

## SECTORAL ANNUAL IMPLEMENTATION REPORT

### IPA Component I – Transitional Assistance and Institution Building (TAIB)

Prepared by

Ministry for EU Affairs

Date

26 June 2012

#### Identification

SECTORAL ANNUAL IMPLEMENTATION REPORT	Reporting year (from 1 January until 31 December 2011)
On-going IPA – national programmes under component I covered under this report:  - IPA 2007 Component I  - IPA 2008 Component I  - IPA 2009 Component I  - IPA 2010 Component I  -IPA 2011 Component I	<ul style="list-style-type: none"><li>● Final date for contracting: 24/12/2010</li><li>● Final date for execution of contracts: 24/12/2012</li><li>● Final date for contracting: 31/10/2011</li><li>● Final date for execution of contracts: 31/10/2013</li><li>● Final date for contracting: 13/12/2012</li><li>● Final date for execution of contracts: 13/12/2014</li><li>● Final date for contracting: 17/12/2012 (C.P) – 11/04/2013 - 03/02/2013</li><li>● Final date for execution of contracts: 17/12/2014 (C. P.) – 11/04/2015 – 03/02/2015</li><li>● Final date for contracting: 13/10/2013</li><li>● Final date for execution of contracts: 13/10/2015</li></ul>
This Report was examined by the TAIB Monitoring Committee on	Date : 26 June 2012

**Legal base:** Art. 61 and Art. 84 of the IPA Implementing Regulation and Art. 38 of the Framework Agreement between the European Commission and Turkey.

**Objective of the Annual Implementation Report for IPA Component I** – to provide information whether the implementation of the programme under IPA TAIB Component I is efficient, effective, provides value for the financial support of the EU and ensures financial integrity.

**1. Quantitative and qualitative elements about the progress of the ongoing programme under IPA Component I (Art. 84, (4) (a) IPA Implementing Regulation).**

**1.1. Information should be provided about the following:**

- The quantitative elements of the progress made in implementing the programme, priority axes or operations in relation to specific, verifiable targets, with a quantification, when possible using the operational verifiable indicators (OVIs);

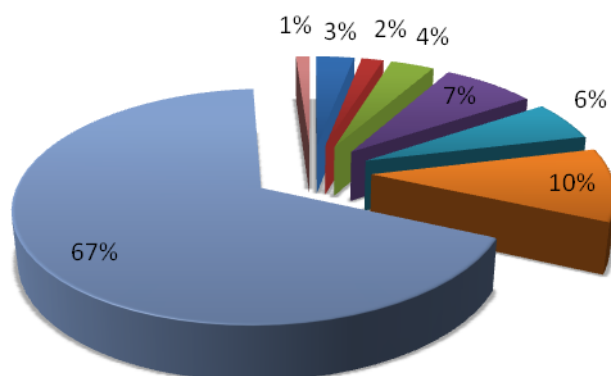
Within the reporting year, 461 contracts were signed within IPA 2007 Component I, 305 contracts were signed within IPA 2008 Component I and 118 contracts were signed within IPA 2009 Component I, 2 contracts were signed within IPA 2010 Component I as of 31/12/2011. Distribution of the signed contracts by type and nationality were indicated as the following.

**IPA 2007 Component I**

Type of signed contract	Number of contracts
Twinning	14
Direct Grant	8
Direct Agreement	16
Framework	34
Service	26
Supply	48
Grant	310
Works	5
<b>Total</b>	<b>461</b>

## Number of Contracts-IPA 2007 I

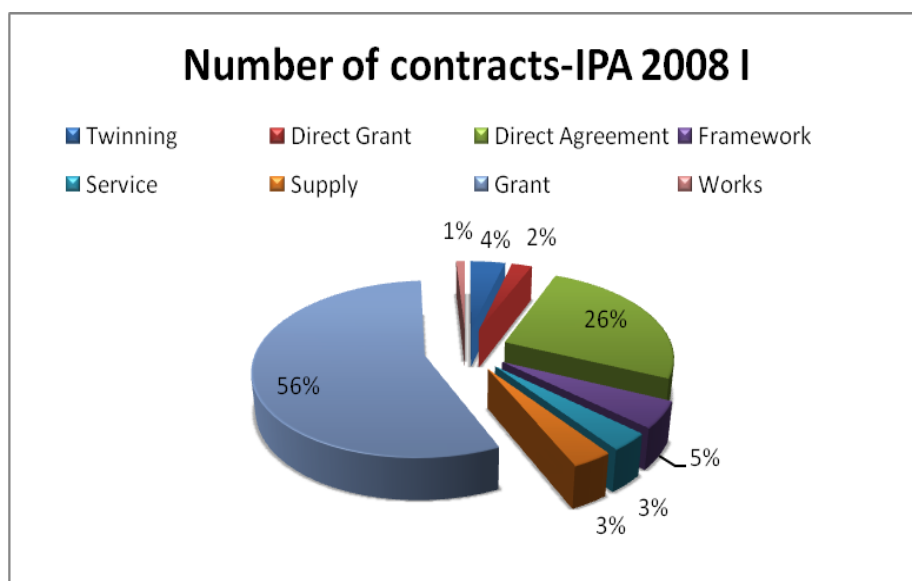
■ Twinning      ■ Direct Grant      ■ Direct Agreement      ■ Framework  
■ Service      ■ Supply      ■ Grant      ■ Works



Nationality of contract	Number of contracts
AUSTRIA	4
BELGIUM	22
DENMARK	3
FRANCE	6
GERMANY	13
GREAT BRITAIN	14
GREECE	5
HUNGARY	4
IRISH REPUBLIC	2
ITALY	6
LUXEMBOURG	1
NETHERLANDS	4
SPAIN	1
TURKEY	376
<b>Total</b>	<b>461</b>

## IPA 2008 Component I

Type of signed contract	Number of contracts
Twinning	12
Direct Grant	7
Direct Agreement	78
Framework	15
Service	10
Supply	10
Grant	170
Works	3
<b>Total</b>	<b>305</b>



Nationality of contract	Number of contracts
AUSTRIA	1
BELGIUM	6
CZECH REPUBLIC	2
DENMARK	2
FINLAND	2
FRANCE	10
GERMANY	5

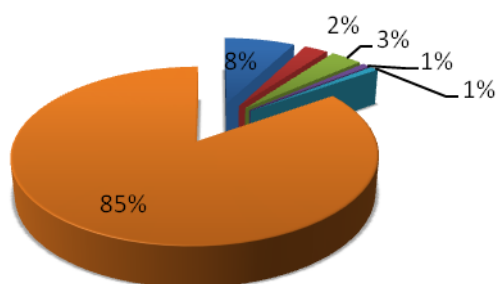
Nationality of contract	Number of contracts
GREAT BRITAIN	3
GREECE	2
HUNGARY	1
IRISH REPUBLIC	2
ITALY	6
MULTI-COUNTRY	3
NETHERLANDS	4
SPAIN	3
TURKEY	253
<b>Total</b>	<b>305</b>

### IPA 2009 Component I

Type of signed contract	Number of contracts
Twinning	9
Direct Grant	3
Direct Agreement	4
Framework	1
Service	1
Grant	100
<b>Total</b>	<b>118</b>

### Number of Contracts- IPA 2009 I

■ Twinning 
 ■ Direct Grant 
 ■ Direct Agreement 
 ■ Framework 
 ■ Service 
 ■ Grant



Nationality of contract	Number of contracts
AUSTRIA	1
BELGIUM	2
FRANCE	1
GERMANY	2
GREAT BRITAIN	1
NETHERLANDS	2
SPAIN	4
TURKEY	105
<b>Total</b>	<b>118</b>

### IPA 2010 Component I

Type of signed contract	Number of contracts
Supply	2

Nationality of contract	Number of contracts
NETHERLANDS	1
TURKEY	1
Total	2

For **2007 IPA-I**, the contracting performance is **89.2%**. As it is known, contracting deadline for the first programme of IPA-I was determined as 24 December 2011 with a one-year extension for certain projects. In this programme with a budget of **225.65 MEUR**, **201.2 MEUR** was committed by the CFCU through award of **461 contracts** while **24 MEUR** has been saved because of competition in tenders. Only two supply components (both of which were supply of software) with a total budget of **400.000 EUR** could not be awarded due to non-satisfaction of Technical Specifications in both and cancelled. In this programming year, it was observed that the competition (*especially in works tender*) has been largely affected by the recent increase in the exchange rate of EURO against TL. However, relying on the principal agreement of the JMC of 29 June 2010, reallocation of **18.3 MEUR** has been achieved.

Under the **2008 NP**, including the SEI programme 31 projects with 61 tenders were programmed to be funded with a total amount of **224.5 MEUR** and the contracting deadline for the whole programme was 31 October 2011 except 9 projects with total amount of **68.35 MEUR** of which the contracting deadline was extended to 31 March 2012.

However, after the re-allocation of (**31.8 MEUR EU money + 7.8 MEUR TR money**) the unspent funds from the *Tagging and Vaccination* project (11.3 MEUR saving) and cancelled/failed projects to the grant components of the “*EU-Turkey Intercultural Dialogue*”, direct grant component of the “*Enhancing the Role of the Supreme Judicial Authorities in Respect of European Standards*” and “*Lifelong Learning*” of the *Union Programme*, total budget is decreased to **184.9 MEUR** for this programme.

As of 31<sup>st</sup> of January 2012, 305 contracts were awarded with a total amount of **124.2 MEUR**. However, when the contracting deadline of 31 October 2011 and the budget with no extension, **116.6 MEUR**, is taken into account, **109.4 MEUR** is contracted which **%94** commitment is already realized by the CFCU. But the final contracting rate in this programme will be able to be seen at the end of March 2012. In this programme only one supply component with a budget of **300.000 EUR** could not be awarded although re-launched tender was realized. Furthermore, as of 31<sup>st</sup> of January around 7 MEUR is remained as tender savings and 5 MEUR of this amount is remained from the SEI project under this programme.

Under this programme, direct grant contract (*Post-Earthquake Support to the Province of Van*) was also signed in the last date of first contracting deadline with an amount of **4 MEUR** for earthquake victims in Van with the Turkish Red Crescent. Within this contract, 950 containers/living cabinets were supplied and installed as fully equipped in the region. It is estimated that around 6.000 people in the earthquake region has been sheltered.

Under the **2009 NP**, including SEI 36 projects with 52 components were funded with a total amount of **128.7 MEUR** with the contracting deadline of 13 December 2012. As of 31 January 2012, 118 contracts were signed with total amount of **26.5 MEUR**.

Under this programme, the project *TR2009/0332.01- Strengthening Institutional Capacity of Inspection Boards within Public Financial Management Control (PFMC) System* has only twinning component with a budget of 1.758.000 EUR which had to be cancelled because of the condition set by the EU Commission, active participation of all related inspection boards in the project has not been met.

Under the **2010 NP**, including SEI 30 projects with 47 components were funded with a total amount of **169.5 MEUR**.

As of 31<sup>st</sup> of January there are only 3 contracts signed with total amount of 8.7 MEUR and two of which are the supply component of the project “*FMD Vaccines for Control of Foot and Mouth Disease (FMD) in Turkey*” due to urgency of the project in terms of campaign period. Therefore, early processed has been eventuated and the contract signature date of the FMD contract is 8 September 2011.

Please see **Annexes 1, 2 and 3** for the list of projects under 2007 IPA-I, 2008 IPA-I and 2009 IPA-I NPs.

- The qualitative elements about the progress of the ongoing programme, priority axes or operations.

