched 4<sup>th</sup> quarter 2011.</p>
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***Environment (EUR 5.9 million in total)***

TR2010/0327.01 Alignment in Bathing Water	1.4	<p><u>Project purpose:</u> Transposition of the new bathing water Directive 2006/7/EC into the national legislation and strengthening the bathing water quality monitoring system of Ministry of Health within the</p>
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Monitoring		framework of the new Directive.
		<u>Implementation:</u> 1 twinning** contract, selection procedure to be launched 1 <sup>st</sup> quarter 2011.
TR2010/0327.02 Implementation of by-law on Strategic Environmental Assessment	1.0	<u>Project purpose:</u> Institutional capacity and awareness for the implementation of By-law on Strategic Environmental Assessment (SEA) for all sectors.  <u>Implementation:</u> 1 service contract (TA) for training activities and legislative review launched 2 <sup>nd</sup> quarter 2011.
TR2010/0327.03 Implementation of Persistent Organic Pollutants Regulation	0.9	<u>Project purpose:</u> Technical capacity for effective implementation of EU Persistent Organic Pollutants (POP) Regulation at national and regional level taking into account social and economic impacts.  <u>Implementation:</u> 1 service contract for training and information dissemination activities launched 2 <sup>nd</sup> quarter 2011.
TR2010/0327.04 Better Air Quality By Transposing The Large Combustion Plant Directive	0.9	<u>Project purpose:</u> To establish necessary capacity to transpose and implement Large Combustion Plant Directive (2001/80/EC).  <u>Implementation:</u> 1 service contract to conduct Regulatory Impact assessments for the implementation of the Directive and awareness raising within institutions launched 2 <sup>nd</sup> quarter 2011.
TR2010/0327.05 Capacity Building to implement the Flood Directive	1.7	<u>Project purpose:</u> Improved administrative and technical capacity in the General Directorate of State Hydraulic Works to transpose and implement Flood Risks Assessment and Management Directive (2007/60/EC).  <u>Implementation:</u> 1 twinning** contract, selection procedure launched 1 <sup>st</sup> quarter 2011.

***Public health (EUR 2.3 million in total)***

TR2010/0328.01 Recruitment of Future Blood Donors	2.3	<u>Project purpose:</u> To ensure safe blood from regular voluntary and non-remunerated donors.  <u>Implementation:</u> 1 service contract for training materials and conduct of awareness raising campaign launched 2 <sup>nd</sup> quarter 2011.
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***Customs (EUR 0.5 million in total)***

TR2010/0329.01 Modernisation of the Turkish Customs Administration VII	0.5	<u>Project purpose:</u> To enable the Turkish Customs Administration to fully implement the Common Communication Network and Common System Interface (CCN/CSI) through its instalment and operation in line with EU requirements of interconnectivity and interoperability.  <u>Implementation:</u> Centralised implementation through a cross-sub-delegation to the Directorate General for Taxation and Customs
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Union (DG TAXUD) under three Framework contracts where at least two service contracts and one supply contract (equipment, supplies) will be concluded.

**Priority 3:  
Promotion of an  
EU-Turkey Civil  
Society Dialogue**

TR2010/0135.01 9.6 Project purpose: To establish strong links and high level of cooperation between Turkish civil society and partners in EU member states through the promotion of a civil society dialogue.

Implementation: 3 grant schemes\* (EUR 5.4 million, EUR 2.7 million and EUR 0.3 million) in the fields of Political Criteria, Media and micro-grants, all to be launched 3<sup>rd</sup> quarter 2011. 1 Service contract (EUR 1.2 million), tender launched 2<sup>nd</sup> quarter 2011) to fund technical assistance and provide training.

TR2010/0465.01 67.6 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, 7<sup>th</sup> Framework Programme 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.

**Priority 4:  
Support  
Activities**

TR2010/0740.01 6.7 Project purpose: To strengthen capacities of institutions managing EU funds under IPA, as well as other relevant Turkish institutions in fulfilling their respective pre-accession functions.

Implementation: 1 Project Preparation and Unallocated Institution Building Facility. Tenders launched from 2<sup>nd</sup> quarter 2011.

\* 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. c 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

Turkey receives assistance from IPA under 5 components with a total allocation of EUR 4.87 billion for 2007-2013. IPA II – Cross-Border Cooperation aims to prepare Turkey for the implementation of the Territorial Cooperation objective of the EU structural funds and support Turkey's participation in bilateral cross-border programmes with Member States as well as Turkey's participation in the European Neighbourhood and Partnership Instrument (ENPI) Black Sea Basin programme. IPA III – Regional Development supports the intervention areas: environment, transport and regional competitiveness. IPA IV – Human Resources addresses employment, education and social inclusion. IPA V – Rural Development sets out the priorities for adaptation of the agricultural sector and implementing of EU standards, preparatory actions for agri-environment measures and the Leader programme and development of the rural economy. Previously, Turkey has received assistance under the Turkey pre-accession assistance instrument (2002-2006) and from IPA since 2007. Turkey continues to receive bilateral assistance from several EU Member States and international financial institutions.

