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## ANNEX I

### Financial Plan

Financial plan of the "Regional Competitiveness" Operational Programme in Turkey

Years	Total Public Expenditure (€) (1)=(2)+(3)	Public Expenditure (€)		IPA co-financing rate (%) (4)=(2)/(1)
		Community Contribution (IPA) (€) (2)	National Public Contribution (€) (3)	
<b>Year 2007</b>				
<i>Priority Axis 1</i>	41,341,335	31,006,000	10,335,335	75%
<i>Priority Axis 2</i>	11,173,334	8,380,000	2,793,334	75%
<i>Technical Assistance</i>	3,352,000	2,514,000	838,000	75%
<b>Total Year 2007</b>	<b>55,866,669</b>	<b>41,900,000</b>	<b>13,966,669</b>	<b>75%</b>
<b>Year 2008</b>				
<i>Priority Axis 1</i>	42,920,000	32,190,000	10,730,000	75%
<i>Priority Axis 2</i>	11,600,000	8,700,000	2,900,000	75%
<i>Technical Assistance</i>	3,480,000	2,610,000	870,000	75%
<b>Total Year 2008</b>	<b>58,000,000</b>	<b>43,500,000</b>	<b>14,500,000</b>	<b>75%</b>
<b>Year 2009</b>				
<i>Priority Axis 1</i>	54,069,335	40,552,000	13,517,335	75%
<i>Priority Axis 2</i>	14,613,334	10,960,000	3,653,334	75%
<i>Technical Assistance</i>	4,384,000	3,288,000	1,096,000	75%
<b>Total Year 2009</b>	<b>73,066,669</b>	<b>54,800,000</b>	<b>18,266,669</b>	<b>75%</b>
<b>Years 2007-2009</b>				
<i>Priority Axis 1</i>	138,330,670	103,748,000	34,582,670	75%
<i>Priority Axis 2</i>	37,386,668	28,040,000	9,346,668	75%
<i>Technical Assistance</i>	11,216,000	8,412,000	2,804,000	75%
<b>Total Years 2007-2009</b>	<b>186,933,338</b>	<b>140,200,000</b>	<b>46,733,338</b>	<b>75%</b>



CERTIFICATE

I, the undersigned,

National Authorising Officer,

hereby certify that all expenditure included in the attached statement complies with the criteria for eligibility of expenditure set out in the Financing Agreement signed on [redacted] between the Commission of the European Communities and the Government of Turkey and has been incurred and paid by the final beneficiaries on the implementation of operations selected under the operational programme in accordance with the conditions for granting IPA assistance.

after<sup>(1)</sup>

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and amounts to:

euro <sup>2</sup>	
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(exact figure to two decimal places)

The attached statement of expenditure, broken down by priority axis and measures, is based on accounts provisionally closed on

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and forms an integral part of this certificate.

I also certify that operations are progressing in accordance with the terms of the Financing Agreement, and in particular that:

1. all the requirements laid down in Article 67 of the Financing Agreement are fulfilled, in particular
  - The ceilings for Community assistance under each priority axis as laid down in the Commission financing decision (and the Financing Agreement), have been respected;
  - The sectoral annual implementation reports, including the most recent one have been sent to the Commission by the Operating Structure;
  - The most recent annual audit activity report and opinion on the conformity of the management and control systems in place with the requirements of the Regulation (EC) 718/2007 and those of any agreement between the Commission and the beneficiary country has been sent to the Commission by the Audit Authority;
  - The accreditation delivered by the Competent Accrediting Officer and the National Authorising Officer are in force, and the conferral of management by the Commission remains valid;
2. all conditions of the relevant Bilateral Project Agreements related to payments are fulfilled;
3. the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
4. the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with relevant applicable Community rules and regulations, in

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(1) Starting date for eligibility of expenditure (Article 34 of the Financing Agreement)

(2) Total amount of eligible expenditure paid by final beneficiaries

particular those referred to in the Financing Agreement and the award of public contracts (PRAG).