The IPA I programme was executed with projects under implementation from 2007, 2008, 2009 and 2010 programming years. During the reporting period, majority of the projects that were executed under the 2007 National Programme were finalized. A few examples of the successful projects are listed below.

### **Examples of Successfully Finalized Projects:**

## **TR 0701.01 - DEVELOPMENT OF WORK WITH JUVENILES AND VICTIMS BY THE TURKISH PROBATION SERVICE**

The project which was executed under the 2007 National Programme, started on 13 January 2009 and ended on 15 October 2010. The project was composed of a twinning and a supply component with a total budget of 2 MEUR. The beneficiary of the project is General Directorate of Prisons and Detention Houses of the Ministry of Justice.

The overall objective of the Project is “Improving implementation of international and European standards in the field of community protection and preventing crime.”

The purpose of the Project is “to rehabilitate the victims of crime and prevent re-offending of children through improving the institutional capacity of probation services in connection with victims of crime and juvenile studies.”

Since the project was a logical continuation of the previous Twinning (TR 0404.02: Development of the Probation Services in Turkey), involving the same Twinning partners, collaboration modalities were in place from the outset.

During the course of implementation of the project, 28 critical outputs were produced which can be grouped into 6:

- 1) Four intervention programmes plus a case management approach to address the offending related behaviour of juvenile offenders (Work with schools, employment, solving family problems and motivational supervision; Drugs programme; General Offending Behaviour Course; Aggression Replacement Training Programme (ART));
- 2) Four intervention programmes for work with victims of crime (general support programme for victims, plus separate programmes for victims of burglary and robbery, of domestic violence and of sexual violence);
- 3) Fourteen supporting training programmes for staff and middle managers to support the 8 intervention programmes;
- 4) National standards, policy setting, inter-agency working strategies were produced in combined manuals for both work with juveniles and with victims;
- 5) A Probation communication strategy was developed to support the work plan as well as a wide range of publicity materials for key stakeholders such as the judiciary, other professionals, juvenile offenders and victims and their families;
- 6) Over 600 Turkish Probation Services staff received training during the implementation of the project, exceeding the target in the work plan. Overall the management of the activities was transparent and efficient, in spite of some occasional difficulties in securing the mobilization of short term experts for reasons of non-availability.

As a result of the Project, the quality of the Turkish Probation Services and its subsidiaries were increased considerably. The project purpose “to rehabilitate the victims of crime and prevent reoffending of children through improving the institutional capacity of probation services in connection with victims of crime and juvenile studies” was achieved substantially.

The project’s impact prospects are in line with Council of Europe recommendations; improving harmonization and implementation of international and European standards and progress on fulfilling the political criteria for EU Accession. The results contributed to institution building through the provided training, the prepared intervention



programmes and the completed pilot interventions, improved capacity among staff to supervise juvenile offenders with distinct requirements, work on local quality control, performance management at local branch level and increased awareness on the need for Victim Support services.

## **TR 0702.02 - INTRODUCTION OF STOCK ASSESSMENT TO THE FISHERIES MANAGEMENT SYSTEM OF TURKEY**

The project was executed under the 2007 National Programme. It was composed of a Twinning and a Technical Assistance (TA) component with a total budget of 2,2 MEUR. The implementation of the project started on 19 March 2009 and ended on 14 February 2011.

The overall objective of the project is “to prepare Ministry of Agriculture and Rural Affairs (Ministry of Food, Agriculture and Livestock since June 2011) for the introduction of the Common Fisheries Policy (CFP) in Turkey.”

The project purpose is “to establish and improve necessary capacity required for ecosystem based fisheries resource management in Turkey.

The project beneficiary is the Directorate-General for Agricultural Research (DGAR) of the former Ministry of Agriculture and Rural Affairs (MARA). During the implementation period of the project, the DGAR was in charge of four Research Institutes those became part of the beneficiary later on.

As an outcome of the project, both components had delivered high number of outputs at good and high quality which are very valuable to the beneficiary. The detailed outputs of the Twinning component were delivered in about 85 mission reports. The TA component provided a set of Action Plans (AP), each with analysis of the subject, solutions and a sequential timetable to follow, e.g. four individual Sea Action Plans (Black Sea, Marmara, Aegean and Mediterranean Sea). The Sea Action Plans laid out the process for carrying out stock assessment in the Turkish Seas and provided recommendations for managing the area stocks. Also, 15 training events were carried out on eight specific topics and a modern, noiseless, multi-purpose research vessel was designed, with all technical specifications.

The delivered outputs and the achieved mandatory results at the end of the project secured the transfer of knowledge, advice, training (to over 300 relevant people) and support. The Twinning component had rendered assistance and guidance to the Ministry the development of a road map towards progressive alignment with the fisheries acquis, especially regarding resource management. The TA component had developed a set of Action Plans, providing analyses of each subject, solutions and a sequential timetable to follow.

## **TR 0702.19 - STRENGTHENING THE TURKISH NATIONAL MONITORING CENTER FOR DRUGS AND DRUGS ADDICTION**

The project composing of a Twinning and a Supply component with a total budget of 1,923 MEUR, was executed under the 2007 National Programme. The implementation of the project started on 11 February 2009 and ended on 11 March 2011.

The overall objective of the Project is “developing and strengthening Turkey’s legal, institutional and technical capacity for further alignment with the EU Acquis in the fight against drugs.”

The project purpose is “to strengthen the Turkish Monitoring Center for Drugs and Drug Addiction (TUBIM) to prepare for participation in the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and further alignment with the Acquis.”

The beneficiary of the project is Turkish Monitoring Center for Drugs and Drug Addiction (TUBIM) which is the Turkish EMCDDA focal point.

As a result of the project, the results defined in the project design related to the improvement of the capacity of TUBIM and the data collection and communication with EMCDDA were achieved to a great extent. Although TUBIM has still not finalized its reorganization, it has benefited significantly from the intervention and has become an active member of EMCDDA, thanks to the contribution of the Technical Assistance team. Given that TUBIM is the focal point of a large network of national institutions, the empowerment of the centre is a very positive development in the capacity of Turkey in fight against drugs.

The outputs of the project can be grouped under five components.

**Component 1- Strengthening the institutional structure of TUBIM:** As a result of this component, an assessment report on TUBIM’s legal status, current structures and procedures to meet EMCDDA requirements and recommendations for TUBIM’s future options was prepared. In addition to this, a document called “Roadmaps: Progress of implementation of the 5 key Epidemiological indicators and Early Warning System” was prepared. Finally, this component contributed to the organization of the 1<sup>st</sup> TUBIM conference in 2011, with the participation of more than 350 national and international experts from various fields and professions.

**Component 2 - Raising Awareness of NGOs and Mass Media Institutions:** The activities of this component focussed on increasing the number and quality of communication activities including publications, broadcasting and news. Within the scope of this component, “Workshops on Media Relations” were organized in order to improve the knowledge of officials from TUBIM and other related governmental institutions which are in contact with media. In addition to these workshops, “Guidelines for print media and audio-visual media services” were prepared which contain recommendations for media institutions reporting on drug-related topics. Finally, two study visits were organized in order to observe the situation in Germany, one visit was for the Turkish public agencies, and another one was for the Turkish media professionals.

**Component 3 - Improving data collection, analysis capacity and coordination function of TUBIM:** The aim of this component was to increase TUBIM’s capacity to gather, analyse and report national drug-related data in line with EMCDDA requirements. The key outputs of this component are; “Protocol for Data Collection System on Drugs in Turkey”, “Evaluation Report of the Action Plan (2007-2009)” and “Overview of the epidemiological key indicators of the EMCDDA”.

**Component 4 – Increasing the National Capacity of Epidemiologic Studies on Drugs and Drug Abuse:** The key outputs of this component are; a systematic review on the current epidemiological situation on drugs and drug addiction in Turkey, a comparative analysis of research onto illicit drugs in Turkey and EU Member States, a report summarizing the

results of the pilot survey among adults in Ankara and a detailed work plan estimating Problem Drug Use in Ankara, İzmir and İstanbul.

Component 5 – Improving Project and Campaign Oriented Activities and Supporting of Exchange on Drug Demand Reduction Action (EDDRA): This component of the project aimed to increase the project-oriented work of Turkish agencies working in the field of drug demand reduction and harmonising their studies with the European studies. The key outputs of this component are: “Assessment Report of Drug Prevention Programmes in Turkey and Recommendations for Good Practices” together with “The EDDRA Manual” which gives the overview and instructions for filling the EDDRA templates.

## **TR 0702.22 - CAPACITY BUILDING OF SOCIAL SECURITY INSTITUTION (SSI)**

The project which was executed under the 2007 National Programme has a total budget of 1,11 MEUR broken down between a Twinning component and a small Supply component for training equipment. The implementation of the project started on 8 January 2010 and ended on 7 July 2011. The beneficiary of the project is the Social Security Institution (SSI).

The overall objective of the Project is “compliance with the EU acquis on the coordination of social security schemes and overall social security policy.”

The project purpose is “strengthening the institutional and administrative capacity of the Social Security Institution (SSI) to develop aligned policies in the field of coordination of social security schemes and social security policy.”

The results defined in the project fiche are:

1. The knowledge of the SSI and relevant stakeholders with regards to EU legislation and policies in the social security area is improved, and the institutional capacity of the SSI to undertake its responsibility for the transposition and implementation of the social security acquis has increased.
2. The awareness of public institutions, relevant stakeholders and the general public on the social security issues and rights in the EU context is increased.
3. The European Research Training and Projects Unit of the SSI is endowed with necessary equipment and material for the provision of training on the EU social security issues.

The project activities can be grouped into two components as training and awareness raising. At the end of the Project, all the planned training and awareness raising activities were completed very efficiently by the actual end date with an extension of three months with no additional cost. As a result, all planned project outputs were obtained with satisfactory quality. These outputs have been beneficial not only to the SSI staff but also to a wider scope of social and labour related stakeholders. Widespread outputs have also contributed to enhance and reinforce the visibility of the SSI and of its role. The project outputs from the two components can be listed as following:

### *Training Component:*

1. Training Needs Analysis and Integrated Training Programme were developed and implemented.

2. Training for “Strategic Operational Group” which is composed of 28 officials who are directly involved in EU negotiations and have knowledge on the subject of social acquis related to free movement of workers and bilateral agreements, have been completed comprising of 5 intensive Training Modules of 1 week each on the EU Social Acquis, free movement of workers and co-ordination rules for social security. Exams were conducted at the end of trainings and certificates were distributed to the participants.
3. One week trainings for 5 groups of officials from different institutions which add up to 106 people were delivered.
4. Three modules of one week trainings on PCM were delivered.
5. Training of Trainers programme of three weeks was delivered to staff from SSI and MoLSS and trained trainers delivered training for their colleagues.
6. A two day Workshop for management staff of SSI was held for over 50 officials on 8 - 9 May 2010.
7. Second Workshop was held on Flexicurity for over 60 participants on 6 July 2010.
8. Third Workshop was delivered on “Equality of Treatment” for 81 provincial directors of SSI on 8 October 2010.
9. A fourth workshop on Occupational Pensions was held for SSI and social partners on 27 January 2011.
10. A project mission to İzmir was organized between 1-6 August 2010. Within the scope of the mission, a seminar with SSI Regional Directorate was also organized.
11. The Report on Mapping of the Social Security System for year 2011 was prepared.
12. Strategic paper for the transposition of EU social acquis concerned with social security to Turkish Legislation was prepared.
13. Report on trends in social security legislation in the EU (Flexicurity and Reform 883/2004) was prepared.
14. A report on Non-Contributory Payments in EU Countries was prepared.
15. A report on minimum income support schemes was prepared in May 2011.