The financial assistance provided for meeting the political criteria, for the implementation of the *acquis communautaire* and support to civil society amounts to over EUR 1.5 billion.

Under the political criteria, the promotion of human rights, the rule of law, the protection of vulnerable groups and the situation in the East and the South-East have been addressed through a number of projects aimed at the law enforcement bodies, the judiciary, civil society and in the field of education. Such projects target systemic changes, although the size of the country and the complexity of the issues have, in general, not permitted a definitive solution to identified problems. Mainly resulting from training and awareness raising, the drafting of legislation and preparing of strategies/action plans, but also due to the commissioning of supplies, a number of positive immediate and intermediate impacts have been or are being achieved across this area.

The support for the adoption of the *acquis* is focussed on areas where Turkey needs to step up its reform efforts to be able to fully adopt and enforce the *acquis communautaire*, often linked to opening and closing benchmarks in the context of the accession negotiations.

Under component I further development and strengthening of civil society is supported as well as civil society dialogue between Turkey and the EU. Civil society is also increasingly involved as stakeholders in the IPA programming process. Turkey and the EU are closely cooperating to further build on these positive steps.

### Lessons learned

In line with the conclusions of a conference held in Brussels in October 2009, which were confirmed by the Member States in the Council conclusions of December 2009, the Commission has taken several steps to improve the effectiveness of the financial assistance and to better align the use of funds with political priorities.

The European Court of Auditors (ECA) concluded in its Special Report on "The European Commission's management of pre-accession assistance to Turkey" that 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 between 2002 and 2006. In the same time projects audited had achieved their intended outputs and results were likely to be sustainable. The Commission welcomed the report and recognised a number of weaknesses in the early phases of pre-accession support to Turkey. However a lot of progress has been made, particularly ownership and project design have gradually improved since the introduction of IPA from 2007. The intervention logic has been strengthened and the Multi-Annual Indicative Planning Documents (MIPD) together with the Accession Partnerships now provide strategic orientations and priorities with the aim of helping Turkey to meet the accession criteria. Further improvements are under way and have been applied in this programme, such as:

- Projects selected are more closely linked to sector priorities and strategic orientations and careful consideration of intervention logic and indicators have been taken to improve measurability of project results and objectives.
- Investment projects required detailed needs analysis and maintenance/sustainability provisions while for institution building projects, the capacity and needs of the public administration was thoroughly assessed.
- High attention was paid to project maturity and implementation readiness and where necessary, conditionalities were put in place to ensure that commitments taken by Turkey are delivered upon before assistance becomes available.
- Projects that did not meet the above requirements were deferred for further development and further efforts are under way to strengthen the national management and control systems and to effectively monitor, evaluate and audit implementation.

In September 2009 the "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" was completed. The evaluation concluded that IPA programming under Component I was focused too much at project level. While most projects were relevant, a comprehensive multi-annual programming was not in place. The MIPDs should advisably be a first step in the direction of establishing a more strategic programming framework and could be further improved to allow for more efficient project selection and sequencing. These recommendations provide a good basis for the revised MIPD for 2011-2013 to be developed in 2010. As a step in this direction, the current programme has taken a more sectoral perspective in the selection of projects, taking into account sector strategies and through a better link of overall objectives and project purpose to sector priorities.

### **Donor/IFI cooperation**

In areas such as the Copenhagen political criteria, social policy, or migration and asylum, the EU pre-accession programme has established fruitful cooperation with a number of UN agencies, as well as with the Council of Europe. When choosing cooperation with international organisations, particular emphasis is put on the justification of the particular experience of an institution and its de facto monopoly position as well as the particular political sensitivity of the supported area.

The EU Delegation in Ankara has set up in 2010 a new framework for coordination among financial and technical cooperation partners around seven thematic groups (Social policy and employment, Competitiveness and economic governance, Development of the private sector, Transport Sustainable development, Governance and Migration, asylum, border management). In the future these groups are expected to be more closely associated to a sector approach for the provision of financial assistance in the relevant areas. Regular meetings are also going to be organised to update on IPA financial implementation with a view to keep EU Member States and international financial institutions fully informed on all financial cooperation issues of interest to them.

**2. d 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. e Conditions**

Agreement on the 2010 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. f Benchmarks**

	2011	2012 (cumulative)	2013 (cumulative)
	EU	EU	EU
Number of tenders launched* <i>(service, supply, works)</i>	30	31	31
Number of calls for proposals launched*	13	13	13

<i>(twinning, grants)</i>			
Number of direct grants without call for proposals	1	1	1
Contracting Rate (%)	30 %	80 %	100 %

\* Projects TR 2010/0329.01, TR2010/0465.01 and TR2010/0740.01 not included.