5. the statement of expenditure and the payment application take account, where applicable, of any amounts recovered and of any interest received; and of net revenue accruing from operations financed under the operational programme;
6. the breakdown of the underlying operations is recorded on computer files and is available to the relevant Commission departments on request

In accordance with Article 104 of the Financing Agreement, the supporting documents are and will continue to be available for at least three years following the closure of the operational programme by the Commission.

Date

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Name in capitals, stamp, position and signature

of National Authorising Officer

**Statement of expenditure by priority axis and measures: Interim payment**

Operational Programme reference (CCI No):

Name of programme:

Date of provisional closure of accounts:

Date of sending to the Commission:

**Total certified eligible expenditure<sup>1</sup> paid:**

Priority axis/measure	Total expenditure incurred to date (between.... <sup>2</sup> and ....)	Expenditure certified in present declaration	Total expenditure planned (initial budget)	Expenditure incurred to date as proportion of initial budget (%)	Estimated expenditure still required to complete the programme
Priority Axis 1: total					
Measure 1.1					
Of which:					
- Operation xxx (reference no. plus title)					
- Major Project xxx (CCI no. plus title)					
Measure 1.2					
Measure 1.3					
Priority Axis 2					
Measure 2.1					
Measure 2.2					
Priority Axis 3					
Measure 3.1					
Measure 3.2					

<sup>1</sup> As defined by Articles 148, 150 and 152 of Commission Regulation 718/2007

<sup>2</sup> Starting date for eligibility of expenditure (Article 34 of the Financing Agreement)

Breakdown by year of the total certified eligible expenditure<sup>1</sup> (amounts in euros)

Priority axis/measure	2008	2009	2010	2011	2012
Priority Axis 1: total					
Measure 1.1					
Of which:					
- Operation xxx (reference no. plus title)					
- Major Project xxx (CCI no. plus title)					
Measure 1.2					
Measure 1.3					
Measure 1.4					
Priority Axis 2					
Measure 2.1					
Measure 2.2					
Priority Axis 3					
Measure 3.1					
Measure 3.2					

<sup>1</sup> By year: the breakdown mentioned in this table shall correspond to the payments made by the final beneficiaries in the year concerned. Where it is not possible to establish this breakdown precisely, the best estimate of the breakdown should be given.

**ANNEX 1 to statement of expenditure:**

The computerised listing of operations by measure and operation, and the corresponding expenditure, including contribution under the IPA Regulation and national public expenditure

Priority axis/measure	Total expenditure (EURO)	IPA funds (EURO)	National public expenditure (EURO)	IPA co-financing rate (%)
<b>Priority Axis 1: total</b>				
<b>Measure 1.1</b>				
<i>Operation 1.1.1</i>				
<i>Operation 1.1.2</i>				
.....				
<b>Measure 1.2</b>				
<i>Operation 1.2.1</i>				
<i>Operation 1.2.2</i>				
.....				
<b>Measure 1.3</b>				
<i>Operation 1.3.1</i>				
<i>Operation 1.3.2</i>				
.....				
<b>Measure 1.4</b>				
<i>Operation 1.4.1</i>				
<i>Operation 1.4.2</i>				
<b>Priority Axis 2: total</b>				
<b>Measure 2.1</b>				
<i>Operation 2.1.1</i>				
.....				
<b>Measure 2.2</b>				
<i>Operation 2.2.1</i>				
.....				
<b>Priority Axis 3</b>				
<b>Measure 3.1</b>				
<i>Operation 3.1.1</i>				
.....				
<b>Measure 3.2</b>				
<i>Operation 3.2.1</i>				
.....				



**ANNEX 2 to statement of expenditure:**

Details of amounts recoverable following cancellation of all or part of the Community contribution for an operation

Name of the priority/measure /operation	
Amount ordered to be recovered	
Debtor	
Date of issue of recovery order	
Authority which issued recovery order	
Date of recovery	
Amount recovered	

**ANNEX 3 to statement of expenditure:**

The volume of Community contribution in the component-specific euro account at the date of the last debit to which this statement refers and the interest earned

## APPLICATION FOR PAYMENT: Interim payment

Name of operational programme:

Operational programme reference (CCI) No:

Pursuant to Annex A of the Framework Agreement (Article 25 of Regulation (EC) No 718/2007), I, the undersigned (name in capitals of National Authorising Officer), hereby request payment of the amount of EUR .... as an interim payment.