#### Awareness raising

1. First Awareness Raising and Opening Conference of project was held in Ankara on 13 May 2010 with the participation of 89 people from SSI, MoLSS and social partners.
2. Study Visit to Belgium and France for 12 officials was completed in June 2010.
3. Five on-the-job trainings were held in:
  - Estonia/Finland (October 2010).
  - Belgium (October 2010) .
  - Romania (December 2010) .

- Germany (February 2011) .
- Croatia (February 2011).

with the participation of 31 officials in total.

4. Awareness raising conference on occupational pensions in the EU, was held in Ankara on 27 January 2011.
5. Awareness Raising Conference was held in Adana on 11 February 2011 with the participation of 80 people.
6. Awareness Raising and Closing Conference was held in Istanbul on 25 March 2011.
7. During the second international symposium organised by the SSI on 18 May 2011, the project team made presentations on the project results.
8. Handbook on social security coordination was prepared both in English and in Turkish. 1000 copies of the handbook were delivered to SSI to be distributed to relevant people.
9. The Glossary of Terms was prepared which concerned the terminology and concepts used in the area of the EU Regulations regarding free movement of workers and social security co-ordination. It is a bilingual (Turkish – English) glossary consisting of 1250 terms.
10. The website was designed and put into use in June 2010. In July 2011, the website and the associated database were transferred to SSI portal to be operated by SSI.
11. Four brochures were prepared and distributed throughout the project:
  - SSI a key Institution in Turkey.
  - Legislative challenges in social security pertaining to EU Accession.
  - EU posting rules for Turkish citizens residing in the EU.
  - EU Coordination of Social Security rules for Turkish citizens residing in the EU.
13. Four posters were prepared and distributed. Two of the posters accompanied the dissemination of two brochures in the EU for Turkish citizens residing in the EU countries. One poster was for promoting the brochure on the co-ordination and another one was on the posting rules. The two remaining posters were designed to promote the telephone line at SSI for Turkish citizens living abroad and the call center number for information at the MoLLS.

The achieved project results have definitely contributed “to reinforce the administrative and institutional capacity of the SSI to develop aligned policies in the field of coordination of social security schemes and social security policy”. The capacity developed through training (including training of trainers) and awareness raising activities has targeted not only a considerable number of SSI staff but also a wide scope of other stakeholders. Thus, the PP has been substantially achieved. Knowledge of the EU standards and practices in the social security field was substantially increased. For the first time in Turkey, the Project mapped the situation of the social security with a full reference to the comparative EU situation and SSI adopted an overall strategy paper.

Certain key documents, lacking of which had been strongly felt before the achievements of this Project, are now available and widely accepted as very useful to serve during the transposition and implementation of the acquis. The project also contributed to build the overall public awareness. The brochures and documents distributed will continue to serve raising the awareness of the target groups in EU context.

#### **TR 0702.03 - MODERNISATION OF TURKISH CUSTOMS ADMINISTRATION - IV**

The project which was executed under the 2007 National Programme has a total budget of 4,95 MEUR and it is composed of a Supply and a Twinning Light component. The implementation of the project started on 29 November 2010 and ended on 28 August 2011. The beneficiary of the project is the Turkish Customs Administration (TCA) (Ministry of Customs and Trade since July 2011).

The overall objective of the Project is “to modernize the Turkish Customs Administration (TCA), for strengthening its position position to fulfil the tasks and obligations of an EU Member State.”

The Project purpose is “to establish effective Classification Systems for goods in order to improve trade facilitation in Turkey thus enhance the capacity of Turkey to better compete on the international markets, to reduce time lengths for customs procedures and to support free of charge analyses for importers.”

The mandatory results defined in the Project fiche are:

1. Examination capacity of customs laboratories in İstanbul is strengthened by purchased new analytical instruments and equipments in order to examine exported/imported goods.
2. Trained Laboratory staff using modern instruments to determine accurate tariff positions and controlling goods more effectively to fight against smuggling and drug trafficking.
3. Increased analysis capacity including alignment with the databases used by EU member’s customs laboratories and co-operation with EU customs laboratories and/or with other analytical institutions inside and outside the country is improved.

Despite the relatively short duration, the Twinning project has managed to conduct all 4 planned activities and 2 study visits within the planned time and without exceeding the budget. The activities were divided into two 3-months components in İstanbul and Ankara, reaching relevant chemists and managers of the 6 Regional Customs Laboratories (İstanbul, Ankara, Bursa, İzmir, İzmit, Mersin). A total of 30-35 chemists of the 6 regional Customs laboratories have been trained in a well planned series of 5-day full-time training seminars. Levels of participation were good due to the senior level support for the events and official permits for participants from their normal day-to-day duties. Apart from training, the member state partner has produced several useful manuals and guidelines.

The achievements corresponding to each result can be summarized as:

1. All 40 equipment items in accordance with the specification list (divided across two lots) have been delivered and installed in the İstanbul Laboratory. All of the equipment is in good working order. The suppliers have provided 40 hours

of training in use of the major equipment items to all 25 laboratory staff in line with the contract.

2. İstanbul Laboratory staff has been trained in applying EU tariff classification system and the laboratory was fully equipped to apply the system.
3. Lab staff has been trained in use of databases and have password access. The indicator of 20% faster and more effective examination of goods is expected to be met, although a minimum 6 months data timeline is required to ascertain the indicator and no final data is available yet.

This project has made a very tangible and visible impact as far as the equipment is concerned and has established the required operational capacity to move forward towards accreditation under ISO 17025. The related indicator (40 new instruments) has been fulfilled.

### **TAIEX Activities**

During the year 2011, Turkey has continued to use TAIEX tool efficiently. There were more than 60 workshops and expert missions held in Turkey, and Turkish officials took part in many study visits and multicounty seminars in various European countries. A few examples of these activities can be summarized as follows:

On 5-6 October 2011 a workshop on Chemical Safety Assessment was held in İstanbul with a broad participation of different ministries, associations, unions and manufacturers. The participants had different levels of background knowledge and experience. At the end of the workshop, their knowledge on chemical safety assessment under Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation was improved.

On 13-14 December 2011 Irregular Migration workshop was held in Ankara. Around 60 people from various ministries, institutions and provinces participated the workshop. The workshop lasted two days and many topics were discussed regarding irregular migration and cooperation between Turkey and EU in the field of combating irregular migration. It was very beneficial especially for Asylum and Migration Bureau of Ministry of Interior.”

Community support used to facilitate Turkey’s participation to Union Programmes for the subsequent years is as follows:

Participation of Turkey to the Union Programmes puts emphasis on the idea of “Integration to Europe” for Turkey. Each programme serves as means of cooperation in competition which also provides Turkish partners with a unique chance to understand “How Europe performs?”

Although the community support supplied from IPA funds is declining, applications filed from Turkey under the programmes have a visible increase compared to previous years. The National Agency (NA), in order to meet the rising demand, has improved its institutional capacity and the budget allocated to LLP and YiA has increased in 2011.

Some of the results under Union Programmes are as follows:

Programme	Overview of Results in 2011
Youth In Action	<ul style="list-style-type: none"> <li>• 100 % of 7,95 MEUR budget made available by the Commission-NA Agreement was allocated to beneficiaries.</li> <li>• There was a 21% increase in success rate, as compared to 2010.</li> <li>• Out of 2154 project applications, 558 were accepted.</li> <li>• Out of 3564 individual applications, 261 were accepted.</li> </ul>
Life Learning Programme Long	<ul style="list-style-type: none"> <li>• There was considerable increase of grant applications in all major LLP actions compared to the 2010 round. Some examples: <ul style="list-style-type: none"> <li>⇒ Comenius: School partnerships (32,7 %); In-service training (32 %); Regio (41,9 %); Assistantship (8,1%)</li> <li>⇒ Leonardo da Vinci: Partnerships (34 %); Mobility (16 %)</li> <li>⇒ Grundtvig: Learning Partnerships (51,65%); In-service training (80 %); Workshops (167,39%); Assistantship (175 %); Voluntary Projects (420 %)</li> </ul> </li> <li>• 100 % of 62.743.000 EUR budget made available by the Commission-NA Agreement was allocated to beneficiaries.</li> <li>• Moreover, 6 MEUR of additional national funding was provided in order to support a larger number of beneficiaries.</li> <li>• Out of 7347 project applications, 1581 were accepted.</li> <li>• Out of 32532 individual applications, 15240 were accepted.</li> </ul>
CIP/EIP	<ul style="list-style-type: none"> <li>• Two credit guarantee agreements were implemented through 2011, one with the Credit Guarantee Fund and one with a private bank.</li> <li>• By the end of 2011, 276.430.953 Euros of guarantee fund was made available to the beneficiaries.</li> <li>• A new credit guarantee agreement which has an amount of 300.000.000 Turkish Liras was signed between European Investment Fund (EIF) and another bank.</li> </ul>
7 <sup>th</sup> Framework Programme	<ul style="list-style-type: none"> <li>• Out of 1599 applications, 513 were accepted.*</li> <li>• Overall statistics will be compiled by the end of the March 2012.</li> </ul>
CIP/PSP	<ul style="list-style-type: none"> <li>• 7 new projects have secured receiving grants in the year 2011.</li> <li>• Budget that will be spent by Turkish Partners is more than 2,5 MEUR.</li> </ul>
Culture 2007-2013	<ul style="list-style-type: none"> <li>• 6 institutions have taken part as partners</li> <li>• 1 institution secured receiving grants as coordinator.</li> </ul>

(\*) Statistics belong to the first 6 months of 2011

- The indicators of the progress in contracting and implementation <sup>(1)</sup> since the last TAIB Monitoring Committee and reference to the main upcoming tenders and contracts with a realistic procurement plan <sup>(2)</sup>;

<sup>(1)</sup> See Annex 1.

<sup>(2)</sup> Detailed Procurement plan to be attached to the report



**Only IPA Community Contribution\***

	Committed allocations with FA**	Committed amount with addendum/updated PFs	Contracted	RAC	%Contracted	Paid	RAL	%Paid
IPA 2007	197.689.950,00	194.689.950,00	174.782.118,28	19.907.831,72	89,77%	73.428.112,60	121.261.837,40	37,72%
IPA 2008	186.225.190,00	156.075.310,00	108.181.615,52	47.893.694,48	69,31%	52.497.765,54	103.577.544,46	33,64%
IPA 2009	116.334.589,00	116.334.589,00	24.993.445,83	91.341.143,17	21,48%	9.780.482,10	106.554.106,90	8,41%
IPA 2010	148.097.750,00	148.097.590,00	4.697.100,00	143.400.490,00	3,17%	0,00	148.097.590,00	0,00%
IPA 2011 Part 1A	21.308.500,00	21.308.500,00	0,00	21.308.500,00	0,00%	0,00	21.308.500,00	0,00%

**Total Budget (IPA Community Contribution +National Contribution)\***

	Committed allocations with FA**	Committed amount with addendum/updated PFs	Contracted	RAC	%Contracted	Paid	RAL	%Paid
IPA 2007	227.699.033,00	225.649.134,00	201.199.802,50	24.449.331,50	89,16%	76.866.866,22	148.782.267,78	34,06%
IPA 2008	226.284.719,00	184.912.204,00	123.437.217,49	61.474.986,51	66,75%	59.456.179,68	125.456.024,32	32,15%
IPA 2009	128.712.110,00	128.712.110,00	26.534.438,69	102.177.671,31	20,62%	10.237.689,22	118.474.420,78	7,95%
IPA 2010	169.545.000,00	169.545.000,00	5.526.000,00	164.019.000,00	3,26%	0,00	169.545.000,00	0,00%
IPA 2011 Part 1A	23.665.000,00	23.665.000,00	0,00	23.665.000,00	0,00%	0,00	23.665.000,00	0,00%

\*Cut off date 31.12.2011

\*\*Budget Amounts excludes the Community Programmes

- Complementarity with other instruments: summary of the implementation of the arrangements made ensuring demarcation and coordination between other programmes and components of IPA assistance, the interventions of the EIB and other existing financial instruments;

Apart from the IPA Funds, TAIEX and G2G programmes are the financial instruments which are coordinated under the responsibility of MEU. These instruments contribute to the delivery of appropriate expertise to address problems at short notice, providing technical assistance and advice on the transposition of EU legislation into the national legislation of Turkey and have a considerable impact on the accession process.