**2.g 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 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

Decentralised management <sup>1</sup>	Institution Building (IB)						Investment (INV)						Total		Total IPA EU contribution
	Total public expenditure		IPA EU contribution		National public contribution <sup>2</sup>		Total public expenditure		IPA EU contribution		National public contribution <sup>2</sup>		(IB + INV)		
	EUR	% <sup>3</sup>	EUR	% <sup>3</sup>	EUR	% <sup>3</sup>	EUR	% <sup>3</sup>	EUR	% <sup>3</sup>	EUR	% <sup>3</sup>	EUR	% <sup>4</sup>	
	(a)=(b)+(c)	(b)	(c)	(d)=(e)+(f)	(e)	(f)	(g)=(a)+(d)	(h)=(b)+(e)							
Priority axis 1 - Political criteria	32960000	30033500	2926500	8.879	2910000	2473500	436500	15	35870000	32507000	14.9245				
TR2010/0136.01	2400000	2160000	240000	10	200000	170000	30000	15	2600000	2330000					
TR2010/0136.02	2500000	2250000	250000	10	0	0	0	0	2500000	2250000					
TR2010/0136.03	3100000	2790000	310000	10	0	0	0	0	3100000	2790000					
TR2010/0136.04	3600000	3240000	360000	10	0	0	0	0	3600000	3240000					
TR2010/0136.05	3200000	2880000	320000	10	0	0	0	0	3200000	2880000					
TR2010/0136.06	2300000	2070000	230000	10	0	0	0	0	2300000	2070000					
TR2010/0136.07	3000000	2700000	300000	10	0	0	0	0	3000000	2700000					

TR2010/0136.08	3150000	2835000	90	315000	10	600000	510000	85	90000	15	3750000	3345000
TR2010/0136.09	1610000	1508500	93.696	101500	6.3043	510000	433500	85	76500	15	2120000	1942000
TR2010/0136.10	3900000	3610000	92.564	290000	7.4359	1600000	1360000	85	240000	15	5500000	4970000
TR2010/0136.11	1000000	950000	95	50000	5	0	0	0	0	0	1000000	950000
TR2010/0136.12	1700000	1615000	95	85000	5	0	0	0	0	0	1700000	1615000
TR2010/0136.13	1500000	1425000	95	75000	5	0	0	0	0	0	1500000	1425000
Priority axis 2 - Acquis alignment	15175000	14034000	92.48	1141000	7.519	102455000	87326750	85.23	15128250	14.77	117630000	101360750
TR2010/0301.01	750000	712500	95	37500	5	2100000	1785000	85	315000	15	2850000	2497500
TR2010/0301.02*	0	0	0	0	0	1600000	1600000	100	0 <sup>5</sup>	0	1600000	1600000
TR2010/0310.01	1000000	900000	90	100000	10	0	0	0	0	0	1000000	900000
TR2010/0311.01	0	0	0	0	0	46200000	39270000	85	6930000	15	46200000	39270000
TR2010/0312.01	0	0	0	0	0	2200000	1870000	85	330000	15	2200000	1870000
TR2010/0312.02	0	0	0	0	0	38375000	32618750	85	5756250	15	38375000	32618750
TR2010/0314.01	1300000	1235000	95	65000	5	0	0	0	0	0	1300000	1235000
TR2010/0314.02	1170000	1111500	95	58500	5	480000	408000	85	72000	15	1650000	1519500
TR2010/0315.01	1500000	1,350,000	90	150,000	10	0	0	0	0	0	1500000	1350000

TR2010/0324.01	0	0	0	0	0	0	0	0	0	11500000	9775000	85	1725000	15	11500000	9775000	
TR2010/0327.01	1500000	1425000	75000	95	5	0	0	0	0	0	0	0	0	0	1500000	1425000	
TR2010/0327.02	1150000	1035000	115000	90	10	0	0	0	0	0	0	0	0	0	1150000	1035000	
TR2010/0327.03	1000000	900000	100000	90	10	0	0	0	0	0	0	0	0	0	1000000	900000	
TR2010/0327.04	1000000	900000	100000	90	10	0	0	0	0	0	0	0	0	0	1000000	900000	
TR2010/0327.05	1800000	1710000	90000	95	5	0	0	0	0	0	0	0	0	0	1800000	1710000	
TR2010/0328.01	2500000	2250000	250000	90	10	0	0	0	0	0	0	0	0	0	2500000	2250000	
TR2010/0329.01*	505000	505000	0 <sup>5</sup>	100	0	0	0	0	0	0	0	0	0	0	505000	505000	
Priority axis 3 - CS Dialogue	185425795	77237076	108188719	41.65	58.35	0	0	0	0	0	0	0	0	0	185425795	77237076	35.4608
TR2010/0135.01	10700000	9630000	1070000	90	10	0	0	0	0	0	0	0	0	0	10700000	9630000	
TR2010/0465.01	174725795	67607076	107118719	38.693	61.307	0	0	0	0	0	0	0	0	0	174725795	67607076	
Priority axis 4 - Support activities	7450000	6705000	745000	90	10	0	0	0	0	0	0	0	0	0	7450000	6705000	3.07837
TR2010/0740.01	7450000	6705000	745000	90	10	0	0	0	0	0	0	0	0	0	7450000	6705000	
<b>TOTAL</b>	<b>241010795</b>	<b>128009576</b>	<b>113001219</b>	<b>53.11</b>	<b>46.89</b>	<b>105365000</b>	<b>89800250</b>	<b>85.23</b>	<b>15564750</b>	<b>14.77</b>	<b>346375795</b>	<b>217809826</b>					

<sup>1</sup> Except project TR2010/0301.02 and TR2010/0329.01 to be implemented through centralised management (marked with \* in table)

<sup>2</sup> Public contribution (private contributions are not taken into account (Article 67(1) IPA IR) under decentralised management)

<sup>3</sup> Expressed in % of the Total expenditure IB or INV (column (a) or (d))

<sup>4</sup> Priority axis rows only. Expressed in % of the grand total of column (h). It indicates the relative weight of the priority with reference to the total IPA EU contribution of the entire FP

<sup>5</sup> Centralised project. Co-financing (public and private national and/or international contribution) as applicable provided by national counterparts

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

The EU contribution, which represents 62.88 % 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 is detailed in the project fiches.