This application is admissible because:

	Delete as appropriate
(a) no more than the maximum amount of assistance from IPA Funds as laid down in the Financing Agreement and the decision of the Commission approving the operational programme has been paid by the Commission during the whole period for each priority axis.	
(b) the Operating Structure has sent to the Commission the sectoral annual implementation reports, including the most recent one in accordance with art. 65(1)c of the Financing Agreement	<p>— has been forwarded by Operating Structure within the time limit laid down in art. 83 of the Financing Agreement</p> <p>— is attached</p>
(c) the Audit Authority has sent to the Commission, in accordance with Article 92 of the Financing Agreement, the most recent annual audit activity report and opinion on the conformity of the management and control systems in place with the requirements of the Regulation (EC) 718/2007 and/or those of any agreement between the Commission and the beneficiary country	<p>— has been forwarded by Audit Authority within the time limit laid down in art. 90 of the financing Agreement</p> <p>— is attached</p>
(d) the accreditations delivered by the Competent Accrediting Officer and the National Authorising Officer are in force, and the conferral of management by the Commission remains valid	
(e) the payments have not been suspended in accordance with Article 72 of the Financing Agreement	
(f) None of the situations justifying blocking of payments to major projects have occurred	

The payment should be made by the Commission to the body designated by the beneficiary country for the purposes of making payments

Designated body	
Bank	
Bank account No	
Holder of account (where not the same as the designated body)	

Date

		20...
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Name in capitals, stamp, position and signature of

National Authorising Officer

## ANNEX III

### Annual statement on withdrawn and recovered amounts and pending recoveries

(Article 66(3)d) of the Financing Agreement)

#### 1. WITHDRAWALS AND RECOVERIES FOR THE YEAR 20.... DEDUCTED FROM STATEMENTS OF EXPENDITURE

Priority axis	Withdrawals				Recoveries			
	Total expenditure of final beneficiaries	Public contribution	Co-financing rate <sup>1</sup>	EU contribution	Total expenditure of final beneficiaries	Public contribution	Co-financing rate <sup>2</sup>	EU contribution
1								
Operation 1.1.x								
2								
Operation 2.1.x								
3								
Operation 3.1.x								
<b>Total</b>								

<sup>1</sup> This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

<sup>2</sup> This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

**2. PENDING RECOVERIES AS AT 31.12. 20..**

Priority axis	Year of launch of recovery proceedings	Public contribution to be recovered	Co-financing rate <sup>1</sup>	EU contribution to be recovered
1	2007			
Operation 1.1.x				
	2008			
	...			
2	2007			
Operation 2.1.x				
	2008			
	...			
3	2007			
Operation 3.1.x				
	2008			
	...			
Sub-totals	2007			
	2008			
	...			
Grand total				

<sup>1</sup> This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

## ANNEX IV

### Forecasts of likely payment applications

(Article 63(2)c) of the Financing Agreement)

Provisional forecasts of likely payment applications by programme, for the current and subsequent financial year (in EUR):

	Community co-financing <sup>1</sup>	
	[current year]	[following year]
Operational Programme 1 (CCI number) total		
Priority 1		
Priority 2		
Priority 3		
Operational Programme 2 (CCI number) total		
Operational Programme 3 (CCI number) total		
Grand Total		

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<sup>1</sup> Only provisional forecasts of likely payment applications in respect of the Community contribution, and not total expenditure forecast, should be stated in the table. In the provisional forecasts of likely payment applications, the Community contribution should be stated for the year in question, and should not be cumulated from the beginning of the programming period.