**TAIEX:** The activities carried out under TAIEX in 2011 were explained in detail in chapter 1.

**G2G Bilateral Cooperation with Netherlands:** During 2011, the project proposals prepared by Turkish institutions for the G2G.NL, which is a joint programme between Turkey and the Netherlands, were evaluated by the Ministry for EU Affairs. A shortlist was prepared and sent to the Netherlands. At the end of the evaluation, 8 projects with a total budget of more than 950.000 EUR were approved by the Netherlands. In addition to this, the Ministry for EU Affairs coordinated the MATRA and G2G projects initiated in the previous years and attended their Project Advisory Committee (PAC) meetings. This bilateral cooperation is very important and beneficial in terms of knowledge and experience exchange between the countries, as well as the improvement of economic relations.

**G2G Bilateral Cooperation with the Grand Duchy of Luxembourg:** In 2011, within the framework of our bilateral cooperation with the European Institute of Public Administration (EIPA), three seminars on "EU Legal, Institutional and Procedural Affairs" were held for the experts and assistant experts of Ministry for EU Affairs. These seminars were held in the facilities of the Ministry for EU Affairs and approximately 150 participants attended.

On the other hand 12 personnel from Ministry for EU Affairs attended 'Open Seminars' program of EIPA Luxembourg without registration fee.

Besides, considerable amount of projects were contracted with the International Organizations such as Council of Europe, World Health Organization, UNICEF, UNDP and the World Bank. Projects with these international bodies are implemented through direct grant contracts. Although certain expertise from these bodies is transferred to the national institutions in the relevant areas through the EU funds, there are some problems emanating from their own modus operandi for the transactions especially at the expert allocation phase to the projects.

Following projects which were programmed in 2011 can be listed as examples,

- Dialogue between trade union organisations in Turkey and the European Union with a focus on young workers. – 2011- II – ETUC.
- Strengthening the National Asylum Decision-Making Procedures -2011 ESEI – UNHCR
- Development of Protection Strategies for Persons in Need of International Protection in the Urban Context – 2011 ESEI – UNHCR
- Assisted voluntary return and reintegration of irregular migrants in Turkey through strengthening and developing a coherent national AVRR mechanism. – 2011 ESEI – IOM

- Strengthening Judicial Ethics in Turkey – 2012 - Council of Europe
- Energy sector programme (phase I) 2012 – World Bank
- Development of An Effective Risk Evaluation System for Children in Turkish Probation Services – 2012 ESEI – UNICEF
- Education for Sustainable Development – 2012 ESEI(?) – REC
- Strengthening Institutional Capacity of Environmental Stakeholders for the Implementations of the EU Environmental Acquis – 2012 ESEI - REC

**As to the stakeholder participation**, the beneficiaries have been informed by the NIPAC Services about the necessity of the involvement of all stakeholders beginning from the very early stages of the project preparation process. In that respect, the main beneficiary is asked to ensure that project fiche/s is/are assessed from all the perspectives to a possible extent with the relevant parties. This is regarded as an essential element for a mature project proposal.

Stakeholder participation beginning from the programming process has been managed in cooperation with the sector departments of MEU. Sector directorates have an important role in leading the beneficiaries for their assessment of the project ideas so as to turn them into project proposals.

Since stakeholder participation has been a source of concern in EC, this subject was also evaluated within scope of a project carried out by EC services between February – November 2010. In that respect, the issue of stakeholder participation was examined with all aspects by taking its legal basis into consideration. Completed in the beginning of 2011, the recommendations of the project were presented by the contractor in November 2010 through a meeting which was also participated by the representatives from the EC.

In the said meeting it has been agreed that, all the recommendations of this study would be incorporated with the other recommendations identified by the previously implemented evaluation projects into a table to be regularly followed.

- Assistance repaid or re-used (if relevant): Information on the use made of assistance repaid or re-used following cancellation of assistance as referred to in Articles 54 of the IPA Implementing Regulation.

Recovered amounts from the contractors under IPA 2007 Component I and IPA 2008 Component I are given in **Annex 4**. Moreover, the related information where the recovery process is resuming is also given as a Table in **Annex 4**.

## **2. Detailed information about the financial implementation of the programme <sup>(3)</sup>, Art. 84, (4) (b) IPA Implementing Regulation).**

### **Analysis of the following factors:**

- Factors that impeded and/or delayed the financial implementation.
- Factors that had a positive impact on the financial implementation.

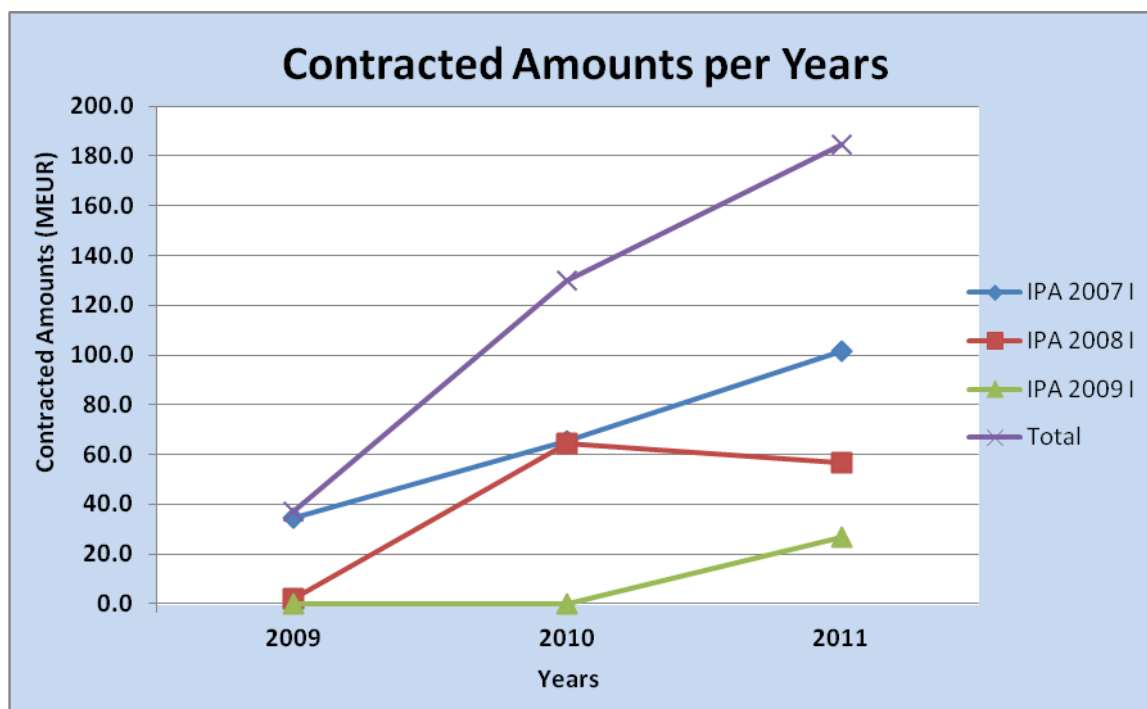
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<sup>(3)</sup> See Annex 1.

## Contracted Amounts per Years

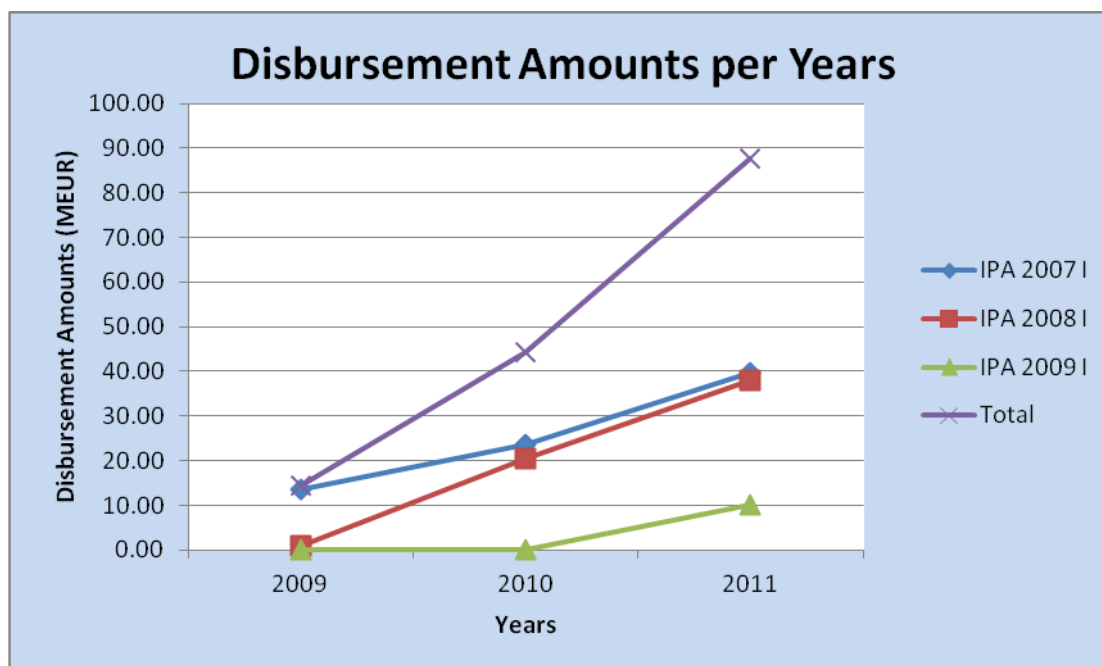
Programme*	2009 (MEUR)	2010 (MEUR)	2011 (MEUR)
IPA 2007 I	34,6	65,3	101,4
IPA 2008 I	2,2	64,6	56,6
IPA 2009 I	0,0	0,0	26,5
<b>Total</b>	<b>36,8</b>	<b>129,9</b>	<b>184,5</b>

\*Cut off date 31.12.2011



## Disbursement Amounts per Years

Programme	2009 (MEUR)	2010 (MEUR)	2011 (MEUR)
IPA 2007 I	13,6	23,6	39,6
IPA 2008 I	0,9	20,6	37,9
IPA 2009 I	0,0	0,0	10,2
<b>Total</b>	<b>14,5</b>	<b>44,2</b>	<b>87,7</b>



Generally recoveries arise from unused budget and ineligible expenditures. These kinds of risks can be derived from the unpredictable reasons which are caused by contractors.

The contracting rates in 2006 and 2007 National Programmes (NP) were **84%** and **89.2%** respectively. In 2006 NP, the allocated amount was 462,042 MEUR while the contracted amount was 389,134 MEUR. In 2007 NP, the allocated amount was 225,649 MEUR while the contracted amount was 201,216 MEUR.