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. 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.

### **3.3. Method of Implementation**

This programme shall be implemented by decentralised management (except for projects TR2010/0301.02 and TR2010/0329.01 to be implemented through centralised management), in accordance with article 53c of the Financial Regulation<sup>2</sup> and the corresponding provisions of the Implementing Rules<sup>3</sup>. 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 ex ante control by the European Commission shall apply to the 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.

### **3.4. 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.

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 website<sup>4</sup> at the date of the initiation of the procurement or grant award procedure.

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<sup>2</sup> Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1)

<sup>3</sup> Regulation 2342/2002 (OJ L 357, 31.12.2002, p. 1)

<sup>4</sup> Current address: [http://ec.europa.eu/europeaid/work/procedures/implementation/practical\\_guide/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm)

In case of projects containing the works/supervision of works component, the International Federation of Consulting Engineers (FIDIC) conditions of contracts will be followed.

### **3.5. 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](http://ec.europa.eu/enlargement/financial_assistance/institution_building/twinning_en.htm)

### **3.6. 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 shall be made for any project, equivalent to that provided for in Art. 6 of the Habitats Directive<sup>5</sup>, that is likely to affect sites of nature conservation importance.

## **4. MONITORING AND EVALUATION**

### **4.1. 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.

### **4.2. 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

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<sup>5</sup> 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).

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.

## **5. AUDIT, FINANCIAL CONTROL, ANTIFRAUD MEASURES; FINANCIAL ADJUSTMENTS, PREVENTIVE MEASURES AND FINANCIAL CORRECTIONS**

### **5.1. 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) 2185/96<sup>6</sup>.

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

### **5.2. 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.

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<sup>6</sup> Council Regulation (EC, Euratom) 2185/96 of 11. November 1996, OJ L 292; 15.11.1996; p. 2.

### **5.3. 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.

### **5.4. 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 1828/2006<sup>7</sup>. 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

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<sup>7</sup> OJ L371, 27.12.2006, p. 1.



immediately of any such conflict of interest or any situation likely to give rise to any such conflict.

## **5.5. 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.

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.

## **6. 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.

## **7. 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 nature<sup>8</sup>, 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

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<sup>8</sup> 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.

accordance with the principles of sound financial management without an amending financing decision being necessary.



**ANNEX B    FRAMEWORK AGREEMENT BETWEEN THE COMMISSION OF  
THE EUROPEAN COMMUNITIES AND THE GOVERNMENT OF  
THE REPUBLIC OF TURKEY, DATED 11 JULY 2008**



## **ANNEX C FURTHER CONDITIONS FOR THE DELIVERY OF EUROPEAN UNION ASSISTANCE**

### **1 DEPUTISING**

- (1) The beneficiary country shall ensure that a system of deputising is in place to ensure the continuity of the functions assigned to the national authorising officer.
- (2) Without prejudice of the aforementioned, the national authorising officer shall remain finally responsible for all the responsibilities vested in him in this Agreement and other agreements.

### **2 FURTHER RESPONSIBILITIES OF THE NAO**

In addition to the functions and responsibilities laid down in Annex B to this Agreement, the national authorizing officer shall:

- (a) conclude the relevant agreements with each of the implementing agencies, which must be endorsed by the Commission;
- (b) ensure the flow of national and other co-financing resources;
- (c) ensure that the financing reporting system Perseus<sup>9</sup> is regularly updated and reporting procedures properly respected by the national fund and the implementing agencies;
- (d) participate in the IPA monitoring committee;
- (e) participate in the Transition Assistance and Institution Building Monitoring Committee (the TAIB committee).

### **3 PAYMENTS**

- (1) Payments by the Commission of the European Union contribution shall be made within the limits of the funds available.
- (2) They shall take the form of: pre-financing, interim payments and payments of the final balance.
- (3) By 28 February each year, the national authorising officer shall send to the Commission a forecast of its likely payments applications for the financial year concerned and for the subsequent financial years.

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<sup>9</sup> Perseus is the current financial reporting system of the European Commission.