## ANNEX V

### Identification of authorities, names and addresses for correspondence

#### (Article 28(3) of the Financing Agreement)

- Field 1. **Operational programme CCI code: 2007TR16IPO003**
- Field 2. **Name of the Operational Programme: "Regional Competitiveness"**
- Field 3. **IPA component: Regional Development**
- Field 4. **Beneficiary: Republic of Turkey**
- Field 5. **National IPA Coordinator**
- Name: Secretary General
- Address: Secretariat General for the EU Affairs, Mustafa Kemal mah. 6. cad. No:4  
06800 Bilkent-Ankara-Turkey
- Phone: + 90 (312) 218 13 00
- e-mail: [bilgiedinme@abgs.gov.tr](mailto:bilgiedinme@abgs.gov.tr);
- Field 6. **Strategic Coordinator for the Regional Development and the Human Resources Development Components**
- Name: Deputy Undersecretary
- Address: Undersecretariat of State Planning Organization, Necatibey Caddesi No: 108  
06100 Yüce-tepe-Ankara-Turkey
- Phone: +90 312 2945618
- e-mail: [sc@dpt.gov.tr](mailto:sc@dpt.gov.tr)
- Field 7. **Competent Accrediting Officer**
- Name: Minister of State
- Address: Undersecretariat of Treasury, •nönü Bulvar• No:36, 06510 Emek Ankara  
Turkey
- Phone: +90 (312) 212 80 56
- e-mail: [ali.babacan@hazine.gov.tr](mailto:ali.babacan@hazine.gov.tr)
- Field 8. **National Authorising Officer**
- Name: Undersecretary of Treasury
- Address: Undersecretariat of Treasury, •nönü Bulvar• No:36 06510 Emek Ankara  
Turkey



Phone: +90 (312) 212 86 30

e-mail: [ibrahim.canakci@hazine.gov.tr](mailto:ibrahim.canakci@hazine.gov.tr)

**Field 9. National Fund**

Name: Director of the National Fund

Address: Undersecretariat of Treasury , •nönü Bulvar• No:36 06510 Emek Ankara  
Turkey

Phone: + 90 (312) 212 88 56

e-mail: [ibrahim.sepici@hazine.gov.tr](mailto:ibrahim.sepici@hazine.gov.tr)

**Field 10. Audit Authority**

Name: Chairman of the Board of Treasury Controllers

Address: Undersecretariat of Treasury , •nönü Bulvar• No:36 06510 Emek Ankara  
Turkey

Phone: + 90 (312) 212 89 04

e-mail: [yasar.akgun@hazine.gov.tr](mailto:yasar.akgun@hazine.gov.tr)

**Field 11: Contracting Authority (CFCU)**

Name: CFCU Director

Address: Central Finance and Contracts Unit, Eski•ehir Yolu 4. Km 2. Cd (Halkbank  
Kampüsü) No: 63 C Blok 06520 Sö•ütözü /Ankara / TURKEY

Phone: +90 (312) 295 49 00

e-mail: [muhsin.altun@cfcu.gov.tr](mailto:muhsin.altun@cfcu.gov.tr);

**Field 12: Operating Structure**

Name: Ministry of Industry and Trade, Regional Competitiveness Programme  
Coordination and Implementation Centre

Address: Ministry of Industry and Trade, Eski•ehir Yolu 7. Km. Çankaya- Ankara-  
Turkey

Phone: +90(312) 219 65 99

e-mail: [ipa@sanayi.gov.tr](mailto:ipa@sanayi.gov.tr)

**Field 12.a Head of the Operating Structure**

Name: Deputy Undersecretary



Address: Ministry of Industry and Trade, Eskişehir Yolu 7. Km. Çankaya- Ankara- Turkey

Phone: +90 (312) 219 68 96

e-mail: [ipa@sanayi.gov.tr](mailto:ipa@sanayi.gov.tr)

**Field 13. IPA Monitoring Committee**

Chairperson: National IPA Coordinator

Co-Chairperson: Head of the EC Delegation

**Field 14. Sectoral Monitoring Committee for the Regional Competitiveness Operational Programme**

Chairperson: Head of the Operating Structure

Co-Chairperson: Representative of the Directorate-General for Regional Policy, European Commission