As it is well known, the original contracting deadline of 2008 NP is 31 October 2011 while there are some projects for which the contracting deadlines were extended to 31 March 2012 due to their risky situations which were agreed with the relevant DIS actors previously. The CFCU's 2008 IPA-I budget portfolio is 184,912 MEUR and the contracted amount reached to 109,355 MEUR as of **31 October 2011**. The concrete figure will be determined by the end of March 2012 when the contracting process is completed for the extended projects.

The qualitative analysis can be observed from the table and graphics presented above. In order to analyse the reasons behind this trend, and thus, to take necessary actions, CFCU developed a reporting system. It can be concluded that the contracting rate is above 80% over the years and it shows an increasing upward trend in the recent years due to the efforts and the gained experience of all DIS actors.

### **3. Assessment of the management and control systems of Component I.**

#### **3.1. Information should be provided as to whether an appropriate management and control framework exists that:**

- Ensures reliable and timing management, monitoring, evaluation and audit;

Management and control system existing for the smooth execution of the financial cooperation has based itself on the elements recommended and envisaged in the related provisions of the EU and national legislations. The system is also subject to regular supervisions by the EU and authorized national institutions in the DIS structure.

To ensure regular notification of the Commission about the issues and progress made towards addressing them, Comprehensive Action Plan (CAP) was prepared and sent to the Commission in May 2011 by the NAO with the contributions of all the related actors. The CAP was also revised in November 2011. Prepared mainly for addressing the weaknesses in the management and control system, the document contains updated information about the issues detected by different services and raised in some letters of the Commission.

“Monitoring and Evaluation” functions are fulfilled by the “Coordinatorship of Monitoring and Evaluation” under the Directorate of Financial Cooperation and these two functions have been separated from each other at sub-unit level so as to ensure the independency of these two different but somehow interrelated functions.

The staff gap in the unit was bridged with the recruitment of experts and junior experts in the course of 2010 and 2011 with several examinations after the Law of the MEU numbered 5916 had entered into force in 2009.

Though the number of staff has reached to a stable level, there have also been some exchanges of staff among the coordinatorships in the FCD. Additionally as explained below, with the inclusion of the Result Oriented Monitoring (ROM) project to the existing monitoring tasks, it is envisaged that a need for one or two additional staff to be recruited might appear in the following years.

On the other hand, in case the MEU starts to carry out the ROM activities after the end of the current project in December 2012, the existing structure will be subject to substantial changes in terms of the distribution of tasks.

As for the way of performing the monitoring task is concerned, all the monitoring and evaluation activities are conducted in close cooperation with the EC and EUD and also with other DIS actors in a timely manner.

The process of establishing an internal audit unit in MEU is underway. Regarding this issue, a Council of Ministers decision is needed. Once the said decision is taken, the MEU will initiate the appointment process for internal auditors. In this respect, MEU has conveyed its demand to the Internal Audit Coordination Board through an official letter with justifications of the required internal auditors. Depending on the duration of the process for the Council of Ministers’ decision, internal auditors will be appointed accordingly.

The year 2011 has also become an important year in terms of contributing to the functionality of the monitoring activities with the inclusion of the ROM project to the already existing conventional monitoring. The project, as titled “Technical Assistance for Result Oriented Monitoring in Turkey” (ROM), started in January 2011. In 2011, 65 ongoing projects have been monitored by the ROM team. Throughout the course of the reporting year, some projects have been monitored twice based on the criteria put forward in the ROM Handbook, resulting in a total of 113 monitoring missions. The monitoring reports produced from these monitoring missions were shared with all the relevant stakeholders and their feedbacks on the recommendations and findings of the reports were collected to be considered for the future ROM activities.

The ex-post monitoring activity which was also implemented by the ROM team for five pilot projects in 2011 was very useful in measuring the impact of the completed projects. MEU wishes to include ex-post monitoring in its monitoring portfolio for the coming years.

- Reinforces full transparency and ethics to be followed by the management structures with delegated authority;

All staff involved in the financial cooperation have signed the;

- Code of Ethical Conduct,
- Declaration of Confidentiality and Impartiality,
- Statement of Awareness (Irregularities).

The utmost importance is given to this issue by the MEU and followed with due care. As changes in number of staff occur, all the documents are updated accordingly.

- Ensures reliability of information for reporting and decision making by addressing any aspects of the functioning of the management and control systems raised by the audit authority, the national authorising officer, the competent accrediting officer or any other body involved with the management and control of EU assistance;

The ongoing and completed evaluations during the course of the reporting year can be listed as follows:

1. Evaluation of Stakeholder Participation (Completed).
2. Evaluation Twinning versus Technical Assistance. (Completed) (initiated by EC, MEU is not a partner or beneficiary)
3. Technical Assistance for Interim Evaluation of IPA I in Turkey for years 2007-2008-2009 (Final Report is presented but not accepted yet.)
4. Thematic Evaluation on Judiciary and Fundamental Rights in Turkey ( It is in inception phase, run by DG ELARG)
5. Thematic Evaluation on Environment in Turkey (ToR is prepared, not contracted yet.)
6. Thematic Evaluation CS in the Western Balkans and Turkey. (Initiated by EC, MEU is not partner/beneficiary)

The recommendations of the completed evaluation projects together with the actions taken in their follow-up are summarized below.

### **Recommendations of ‘Evaluation of Stakeholder Participation’:**

1. Beneficiaries need to develop a strategic approach to stakeholder involvement. This should include (a) an assessment of relevant actors and stakeholders and (b) a roadmap for the development and implementation of a capacity building strategy.

*Follow up:* The recommendation should be more elaborated, the scope needs to be limited to include certain beneficiaries with a considerable project implementation experience, otherwise it will not be applicable. Also, the role of the MEU (former EUSG) should be more detailed and source for the execution of the activity should be indicated.

2. The Secretary General for EU Affairs (EUSG) should exert stronger leadership in providing operational support and guidance to beneficiaries, monitoring progress and enforcing the strategic approach.

*Follow up:* Deputy Undersecretary of the Ministry is responsible for the financial cooperation process and he is actively involved in all processes including the streamlining the new programming approach and monitoring. This recommendation is considered to be fulfilled.

3. Estimate financial needs for large projects and allocate remaining funds in line with programming priorities.

*Follow up:* The MEU (former EUSG) has been informing the beneficiaries about the availability of SEI fund and encouraging them to use the fund for preparing larger projects with wider impacts.

To provide faster usage of SEI funds, a technical assistance project for SEI, which also includes the development of an online application tool, has been launched by MEU in September of 2011 and was finalised in January of 2012 in order to be able to improve the level of programming for 2012 and 2013. After the transition and testing period, it's planned to introduce the newly developed SEI Online Application Tool to the beneficiaries in the first quarter of 2012.

Also, Enhanced SEI (ESEI) mechanism that will allow TW and TA projects with up to 3 MEUR budget to be funded has been established. This new attempt will provide an important flexibility for the TW and TA projects in terms of shortening the tendering and implementation durations.

In the context of TA Project for SEI, application facility for ESEI has also been integrated in the Online Application Tool system. The aim is to improve its usage as effective and efficient as possible for the beneficiaries.

4. EUSG should consider systematically inviting representatives of CSOs and other external stakeholders as observers to the JMC/TAIB and SMSCs, in order to improve visibility and accountability to the wider public and foster capacity building.

*Follow up:* Stakeholders including CSOs to be involved in JMC&TAIB MC and SMSCs have been identified by the MEU (former EUSG). Economic Development Foundation (EDF) and The Union of Chambers and Commodity Exchanges of Turkey (UCCET) are participants to the aforementioned meetings. Additionally consultation has been undertaken to ensure further involvement of other NGOs/CSOs.

Civil Society Development Center (CSCD) is invited to Sectoral Monitoring Committee Meetings for TAIB and ENPI Black Sea Basin Programme. This recommendation is considered to be fulfilled.

#### **Recommendations of 'Evaluation Twinning versus Technical Assistance':**

1. Control over twinning projects should be improved. The instrument has to be made more flexible in order to enhance no additional risk or cost in the selection procedure.



Follow up: TA is more preferable than twinning in Turkey. Although it is more difficult for a TA contract to be halted, being able to make financial corrections makes it more desirable.

Twinning is preferred in the cases like *acquis* related tasks where TA providers is not preferable, specific government tasks where public sector experience of similar service is crucial or cases where the secrecy of governmental issues is of concern.

Also, Enhanced SEI (ESEI) mechanism change that will allow TW and TA projects with up to 3 MEUR budget to be funded has been established. This new attempt will provide an important flexibility for the TW and TA projects in terms of shortening the tendering and implementation durations.

2. The selection process of a TA or twinning provider may not differ significantly, but the time between ultimate selection and the start of the activities is significantly longer in the case of twinning projects, among others since in that interval the work plan has to be produced from scratch. The time has to be shortened.

Follow up: The addressee of this statement should be the EC rather than the MEU and CFCU.

3. Comparing to TA it has to be considered that the strong point of twinning is the possibility to create lasting ties with ‘counterpart institutions’ in the EU, as well as the change in working culture it may bring about.

Follow up: This statement is a finding/observation rather than recommendation. So, no follow-up activity has been undertaken.

4. There was no significant difference between projects using twinning or TA in terms of overall, performance in impact, effectiveness, efficiency and sustainability.

Follow up: This statement is a finding/observation rather than recommendation. So, no follow-up activity has been undertaken.

5. It has to be considered that, for the projects using a mix of instruments performed appear to be more difficult to control than just single twinning or TA, and therefore less efficient.

Follow up: In fields like customs, taxation and statistics, TA and twinning contracts may be combined in cases where a component of the project contains IT development, additional capacity to the beneficiary institution needs to be provided to “fill the gaps” or specific expertise in public sector needs to be provided

### **Recommendations of ‘Technical Assistance for Interim Evaluation of IPA I in Turkey for years 2007-2008-2009’:**

1. Increase prioritisation of sector-based assistance.
2. Consider developing a concept of sectoral lead beneficiary institutions.
3. Strengthen the promotion and use of SEI as a strategic programming tool.
4. Clearly prioritise the future use of Direct Grant Agreements.

5. The MEU together with relevant ministries and institutions should institutionalise the training for staff dealing with EU interventions.
6. Put more emphasis on results and performance in reporting.
7. Ensure that feedback from evaluation and monitoring is systematically integrated into programming and implementation.

No follow up has been made for these recommendations as the project report hasn't been finalised yet.

The project 'Technical Assistance for Interim Evaluation of IPA I in Turkey for years 2007-2008-2009' also included a 'capacity building' component. During the implementation of the project 'learning by doing' training and evaluation workshop was conducted as set out in the ToR.

- 'Learning-by-doing': The evaluators worked directly with two nominated staff members of the FCD to guide them through the evaluation process. In practice these two FCD staff participated in the sampling and selection of projects, observed evaluation interviews, jointly reviewed the gathered information and data, conducted its assessment, derived conclusions and developed some appropriate recommendations. One IPA TAIB project (SEI) was selected as a pilot for specific assessment by the FCD staff. This activity was performed from July 2011 to November 2011.
- Evaluation Workshop: This was initially envisaged as being half-day in length. However it was agreed with the FCD management that this should be expanded to a full day exercise to ensure sufficient time for the achievement of the planned learning objectives. The consultant conducted a training needs assessment of relevant MEU staff in the area of evaluation, using a questionnaire survey. Based on the responses to this survey, a workshop was conducted on 12 October 2011.

This project was also one of the main measures to strengthen the evaluation capacity of MEU. Other main step for this aim was to allocate one single Assistant EU Affairs Expert to deal with the evaluation function with no other responsibilities in relation with the separation of the evaluation function from the monitoring within the "Monitoring and Evaluation Coordinatorship" by which independency of the evaluation was ensured in 2010.