- (4) The exchange of information concerning financial transactions between the Commission and the national authorising officer shall, where appropriate, be made by electronic means, using procedures agreed upon between them.
- (5) The combined total of pre-financing and interim payments shall not exceed 95% of the European Union contribution.
- (6) When the ceiling referred to in paragraph 5 above is reached, the national authorising officer shall only submit a new certified statement of expenditure and information about the amounts received when he/she requests the payment of the final balance.
- (7) Amounts set out in the programmes submitted by the national authorising officer, in certified statements of expenditure, in payment applications and in expenditure mentioned in the implementation reports, shall be denominated in euro. The national authorising officer shall convert the amounts of expenditure incurred in national currency into euro using the monthly accounting rate of the euro established by the Commission for the month during which the expenditure was registered in the accounts of the operating structure concerned.
- (8) Payments by the Commission to the national fund shall be made to the euro account. One euro account shall be opened for each of the IPA programmes concerned, and shall be used exclusively for transactions relating to that programme.
- (9) The national authorising officer shall ensure that the final beneficiaries receive the total amount of the public contribution in due time and in full. No specific charge or other charge with equivalent effect shall be levied which would reduce these amounts for the final beneficiaries.
- (10) The expenditure may be covered by European Union financing only if it has been incurred and paid by the final beneficiary. Expenditure paid by final beneficiaries shall be substantiated by receipted invoices or accounting documents of equivalent probative value or other relevant documents, where, according to the programme, assistance is not a function of expenditure. Expenditure must have been certified by the national authorising officer.

#### **4 ACCEPTABILITY OF PAYMENT APPLICATIONS**

- (1) Without prejudice of establishing additional requirement if the circumstances so require, the Commission shall not approve a payment application until the following minimum requirements have been fulfilled:
  - (a) In the case of pre-financing by the Commission:
    - the national authorising officer has notified to the Commission the opening of the euro account concerned;
    - the accreditation delivered by the competent accrediting officer and the national authorising officer are in force and the conferral of management by the Commission remains valid;
    - the relevant financing agreement has entered into force.

- (b) In the case of each interim payment made by the Commission:
- the national authorising officer has sent to the Commission a payment application and a statement of expenditure relating to the payment in question;
  - the ceilings for European Union assistance under each priority axis, as laid down in the Commission financing decision, have been respected;
  - the operating structure have sent the Commission the sectoral annual implementation reports, as referred to in Article 61(1) of Regulation (EC) 718/2007, including the most recent one;
  - the audit authority has sent the Commission, in accordance with the first and second indent of Article 29(2)(b) of Regulation (EC) 718/2007 the most recent annual audit activity report and opinion on the conformity of the management and control systems in place with the requirements of Regulation (EC) 718/2007 and those of any agreement between the Commission and the beneficiary country;
  - the accreditations delivered by the competent accrediting officer and the national authorising officer are in force, and the conferral of management by the Commission remains valid.

If one or more of the conditions mentioned in this paragraph are not met, the beneficiary country and the national authorising officer shall, when so requested by the Commission and within the time limit fixed by the Commission, take the necessary steps to remedy the situation.

- (c) In the case of payment by the Commission of the final balance, in accordance with the deadline set down in Article 166 of Regulation (EC, Euratom) 1605/2002, as last modified by Regulation (EC, Euratom) No 1995/2006 of 13 December 2006:
- the national authorising officer has sent the Commission a final payment application and a final statement of expenditure;
  - the operating structure have sent to the Commission the sectoral final reports for the programme concerned, as required by Article 61(1) of Regulation (EC) No 718/2007;
  - the audit authority has sent the Commission, in accordance with the third indent of Article 29(2)(b) of Regulation (EC) No 718/2007, an opinion on any final statement of expenditure, supported by a final activity report;
  - the accreditation delivered by the competent accrediting officer and the national authorising officer are in force and the conferral of management by the Commission remains valid.

Failure to meet any of the conditions mentioned in this paragraph shall immediately result in the de-commitment of the final balance.

- (2) All or part of the payments may be suspended by the Commission where:
- (a) there is a serious deficiency in the management and control system of the programme which affects the reliability of the procedure for certification of payments and for which corrective measures have not been taken; or
  - (b) expenditure in a certified statement of expenditure is linked to a serious irregularity which has not been corrected;

- (c) clarifications are needed regarding the information contained in the declaration of expenditure.
- (3) The beneficiary country shall be given the opportunity to present its observations within a period of two months before the Commission decides on a suspension in accordance with paragraph 2.
- (4) The Commission shall end suspension of all or part of the payments where the beneficiary country has taken the necessary measures to remedy the deficiency. If those measures have not been taken by the beneficiary country, the Commission may decide to cancel all or part of the European Union contribution to the programme.

## **5 PRE-FINANCING**

- (1) Pre-financing shall in principle represent 50% of the European Union contribution to the programme concerned and it may be paid in yearly instalments. That rate may be raised if the national authorising officer demonstrates that the resulting amount will not cover the pre-financing of the contracts and grants signed at national level. Payments for the participation in European Union programmes and agencies may amount to 100% of the European Union contribution relating to this participation.
- (2) The amount to be pre-financed shall be calculated as the sum of the estimate of the amount to be contracted by year, and the actual amount for which contractual obligations have been entered into in the previous years. With the exception of that concerning participation in European Union programmes and agencies, pre-financing shall only be paid once the first tender or call for proposals is launched.
- (3) The total amount paid as pre-financing shall be reimbursed to the Commission if no payment application for the programme concerned is sent within 15 months of the date on which the Commission pays the first pre-financing amount. The European Union contribution to the programme concerned shall not be affected by such reimbursement.
- (4) The total pre-financing amount shall be cleared at the latest when the programme is closed. Throughout the lifetime of the programme, the national authorising officer shall use the pre-financing payment only to pay the European Union contribution to expenditure in compliance with Regulation (EC) 718/2007.