## **COMPLETED AUDITS by AUDIT AUTHORITY (AA) in 2011**

### **1. SYSTEMS AUDIT**

In order to draw conclusions; on the continued design of the Management and Control System (MCS), i.e. whether it is in line with the accreditation criteria (inter alia the Annex of the IPA IR) and on the functioning of the MCS, i.e. whether it functions effectively, AA has chosen sub-systems on the basis of a risk assessment, and have audited both the design and the functioning of these sub-systems by means of both documentary checks and walk-through tests of a sample of operations.

Within this perspective, "Subsystem Report on Tendering Activities" was prepared on 17 October 2011 and sent to related parties (EC, CAO, NAO, EUD). Central Finance and Contract Unit (CFCU) was the auditee for the purpose of this audit.

AA identified 16 findings during this subsystem audit work. 6 of these findings are of intermediate risk level and the 10 of the findings are of minor risk level. Also 7 of the findings are related with the design of the system and remaining ones are related with the functioning of the system.

AA is of the opinion that subject system findings do not have a financial impact.

Except for the effects of the weaknesses identified during subsystem audit, according to AA, the tendering system established by Central Finance and Contract Unit is effective and functioning, in all material respects, based on the accreditation criteria and requirements of IPA Implementing Regulation 718/2007.

## 2. AUDIT OF OPERATIONS

Audit of operations were carried out through substantive testing of a statistical sample of operations, for which declared expenditure had been included in certified statements of expenditure submitted to the Commission during the reference year.

In order to provide assurance as to the legality and regularity of the underlying transactions of IPA Component I; AA got the list of payments related with 2007 and 2008 NPs from CFCU and Declaration of Expenditures from NF.

Advance payments were excluded initially from the population and the total value of the contract regularized at the moment of interim and final payment was taken into account during the sampling process.

While selecting payments, AA tried to select a reasonable amount of transaction from each tender type (Supply-Service-Twinning-Grant-Direct Grant-Jean Monet etc.)

1. For each of the selected payments the contracting phase was checked as whether the contracting phase of the subject payment comply in all material respects with the applicable requirements of PRAG. (For contracts where the contracting phase was audited during the Tendering Subsystem Audit, this step was skipped)
2. In the second step the payment phase was checked as whether the payment process in the CFCU was performed in line with CFCU's operational procedures regarding payment and related contractual obligations.
3. Finally, on-the-spot visits to responsible project beneficiaries (where applicable) were performed.

The following projects were selected for on-the-spot visits;

**Table 2:** List of Projects Selected for On-the-spot Visit

Project Number	Type of Tender	Project Title	Budget (Euro)
TR0703.02	Direct Grant - Service	EU-Turkey Civil Society Dialogue – Cultural Bridges	6.600.000
TR0702.03	Twinning-Supply	Modernisation of TK Customs Administration IV	4.950.000
TR0703.03	Grant-Service	Continuation of the Jean Monnet Scholarship Programme	6.980.000

TR0702.11	Supply-Service	Market Surveillance Support Lab. For Personal Protective Equipment	1.200.000
TR0702.26	Twinning Light-Supply	Safer Seas Upgrading Of Turkish Coastal Radio	3.050.000
TR0801.08	Direct Grant-Grant	Civil Society Development for Active Participation	3.200.000
TR0802.08	Service-Supply	Tagging and vaccination of sheep and goats	44.600.000

Audit of Operations was carried out within this perspective. For audit of operation findings AA didn't prepare an individual audit report, instead those findings are attached to Annual Audit Activity Report (AAAR).

AA has identified 6 findings during audit of operation work. 1 of these findings is of major risk level, 3 of these findings are of intermediate risk level and the 2 of the findings are of minor risk level. Also 2 of the findings are audit of operation findings while 4 of them are system findings.

Financial impact of the audit of operation finding was also assessed by AA. In the end a total number of 2.025,73 Euros was detected as ineligible expenditure. The AA recommended that CFCU should start a recovery process regarding subject amounts.

Major finding detected during audit of operations is as follows;

During the audit of operations, AA has detected in at least 3 of the payment files verified by the Audit Team, CFCU executed the payment without (or before) having "Read and Approved" from SPOs. On the other side, CFCU Manual I.7.2. Timing of Payments reads as follows *"In case no comment is received by the CFCU within 15 calendar days concerning the documents (invoice, evaluation sheets, checklists etc.) from the Beneficiary they are considered **tacitly approved**."* This issue was also one of the previous year's audit findings and it was also mentioned in European Commission Directorate General Enlargement Auditors Payment Subsystem Report (Mission No ELARG E4/SUB/TR 2010-08, Payments Management System in Turkey). AA has made the following recommendation to CFCU;

*"Before any payment is made to contractors (except advance / pre-financing payments), CFCU should request prior authorization on technical terms from the SPOs, send to the relevant SPO/OS a blank "Check list invoice control by SPO" and a copy of the invoice with the supporting documents for "Read and Approval" This procedure should be used without any exception. In addition as a result of the related provision of CFCU Manual which states a tacit certified correct after the 15-day deadline elapsed, there is a risk that payments are made without explicit approval by the SPOs. Therefore CFCU should revise the CFCU Manual as regards the 15 day deadline to SPOs for submission of the SPO approval"*

Based on the examination referred above covering the audit work carried out, the AA is of the opinion that the Statement of Expenditure for 2007 and 2008 NPs are presented fairly, in all material respects, including those pertaining to the legality and regularity of the underlying transactions and the internal control procedures have operated satisfactorily.

### 3. FOLLOW-UP OF PREVIOUS YEARS' AUDIT ACTIVITY

Audit work of AA for the period of 1 October 2010 - 30 September 2011 started with the follow-up of previous year's audit findings. For that purpose an official letter was sent to NAOSD/NF, CFCU and NIPAC in April 2011 and again in December 2011 to understand the current status of previous year's audit findings. After having official replies from auditees, AA reassessed the findings and in the beginning of the field work priority was given to understand the situation of those findings.

It has been understood that of the total 17 previous year's audit findings for NAOSD/NF;

- 12 findings are addressed
- 3 findings are partially addressed, (2 of them are Intermediate, 1 of them is Major)
- 2 findings are open, (2 of them are Intermediate)

It has been understood that of the total 18 previous year's audit findings for CFCU;

- 12 findings are addressed (Some of the findings were considered as addressed since they were also determined during reference year subsystem audits and audit of operations)
- 6 findings are open (2 of them are Major, 2 of them are Intermediate and 2 of them are Minor)

It has been understood that of the total 8 previous year's audit findings for NIPAC;

- 6 findings are addressed
- 2 findings are open, (2 of them are Major)

Of the remaining open/partial addressed findings Major Findings are detailed briefly below;

For **NAOSD/NF** it has been determined that;

- Regarding the responsibility of NAO related with the changes in management and control systems, it has been understood that there is a specific section (Section PIM F.3. "Changes in the Management and Control System") in new IPA Component I Manual, which describes detailed operational procedures and responsibilities of NAOSD. The NAOSD also provided audit team a copy of registered changes and NAO's actions in assessing, approving and communicating of the changes during the reference year. It has been determined that throughout the year most of the changes were assessed by NAOSD and were communicated to Commission immediately. However for certain changes in management and control systems, more specifically usage of contract.net in CFCU and new procedures in NIPAC Manual, NAOSD didn't finalize its assessment as of our report date. The AA will perform a follow up process whether audit concerns and commitments of the NAOSD regarding tracking of system changes are adequately addressed and implemented.

For **CFCU** it has been determined that;

- CFCU has not duly fulfilled its supervision responsibility over the Project Implementation Units/SPOs. There have been some improvements during the year about CFCU supervision over SPOs. (A PAO-SPO meeting was organized on 22<sup>nd</sup> November 2011 to the 2009 and 2010 SPOs in order to share specific issued) However because of its continuous nature, the issue seems to remain always open and therefore decided to be tracked as an audit finding during future audits.

- Staffing problems such as high staff turnover, lack of staff according to Work

Load Analysis (WLA) of CFCU was noted as an audit finding in previous years. In its response, on the staffing problem this year CFCU stated that although with the support of the NAO services, a draft Decree Law to establish its own cadre was prepared, it was not accepted at the political level. Moreover, it has been understood that the Decree Law No:666 introduced equal balance of the salary of the experts in all public institutions and minor advantageous position of higher salary level of the CFCU is largely lost. Therefore although the finding was considered as “Intermediate” in the previous AAAR, considering the significant risk explained in CFCU’s response (the possibility of the return of approximately 40 staff to their own institution since advantageous position of higher salary in CFCU doesn’t exist.) AA raised priority level of the finding from Intermediate to Major.

For **NIPAC** it has been determined that;

- Although new NIPAC Manual includes a specific section on Risk Management, a “Risk Management Study” has not been conducted within the MEU yet. AA recommends that NIPAC Secretariat should prepare Risk Management Plan that reflects current risks related with its activities under IPA and should set up mitigation factors to be carried out for significant risks as soon as possible.

- Although MEU has conveyed its demand to the Internal Audit Coordination Board through official letter with justifications of the needed internal auditors, there is not any progress on this subject. AA recommends that MEU should assign enough number of auditors in order to carry out its internal audit responsibilities as soon as possible.

### **3.2. Analysis of the following factors:**

- Factors that impeded and/or delayed the work of the management and control systems and any measures taken during the reporting period to solve the problems;

The main factor impeding the smooth execution of the NIPAC functions can be considered as lack of necessary inputs for the assessment of the ongoing projects which also hampered the NIPAC functions assigned with the Article 22 of the IPA Implementing Regulation. This issue is mainly attributed to lack of proper reporting system. Although there is a reporting system created by the CFCU, the efficient implementation of the system could not be ensured until this day due to problems like late and incomplete submission of information by the beneficiary institutions. As a remedial action, the ongoing ROM project has been initiated.

Another important issue for the management and control systems is the establishment of internal audit units in DIS institutions. Please see explanations under section 3.1 for further information.

- Factors that had a positive impact on the management and control systems.

Closing the staff gap in MEU can be regarded as one of the main positive steps. Besides, the revision of the NIPAC Manual during the reporting year has also played an important role in this context. Revised NIPAC Manual also enabled the FCD to update the work load analyses (WLAs) in line with newly distributed functions and tasks among the sub-units in the FCD.

As also put forward by the Audit Authority in their report covering the period of 1 October 2010 - 30 September 2011, lack of “Risk Management Study” remains as an issue to be addressed. See explanation under section 3.1.

**3.3. Information on the activities of Turkey and the national IPA coordinator aiming at publicising programmes and operations, addressing the citizens and beneficiaries, highlighting the role of the Community and ensuring transparency, (Art. 84, (4) (d) IPA Implementing Regulation).**

Regarding publicising programmes and operations, NIPAC's office has been delivering training activities to public institutions based on their request on EU-Turkey Financial Cooperation and/or specifically monitoring and evaluation, grant scheme programmes, etc. Informative meetings are continuously being held with participation of experts from the NIPAC office to the relevant stakeholders. All activities regarding the programmes are announced from the MEU website.

In addition to these efforts, all the beneficiaries are encouraged to organize the opening and/or closing events of the projects with highest possible level of participation from all the stakeholders. In this context, Minister for EU Affairs and Chief Negotiator Mr. Egemen BAĞIŞ continued to attend the events as long as his program was available. NIPAC services provided attendance to the events in his absence.

On 22 March 2011 an event with extended participation was organized by NIPAC services for the introduction of "Technical Assistance for Result Oriented Monitoring in Turkey Project" to the beneficiaries of IPA I projects. More than 200 people from public institutions attended the event in which, Minister for EU Affairs and Chief Negotiator Mr. Egemen BAĞIŞ personally addressed the participants.

Additionally all the citizens have access to the web-based knowledge acquisition system to deliver any questions related to EU - Turkey relations including the financial cooperation. Among all the others, financial cooperation has been marked as one of the most visited areas by the citizens during the year 2011. Being responsible for the NIPAC services, the FCD has spared considerable efforts so as to provide concrete and convincing information with three staff allocated to "knowledge acquisition" subject.

The necessary measures are being taken to ensure the visibility of the European Union financing or co financing. These measures must comply with the rules laid down and published by the Commission on the visibility of external operations: [http://ec.europa.eu/europeaid/work/visibility/index\\_en.htm](http://ec.europa.eu/europeaid/work/visibility/index_en.htm)

All projects and/or contracts implemented under the programme shall comply with the **Visibility Guidelines for European Commission Projects in Turkey** also published by the EU Delegation to Turkey, at [http://www.avrupa.info.tr/AB\\_Mali\\_Destegi/Gorunurluk\\_Visi.html](http://www.avrupa.info.tr/AB_Mali_Destegi/Gorunurluk_Visi.html)

The new supplement visibility guide dated September 2009 serves to complement the existing Communication and Visibility Manual for European Union External Actions in order to specify visibility modalities for projects under the DIS. To facilitate project visibility and the management of visibility-related activities, the supplement includes the roles of the CFCU and EUD, together with the specification of visibility arrangements.

These guidelines have been designed to complement part 2.3.5 of the Practical Guide to Contract Procedures for EC External Actions and the Communication and Visibility Manual for European Union External Actions aiming to ensure that actions that are wholly or partially funded by the European Union (EU) in Turkey incorporate information and communication activities designed to raise the awareness of those actions, their purpose and impact in Turkey.

The provisions of the Communication and Visibility Manual for European Union External Actions and the complement are mandatory for all Beneficiary organisations/institutions, contractors, public or private bodies and international organisations receiving EU financial support and any other entity carrying out an action funded or co-funded by the EU.

The relevant information stating that “the CFCU will be the main authority in charge of reviewing and approving visibility-related materials and activities” is provided within the Terms of Reference (article 9) and Technical Specifications (article 2). Before initiating any information, communication or visibility material and activity, consultants/contractors and implementing partners should seek the written approval of the CFCU.

Examples of three projects in IPA I where good visibility has been achieved are as follows:

- TR0702.06-03/002, Supply of Equipment for the Implementation of Nitrate Directive Project, Lot-2: Mobile Laboratories.
- TR0702.03-03 Supply of Equipment for the Modernisation of Turkish Customs Administration-IV.
- TR07H4.01-03 Supply for IPA Management Department of Human Resources Development Operational Programme Operating Structure.

**4. Information on the steps taken by the operating structure or the TAIB Committee to ensure the quality and effectiveness of implementation, in particular (Art. 84, (4) (c) IPA Implementing Regulation):**

- List of the monitoring and evaluation measures, including data collection arrangements;
- Summary of any significant problems encountered in implementing the programme and any subsequent measures taken;
- The use made of technical assistance.

A short summary of the monitoring and evaluation system for the year 2011 in Turkey is given below:

During the reporting year, the monitoring and evaluation system was subjected to a change resulting from the new sector approach that was introduced by the new Multiannual Indicative Planning Document (MIPD) for the period 2011-2013. Previously, the projects had been organized in 10 sectors. These sectors were:

1. Political Criteria
2. Justice Freedom and Security
3. Civil Society Dialogue and Development
4. Internal Market, Customs Union, Energy
5. Public Finance, Statistics and Accession Process Support
6. Cross Border Cooperation
7. Environment
8. Regional Development and Transport
9. Human Resources Development
10. Rural Development



The first set of Sectoral Monitoring Sub-Committee (SMSC) meetings were held according to this sectoral classification on 4 – 13 April 2011.

On the second half of 2011, the sectoral classification of projects was changed in the light of the new MIPD. According to the new classification, the projects are classified under 7 main sectors. Due to the high number of projects in the 1<sup>st</sup> sector, Justice, Home Affairs and Fundamental Rights, the sector was divided into three sub-sectors, resulting in 9 sub-sectors in total.

1. Justice, Home Affairs and Fundamental Rights
  - 1.1. Judiciary and Public Administration Reform
  - 1.2. Home Affairs/Crime, IBM/Migration and Customs
  - 1.3. Fundamental Rights, Civil Soc. and Cultural Heritage
2. Private Sector Development
3. Environment and Climate Change
4. Transport
5. Energy
6. Social Development
7. Agriculture and Rural Development

The second set of SMSCs were held on 14-24 November 2011 according to this new classification.

As a reflection of the sector approach, new structure of SMSCs give more room to the sector related discussions and include an agenda item dedicated to state of play in the negotiations of the sectors concerned; while the project level discussions are mostly left to the Steering Committees. However, important issues related to projects are discussed at the SMSCs.

The progress and monitoring reports related to the projects have been submitted to the internet based system introduced by CFCU. Four quarterly reports are submitted for each project. However, as the system was newly introduced and beneficiaries haven't been able to get them accustomed to the new internet based tool easily, effective use of the system is still a matter of concern. In that respect MEU, CFCU and EUD have spared efforts to increase the level of effective use of the system which would also lead to better reporting and monitoring accordingly.

Two "JMC & TAIB Monitoring Committee Meetings" were held in accordance with the related provision of the IPA Implementing Regulation during the course of the year, the first of which was held on 2 February 2011 and the second one on 5 July 2011. Since they are relevant, follow-up table on the operational conclusions of the second JMC-TAIB Meeting is annexed to the report as Annex 5.

Throughout the year 2011, a study on refinement of the monitoring activities in Turkey was conducted with the participation of the relevant actors of the monitoring system. Further to the decision taken in the JMC & TAIB MC meeting of February 2011 and the meeting on 4 March 2011 on Monitoring Mapping, an exercise was conducted to identify major areas of weaknesses and overlapping activities carried out by different actors of the existing system with a special focus to improve the system's effectiveness in general terms. As a result of the workshop discussions held on 31 May 2011 at the EUD with the participation of DG ELARG (via V/C connection), CFCU, EUSG and EUD, a document containing a set of necessary actions for improving the monitoring system of IPA I in Turkey was developed. This document was endorsed in the TAIB MC meeting on 5 July 2011. However, since some points in the mapping study have been found not

implementable for various reasons, a need for revision appeared towards the end of the year. For this aim, conclusions of the study have been reviewed and accordingly revised by the related actors. The revised version of the conclusions which is annexed as Annex 6 was endorsed by the TAIB Committee on 15 February 2012.

Contracting deadline for Support Activities to Strengthen the European Integration Process (SEI) 2008 programming was 31 October 2011. A total of 93 projects have been financed while 14 others have been transferred to SEI 2009 and SEI 2010. During 2011, the implementation and utilization of SEI 2009 and SEI 2010 has been started.

A sum of 5.501.397,00 EUR was allocated to the Institutions in the scope of SEI 2008 which had a total budget of 10,450,000 EUR. Due to the earthquake in Van, 4 MEUR of SEI 2008 was allocated to the Turkish Red Crescent. The total utilization rate was 53%.

Within the context of SEI Project, evaluation meetings and workshops have been held between the dates of January 1- December 31, 2011. It has been decided to continue with these activities in 2012 which are regularly joined by beneficiary institutions.

“TR0702.28 Support Activities to Strengthen the European Integration Process –SEI 2007 Evaluation Report” has been prepared both in English and Turkish and was distributed to beneficiary institutions.

In order to enable a more efficient and quick utilization of SEI funds, the “Technical Assistance for Support Activities to Strengthen the European Integration Process” project has been implemented in 2011. In the context of the subject, the following outputs have been obtained: An Online Application System for SEI that will enable a more simple, effective and quick usage of the funds was developed; two Guidelines were prepared (Guide for SEI and Guide for the Preparation of Terms of Reference); and finally a SEI Best Practices Compendium was prepared.

The contracting deadlines for SEI 2009 and SEI 2010 are December 2012 and April 2013 respectively. With the new application system and a more effective handling, the overall utilization of SEI 2009 and SEI 2010 is anticipated to be over 90%.

## **5. Legislative and socio-economic developments influencing the implementation (if relevant)**

- Description of any elements which have a direct impact on the programme's implementation (i.e. legislative changes, unexpected socio-economic developments, etc).

In 2011, a number of Ministries those have roles and responsibilities under EU – Turkey financial cooperation have been restructured under the initiative of the government with decree laws which were published between June - November 2011. The said restructuring of the ministries has been assessed by NAO office in terms of its possible implications on the overall functioning of the financial cooperation. As a result of this assessment, no significant impact emanating from the restructuring is envisaged on the financial cooperation. However, although no major impact on the functional execution of the projects or programmes is expected, there are still some minor issues to be dealt with otherwise would cause delays in implementation of several projects of the restructured institutions.

Considerable changes occurred in the structure of the EUSG in 2011. Having served as one of the main institutions in the accession process for more than ten years as Secretariat

General affiliated to a State Minister or Ministry of Foreign Affairs time to time, the institution has become a ministry with the Decree Law numbered 634 as of 3 June 2011.

The distribution of roles and responsibilities of the competent institutions in the DIS system according to the new structure of the Turkish Public Administration was redefined with the Prime Ministry circular no: 2011/15 dated 18/10/2011 which repealed the previous Prime Ministry circular no: 2009/18.

## **6. Conclusions on:**

### **● Design and implementation of the programme**

As of 2011, Turkey has been benefiting from IPA I programme for four years. The experience of Turkey on the programming and implementation of EU financial assistance goes even way back when the pre-IPA period is considered. It can easily be stated that the quality of design and implementation has been improving on a yearly basis as the experience of the Turkish institutions involved in the programme is building up. The project fiches for each year are definitely more mature than the project fiches of the previous years thanks to the extensive training activities initiated by the DIS institutions together with EC.

Through exchanges of views and experiences, Turkey and the EC have explored the possible ways of enhancement in the programming throughout 2011. Among the others, adoption of sector approach was an important building block of the new understanding of programming. The programming of 2011 – 2012 was initiated and progressed in line with the new programming approach to the possible extent. The whole process was carried out in line with the modalities mutually agreed.

A comprehensive study on the refinement of the monitoring activities in Turkey was conducted with the participation of the relevant actors of the monitoring system. The implementation of the operational conclusions of the reform study is expected to improve monitoring capacity of the whole programme to a great extent. The first results of the implementation of the actions are envisaged to produce expected results in the following reporting year.

The “Technical Assistance for Result Oriented Monitoring in Turkey” (ROM) project which started in 2011 has considerably increased the monitoring capacity of MEU. The monitoring reports produced by the Technical Assistance team provide solid and reliable information on the status of the ongoing projects which is appreciated by all the relevant parties involved in project cycle. The monitoring reports also provide valuable information as regards to the design of the projects to be taken into account in the subsequent programming years. Moreover, both theoretical and on-the-job training activities organized within the scope of the Project have been beneficial in increasing the capacity of the monitoring and evaluation unit within the MEU.

### **● Management and control systems**

Evolving the former EUSG to a full-fledged Ministry is considered as one of the major signs of Turkey’s resolute longing for the membership to the EU. This transformation has also increased the visibility of the EU related issues including the projects and programmes financed under IPA.