## **6 INTERIM PAYMENTS**

- (1) If it appears that the rules applicable have not been complied with or that European Union funds have been improperly used, the Commission may reduce interim payments to the beneficiary country, or temporarily suspend them, in accordance with the provisions of Article 46 of Regulation (EC) 718/2007. It shall inform the beneficiary country accordingly.
- (2) The suspension or reduction of interim payments shall comply with the principle of proportionality and shall be without prejudice to the decisions of conformity and clearance-of-account decisions and financial corrections.



## **7 REALLOCATION OF FUNDS**

- (1) The national authorizing officer may request a reallocation of funds within the same programme following a recommendation from the IPA monitoring Committee.
- (2) The reallocation requested shall be submitted to the Commission for approval, and shall be subject to a new Commission decision.
- (3) If the reallocation does not comprise substantial changes to the nature of the original programme and, as regards the financial element, it does not exceed 20% of the total amount allocated to the programme in question, subject to the limit of €4 million, the committee which gave an opinion on the original programme shall be informed.

## **8 STAFF, LOCATION AND OPERATIONAL COSTS OF THE NATIONAL FUND AND THE OTHER BODIES AND AUTHORITIES**

- (1) The beneficiary country shall ensure that at its own cost the availability of the necessary human resources for the timely and correct execution of the tasks entrusted to the bodies and authorities designated under Article 21 of the IPA Implementing Regulation.
- (2) The beneficiary country shall provide at its own costs the necessary premises, office furniture and other facilities for the aforementioned bodies and authorities.
- (3) The operational costs of those bodies and authorities shall be borne by the beneficiary country.

## **9 BANK ACCOUNTS**

- (1) The National Fund shall for each programme open up a separate euro bank account in the Central Bank or in a Government guaranteed bank account. The account shall, in principle, be interest-generating.
- (2) Any interest earned on any of the component-specific euro accounts remains the property of the beneficiary country. Interest generated by the financing by the European Union of a programme shall be posted exclusively to that programme, being regarded as a resource for the beneficiary country in the form of a national public contribution, and shall be declared to the Commission whenever a payment application is submitted to the Commission.
- (3) The bank account shall be operated on the basis of a double signature system, requiring the signatures of the national authorizing officer and a senior Treasury officer.
- (4) The national fund shall communicate to the Commission all relevant information on the accounts at the national fund as well as on all other accounts in the implementing

agencies and others to which IPA funds have been transferred. Relevant information encompasses the name and address of the bank, the account number, the names of the account holders, the interest rates and any other information that the Commission deems appropriate.

## **10 ACCOUNTING AND AUDITS**

- (1) The National Authorizing Officer (NAO) shall ensure the operation of an accounting system covering all contractual and other financial operations pertaining to all IPA financed programmes as appropriate at different implementation levels.
- (2) The accounts and operations of all relevant operating structures/implementing agencies and authorities may be checked at regular intervals by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Court of Auditors as referred to in the Framework Agreement.
- (3) All documents related to a given programme shall be retained by the beneficiary country for at least three years after the closure of the programme. This period shall be interrupted either in case of legal proceedings or at the duly motivated request of the Commission.
- (4) By way of derogation from paragraph 3 above, written records of the entire procurement, grant award and contracting procedure shall be retained by the operating structure for a period of at least seven years from the payment of the balance of the contract.

## **11 REPORTING**

- (1) The operating structure shall send the Commission, the national IPA co-ordinator and the national authorising officer a sectoral annual report by 30 June each year.
- (2) A sectoral final report shall be submitted to the Commission, the national IPA co-ordinator and the national authorising officer at the latest 6 months after the closure of the programme. The sectoral final report shall cover the whole period of implementation and include the last sectoral annual report.
- (3) Sectoral reports shall be examined by the TAIB committee prior to their transmission to the Commission, the national IPA co-ordinator and the national authorising officer. These sectoral reports shall be made in conformity with the financial reporting system Perseus.
- (4) Sectoral reports shall include the following information:
  - (a) quantitative and qualitative elements about the progress made in implementing the programme, priority axes or operations, in relation to specific, verifiable targets;
  - (b) detailed information about the financial implementation of the programme;

- (c) information on the steps taken by the operating structure or the TAIB committee to ensure the quality and effectiveness of implementation, in particular:
  - (i) the monitoring and evaluation measures, including data collection arrangements,
  - (ii) a summary of any significant problems encountered in implementing the programme and any subsequent measures taken,
  - (iii) the use made of technical assistance.
- (5) information on the activities to provide information on and publicise the programme, in accordance with Article 62 of the IPA Implementing Regulation.