Strengthening the SMSCs’ structures also has become an important step taken towards making them proper platforms to establish link with the projects under sector in question

and implementation of the national strategies in the sector. With the new structure, link with the negotiation in the sector has also been sought. This sector approach has been adopted in line with the new MIPD for the period 2011 – 2013. The new sector distribution of the SMSCs in line with the new MIPD was applied for the first time during the course of SMSCs which were realized in the second half of 2011.

In addition to the efforts made by relevant DIS actors to address the Conferral of Management conditions, considerable progress has been made during the year 2011 in terms of management and control systems with all the positive steps taken and efforts made by the MEU. As a result of all these efforts, all the open findings have been closed except for establishment of the internal audit unit and preparation of a risk management plan.

The Decree Law no:666 which was a part of the restructuring of Turkish Public Administration introduced an instrument of equalizer to the salaries of the experts in all public institutions. This is expected to decrease the personnel turnover rate in the system, reducing the will of people to leave their jobs for more desirable posts in other institutions.

- Impact of the programme

The impact of the existing programme can be measured in two different levels as direct impact, which is the impact of individual projects and indirect one that entails the projects' contribution to the sectoral or structural changes.

As far as the direct impact of the programme is concerned, the Result Oriented Monitoring reports show that more than two thirds of the projects monitored in 2011 received good grades in this section, which is considered as a positive prospect even in the international context. The results of the ex-post monitoring activity which was implemented by the ROM TA team for five pilot projects in 2011 also support this high level of impact which is parallel to the impact prospects at the programme level.

On the other hand, the indirect impact of the programme is more difficult to observe in the short run. Although a wider assessment of the programme on a sector level requires a more extensive evaluation study, the progress of the completed projects present a good indication. In general, the sectoral impact prospects of the programme are positive.

Moreover, a thematic evaluation study is planned to be initiated by MEU following the suggestions of various stakeholders. In this context, the ToR for the thematic evaluation of the environment sector was drafted and the project is expected to be initiated in the next reporting period. It might be considered to apply a similar study for other sectors depending on the achievement of results of the project on environment sector.

However, despite the positive scene in terms of impact created by the projects, there is still room to make progress so as to improve the overall impact. For this aim, enhanced communication between the institutions working in the same areas should be ensured. Despite the fact that progress has been made in terms of communication and cooperation among the institutions over the years, there are still some problems in this field which hinder the balanced distribution of the impact within a certain sector. This also creates adverse effects in terms of yielding the same result throughout the whole field under which sectors are identified.

Concerning the expected impacts of the projects implemented for pilot areas, certain problems exist with regard to dissemination of the results to other regions rather than the pilot regions. In that respect, institutions implementing pilot projects are encouraged to

take all the necessary measures in order to ensure the same level of impact on the whole country.

- Factors imposing risk of non-implementation or delayed implementation

The factors affecting the implementation stage by imposing risk of non-implementation or delayed implementation should be handled in an analytical way. These issues exist for each DIS actor and need to be handled institutionally. In this regard, the most important points can be specified as:

- The staff turnover rate of the system at all levels is high. The Decree Law no:666 which introduced an equalizer to the salaries of the experts in all public institutions is expected to limit the turnover rate in the system to more reasonable levels.
- The institutional know-how capacity of the DIS bodies is improving but there is still space for improvement.
- Because of the long periods experienced in tendering stages in addition to the slow and complex exchange of comments and approval procedures resulting from ex-ante approval, the enthusiasm of the project beneficiaries at all levels seem to have decreased. Due to the DIS system requirements together with national entry into force procedures for the legal arrangements such as Financial Agreements, one or more than year time lapse may occur between programming and implementation of the projects. In most cases, because of these long time lags the conditions in the programming period would no longer be valid during the implementation phase. Also it was experienced for some cases, that the beneficiaries seek different means other than the EU funds to implement their projects due to these factors.
- Although, restructuring in the Turkish Public Administration is not expected to cause any significant problems in the implementation of the programme, determining the project owner institutions caused some delays for a number of projects.
- The quality of the project related activities does not necessarily reflect the quality of the human resources and institutional capacity of the concerned actors in the DIS system at all times. Substantial training programmes have been delivered in order to overcome this problem which resulted in considerable progress in that respect.

## **7. Recommendations and corrective actions**

### **7.1. Recommendations aiming at:**

- Achievement of the objectives of the projects/measures under the ongoing programmes and improvement and maintaining or accelerating tendering and contracting process during the following period.

In addition to the regular PAO-SPO meetings to the relevant SPOs of the National Programmes regarding the PCM, PRAG, DIS structure, irregularities, etc organized by CFCU, adequate number of human resources with experience and/or necessary training

should be in place in the relevant DIS institutions for accelerating project preparation, tendering and contracting process.

- Strengthening the management and control systems.

In order to ensure the strengthening of the management and control systems, the findings in the Comprehensive Action Plan for each DIS Institutions in relation to IPA I should be closely monitored and reported periodically to the Commission by the NAO Services.

- Any other recommendations.

N/A

#### 7.2. List of recommendations in previous annual implementation report.

1. Adequate number of human resources with experience and/or necessary training should be in place in the relevant DIS institutions for accelerating project preparation, tendering and contracting process.
2. To strengthen the management and control systems under the IPA I, the findings regarding the Operating Structures should be closed in a timely manner as foreseen in the action plans. Relevant action plans are being followed closely by the NAO Services.

#### 7.3. List of actions taken to address the recommendations in the previous annual implementation report.

##### **Actions Taken for Recommendation 1:**

The gap of staffing had been considerably closed within the previous reporting period. The quality and experience of the key staff in DIS institutions was significantly increased by extensive theoretical and on-the-job training activities.

##### **Actions Taken for Recommendation 2:**

See explanations under the heading of “Management and control systems” in section 6.

### **8. Overview of the upcoming period**

- An indicative updated time table for tendering and contracting (broken down per quarter) per ongoing programme <sup>(4)</sup>.

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<sup>(4)</sup> See Annex 2.

## Benchmarks

2008 National Programme	2009	2010 (cumulative)	2011 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	4	10	10
Number of calls for proposals launched* (twinning, grants)	14	5	0
Number of direct grants without call for proposals	1	4	1

2009 National Programme	2010	2011 (cumulative)	2012 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	1	2	21
Number of calls for proposals launched* * (twinning, grants)	11	3	4
Number of direct grants without call for proposals	4	4	4

*The Framework Contracts are not considered in the table above.*

*\*\* the circulation date of the twinning projects is considered for the calculation of the number of calls for proposals.*

Please refer to the Procurement Plans for 2007, 2008 and 2009 IPA TAIB in **Annex 1, 2 and 3**. The related information is given in detail but not restricted with the number of tenders in terms of contract types as stated in the table above. Furthermore; the stages, status, number of projects and percentages as well as the budgets, tender types, tender type amounts, etc. are identified in the Procurement Plans.

### ● Summary of the next programming exercise

The programming process of 2011 for IPA I started in the third quarter of 2010. The 2011 programming process was carried out in two separate parts. The first part covered a number of projects which were deferred directly from 2010 programming cycle and these projects needed just small modifications to reach the necessary maturity level to be placed in the financial proposal. There were 9 projects with a total budget of 129.600.000 EUR. The financial agreement for the first part was signed on 13 October 2011, published in the official gazette of Turkey on 23 December 2011 and entered into force on 26 December 2011.

While the preparations for the first part were continuing, the projects received from potential beneficiaries under the call for proposals for 2011 programming year were collected for part II.

The development process of part II of 2011 programming continued throughout the year with active participation of the potential beneficiaries lead by MEU. It is likely that 23 projects will be covered in this part with a total budget of 223.990.749 EUR.

As a result of the context analysis, DG ELARG has promoted the application of the sector approach to the design and operation of EU pre-accession assistance. As it is known, 2013 is the transition period which implies the re-organization of the traditional project approach towards sectoral approach. Meanwhile, the sector approach, which will be fully operational in the second IPA period in 2014-2020, has been partly adopted for 2013 package. The new approach successively requires acquiring new tools for managing the financial cooperation based on sector approach such as result oriented monitoring for monitoring the outputs.

As of 2011, Midway of IPA period (2007-2013) has already left behind. The first three years of implementation period have brought in various lessons and articulated very valuable experiences. As a matter of fact, with close cooperation with the EC, the new sector approach to programming under first component has been employed in the new MIPD 2011-2013. To achieve the priorities selected for support in the programming period of 2011-2013, the Commission focuses its assistance primarily on the following areas:

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

The project proposals for 2013 programming year submitted by the relevant institutions were initially assessed and shared with the EC in November 2011.

Meanwhile, the sector approach, which will be fully operational in the second IPA period in 2014-2020, has been partly adopted for 2013 package. In this vein, comprehensive sector fiches will be prepared rather than conventional project fiches for the following four sectors:

### **1-Justice and Fundamental rights,**

There will be ten potential measures to be put in place under Justice and Fundamental Rights sector fiche:

- Improving Ethical Awareness among Elected and Non-Elected Local-Level Officials at Local Governments.
- Strengthening The Legal Aid Service in Turkey.
- Improving the Capabilities of Gendarmerie Crime Scene Investigation Teams and Units.
- Establishing an independent Police Complaints Commission & Complaints System for the Turkish National Police, Gendarmerie and Coast Guard.



- Raising Awareness of Turkish Women CSOs on the Issues of Women with Disabilities and Promoting the CSOs to create their own Agenda on the Issues of Women with Disabilities.
- Enhancement of Participatory Democracy in Turkey: Monitoring Gender Equality.
- Assessing the ethical perception of the stakeholders in primary and secondary, education (teachers, administrators, students, parents) and enhancing the ethical values in education.
- Capacity Building in the Services Provided to Children in Need of Protection in Turkey.
- Social Events Management and Implementation of Tactics and Techniques of the European Union and International Standards.
- Establishment of community centres for IDPs in Van Province.

## **2-Migration and Border Management,**

There will be six potential measures to be put in place under Migration and Border Management sector:

- Reinforcement of TR National Asylum System (UNCHR) and Supporting Turkey's Efforts to Manage Migration (IOM).
- Development of high secured stamps system used at the international border gates to combat illegal migration and document forgery.
- Improving Administrative Capacity of Border Management at Local Level.
- Increasing Greek Border Surveillance Capacity.
- Establishment of National Coordination and Risk Analysis Unit and Development of Integrated Border Management Integrated Database.
- Socio-economic development through demining and increasing the Border Surveillance Capacity at the Eastern Borders of Turkey –Phase III.

## **3-Energy**

There will be four potential measures to be put in place under Energy sector fiche:

- Monitoring, inspection and verification of building energy performance certification scheme for Ministry of Environment and Urbanization.
- Implementing EU legislation and technical infrastructure modifications for transit and energy hub operations.
- Assistance to Turkish Atomic Energy Authority (TAEK) for enhancing the effectiveness and efficiency of nuclear regulatory infrastructure.
- Enhancement of Turkish Energy Sector through implementation of the EU legislation.

## **4-Agriculture and Rural Development**

There will be three potential measures to be put in place under Agriculture and Rural Development sector fiche:

- Establishment of a fully functioning IACS and LPIS and creation of implementation capacity.
- Implementation of fisheries activities in stocks assessment.
- Reinforcement of Turkish Fisheries Management System.

The 2013 project fiches under these four sectors which had been sent to EC before will be incorporated into these four main sector identification fiches (SIF) as measures in accordance with the sector approach whereas the conventional standalone projects will be accepted for other MIPD sectors.