## 12 MONITORING

- (1) In addition to the setting up of an IPA monitoring committee as described in the Framework Agreement, the national IPA co-ordinator shall establish a sectoral monitoring committee, the Transition Assistance and Institution Building Monitoring Committee, or 'TAIB committee, within six months after the entry into force of this Financing Agreement.
- (2) The TAIB committee shall meet at least twice a year, at the initiative of the beneficiary country or the Commission. It shall draw up its rules of procedure, in compliance with a sectoral monitoring committee mandate set out by the Commission, and within the institutional, legal and financial framework of the beneficiary country concerned. It shall adopt these rules of procedure in agreement with the national IPA co-ordinator, the national authorising officer and the IPA monitoring committee.
- (3) The TAIB committee shall be chaired by the national IPA co-ordinator. Its Members shall include the national authorising officer, the programme authorising officers and, where appropriate, other representatives of the operating structure, representatives of the Commission, as well as, where appropriate, representatives of international financial institutions and civil society, designated by the beneficiary country in agreement with the Commission.
- (4) In accordance with Article 59(2) of Regulation (EC) 718/2007 the TAIB committee shall satisfy itself as to the effectiveness and quality of the concerned programmes and operations by, in particular
  - (a) reviewing implementation status reports detailing financial and operational progress of the programmes;
  - (b) reviewing the achievement of objectives and results of the programmes;
  - (c) reviewing procurement plans as well as relevant evaluation recommendations;
  - (d) discussing problematic issues and operations;
  - (e) proposing corrective actions as appropriate;
  - (f) reviewing the cases of fraud and irregularities and present the measures taken to recover the funds and to avoid the recurrence of similar cases;
  - (g) reviewing the annual audit work plan prepared by the audit authority and the findings and recommendations of the audits carried out.

(5) The TAIB committee shall monitor all ongoing programmes under this component. In the case of, inter alia, investment operations, transfer of assets or privatizations, the beneficiary country shall monitor the programmes until their closure and shall notify the TAIB committee of any changes to the results of these programmes that significantly affect their impact, sustainability and ownership.

(6) The TAIB committee may be assisted by sectoral monitoring sub-committees, set up by the beneficiary country to monitor programmes and operations of this component, grouped by monitoring sectors. Sub-committees shall report to the TAIB committee. They shall draw up and adopt their internal rules of procedure, in compliance with a mandate to be set out by the Commission.

### **13 ROADMAP FOR DECENTRALISATION WITHOUT EX-POST CONTROLS**

(1) The Beneficiary country shall establish a roadmap with indicative benchmarks and time limits to achieve decentralisation without *ex ante* controls by the Commission.

(2) The Commission shall monitor the implementation of the roadmap mentioned in paragraph 1, and shall take due account of the results achieved by the beneficiary country in this context, in particular in the provision of assistance and in the negotiation process. The roadmap to achieve decentralization without *ex ante* controls may refer to a phased waiver of different types of ex-ante control.

(3) The Beneficiary country shall keep the Commission updated on a six-monthly basis with the progress made in the implementation of this roadmap.

(4) The dispensing of the ex-ante controls by the Commission will be subject of another Decision when the Commission is satisfied that the requirements set out in Article 18 of Regulation (EC) No 718/2007 are met.

### **14 TREATMENT OF RECEIPTS**

(1) Receipts for the purposes of IPA include revenue earned by an operation, during the period of its co-financing, from sales, rentals, service enrolment/fees or other equivalent receipts with the exception of:

(a) receipts generated through the economic lifetime of the co-financed investments in the case of investments in firms;

(b) receipts generated within the framework of a financial engineering measure, including venture capital and loan funds, guarantee funds, leasing;

(c) where applicable, contributions from the private sector to the co-financing of operations, which shall be shown alongside public contribution in the financing tables of the programme.

(2) Receipts as defined in paragraph 1 above represent income which shall be deducted from the amount of eligible expenditure for the operation concerned. No later than the closure of the programme, such receipts shall be deducted from the relevant operation's eligibility expenditure in their entirety or pro-rata, depending on whether they were generated entirely or only in part by the co-financed operation.

## **15 ELIGIBILITY OF EXPENDITURE**

- (1) Expenditure under the programme in Annex A shall be eligible for European Union contribution if it has been incurred after the contracts and grants implementing such programme have been signed, except in the cases explicitly provided for in the Financial Regulation.
- (2) The following expenditure shall not be eligible for European Union contribution under the programme in Annex A:
  - (a) taxes (including VAT), customs and import duties and levies and/or taxes of equivalent effect in accordance with the IPA Framework Agreement with Turkey in Art. 26, attached as Annex B to this Financing Agreement;
  - (b) purchase, rent or leasing of land and existing buildings;
  - (c) fines, financial penalties and expenses of litigation;
  - (d) operating costs;
  - (e) second hand equipment;
  - (f) bank charges, costs of guarantees and similar charges;
  - (g) conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
  - (h) contributions in kind;
  - (i) any leasing costs;
  - (j) depreciation costs.
- (3) By way of derogation from paragraph 2 above, the Commission will decide on a case-by-case basis whether the following expenditure is eligible:
  - (a) operating costs, including rental costs, exclusively related to the period of co-financing of the operation;
  - (b) value added taxes, if the following conditions are fulfilled:
    - (i) the value added taxes are not recoverable by any means;
    - (ii) it is established that they are borne by the final beneficiary, and
    - (iii) they are clearly identified in the project proposal.
- (4) Expenditure financed under IPA shall not be the subject of any other financing under the European Union budget.

## **16 RETENTION OF DOCUMENTS**

- (1) All documents related to a given programme shall be retained by the Beneficiary for at least three years after the closure of the programme. This period shall be interrupted either in the case of legal proceedings or at the duly motivated request of the Commission.
- (2) By way of derogation from paragraph 1, written records of the entire procurement, grant award and contracting procedure shall be retained by the operating structure for a period of at least seven years from the payment of the balance of the contract.

## **17 FURTHER RESPONSIBILITIES OF THE NATIONAL IPA COORDINATOR**

Where the national IPA coordinator exercises his responsibility for the programming of the transition assistance and institution building component at national level, he/she shall carry out the following tasks:

- (a) organize the preparation of project proposals as referred to in Article 69 of the IPA Implementing Regulation.
- (b) elaborate and present to the Commission the project fiches referred to in Article 69 of the IPA Implementing Regulation.
- (c) monitor the technical execution of the national programmes.

## **18 DESIGNATION AND RESPONSIBILITIES OF THE PROGRAMME AUTHORIZING OFFICERS**

- (1) The national authorizing officer shall, after consulting the national IPA co-ordinator, designate programme authorizing officers to head the implementing agencies. They shall be officials within the state administration of the Beneficiary and shall be responsible for the activities mentioned in Section 6(b) of Annex A to the Framework Agreement, in accordance with Article 8(3) of the Framework Agreement and with Article 11(3) of the IPA Implementing Regulation.
- (2) Programme authorizing officers shall designate officials within the national administration as senior programme officers. Under the overall responsibility of the programme authorizing officer concerned, senior programme officers shall carry out the following tasks:
  - (a) be responsible for the technical aspect of the operations within the line ministries;
  - (b) assist the programme authorizing officers in the good and timely preparation and implementation of operations at technical level;
  - (c) be in charge of the co-ordination within each priority axis set down in the Beneficiary's project proposal.

## **19 DETAILED RULES ON THE ACCREDITATION OF THE OPERATING STRUCTURES**

- (1) Where European Union funds have been managed by existing national bodies in the Beneficiary under Regulation (EEC) No 3906/89 or Regulation (EC) No 2500/2001 prior to the date of entry into force of the IPA Implementing Regulation, those bodies (hereinafter referred to as the "existing national bodies") shall manage funds under the transition assistance and institution building component and the cross-border co-operation component, until the Commission adopts a Decision on conferral of management powers.
- (2) In no case the existing national bodies can manage funds under the transition assistance and institution building component or under the cross-border co-operation

component without a conferral of management powers by the Commission in accordance with the IPA implementing rule for more than one year from the entry into force of the IPA Implementing Regulation.

- (3) The Commission shall decide whether to confer management powers on the existing national bodies in particular having regard to the list of deviations submitted in accordance with paragraph 4 and the decision taken by the national authorizing officer in accordance with paragraph 5.
- (4) The national authorizing officer shall carry out an assessment of the operating structure, which include the existing national bodies, with regard to the requirements referred to in Article 11 of the IPA Implementing Regulation. In particular, he/she shall establish a list of any requirements under the IPA Implementing Regulation, as set out in Article 11 therein, which the operating structure does not comply with, based on an opinion of an external auditor functionally independent from all actors in the management and control system. The list of deviations shall be sent to the Commission at the latest four months after the entry into force of the IPA Implementing Regulation.
- (5) Where the non-compliance referred to in paragraph 4 is deemed to be compatible with the efficient and effective functioning of the operating structures, the national authorizing officer may decide to accredit the bodies concerned.

At the latest five months after the entry into force of the IPA Implementing Regulation, he/she shall send to the Commission a decision relating to the accreditation of the bodies concerned. This decision shall include a roadmap, with time bound objectives, laying down the steps to be taken to remedy the non-compliance as set out in the list referred to in paragraph 4. The roadmap shall be agreed by the Commission.

- (6) Where the non-compliance referred to in paragraph 6 is not deemed to be compatible with the efficient and effective functioning of an operating structure, the national authorizing officer shall proceed to establish an accreditation for the operating structure concerned, in accordance with the provisions of Article 13 of the IPA Implementing Regulation.

## **20 DETAILED RULES ON THE CONFERRAL OF MANAGEMENT POWERS BY THE COMMISSION**

- (1) In the event that the Commission decides to confer management powers on the "existing national bodies" mentioned in Section 19 (1) above, the Commission may lay down further conditions on the national authorities. In the event of further conditions, the Commission shall set a time limit for compliance by the national authorities for the conferral of management powers to remain effective. The Commission Decision shall also lay down the list of *ex-ante* controls mentioned in Article 12(4) of Annex B.

- (2) Irrespective of the national authorizing officer's decision, the Commission may decide to maintain, suspend or withdraw the conferral of management powers on any of the bodies concerned at any time.
- (3) At all stages, the national authorizing officer shall ensure that all the information required by the Commission is provided by the Beneficiary.