**Field 15. Directorate General Regional Policy**

Address: 200 rue de la Loi, B1049 Brussels, Belgium

Phone: +32.2.299.11.11 (switchboard European Commission)

e-mail: [regio-ipa-isp@ec.europa.eu](mailto:regio-ipa-isp@ec.europa.eu) (functional mailbox)

**Field 16: Authorising Officer by Delegation:**

Name: Director General, Directorate General Regional Policy

**Field 17: Authorising Officer by Sub-delegation:**

Name: Director, Geographic Directorate with Responsibility for IPA/ISPA", Directorate General Regional Policy

**Field 18: Audit Unit:**

Name: Audit Unit with Responsibility for IPA/ISP, Audit Directorate, Directorate General Regional Policy

**Field 19. OLAF**

Name: European Anti-Fraud Office, Directorate C- Operational and Policy Support

Address: 200 rue de la Loi, B1049 Brussels, Belgium

Phone: +32.2.299.11.11 (switchboard European Commission)

e-mail



## **ANNEX VI**

### **Specific conditions regarding conferral of management powers**

The management of the "Regional Competitiveness" Operational Programme under the Regional Development Component within IPA assistance is conferred on the Republic of Turkey under the following conditions:

- 1) Turkey shall comply with the recommendations and associated deadlines in order to implement them, set out in Annex I to the Decision conferring management powers relating to the "Regional Competitiveness" Operational Programme on the Republic of Turkey, and presented in Annex VIa of this Agreement;
- 2) Turkey shall provide the Commission at quarterly intervals with reports on the implementation of the decentralised system and progress towards fulfilment of the recommendations and associated deadlines in order to implement them, set out in Annex I to the Decision conferring management powers relating to the "Regional Competitiveness" Operational Programme on the Republic of Turkey, and presented in Annex VIa of this Agreement;
- 3) Turkey shall inform in advance and obtain approval from the Commission on any substantial change in the IPA management structures and system as described in the application submitted by the National Authorising Officer which was received by Directorate General for Regional Policy on 13 October 2008.

The Commission shall perform the ex-ante controls as listed in Annex II to the Decision conferring management powers relating to the "Regional Competitiveness" Operational Programme on the Republic of Turkey, and as presented in Annex VIb of this Agreement.

**ANNEX VIa**  
**Summary of Findings and Follow up Actions**

1	CAO	<p>Whilst the Turkish authorities have prepared a summary list of the responsibilities of the CAO regarding IPA, this document only summarises the responsibilities of the CAO in accordance with the IPA IR and does not include details on how these tasks shall be performed</p>	M	<p>The Turkish authorities should specify in the revised procedures who is going to be responsible for carrying out the operational monitoring functions in the CAO Office and how these tasks will be performed in practical terms.</p>	30/6/2009	5.1.3 (Finding No 1)	<p>Regio/J2 CAF - Vol III – NAO Office (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. I) CAO (Mar 09 Audit)</p>
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STRATEGIC COORDINATOR							
N°	Body responsible	Summary of finding	Risk rating (LOW/MED)	Recommendation/Action required	Updated implementation	Report Ref.	File Ref.
2	SC / NAO	The legal basis (Prime Minister Circular) regarding the official appointment of the SPO as SC, has not been signed yet. This is expected to be done after the parliamentary ratification of the Framework Agreement. The PMC will define SC's duties and responsibilities including also those related to the IPA coordination for Components III and IV (chairing the Inter-Ministerial Regional Development and Human Resources Committee)	M  M	<p>The EC auditors were notified that a draft PMC is currently being prepared in respect of the Strategic Coordinator's legal basis.</p> <p>In light of the above the EC auditors acknowledge the letter sent by the Turkish Ambassador on 19/3/09 requesting an extension of the deadline for issuing this Circular and thereby the deadline is herewith being extended.</p>	30/6/2009	5.3.2 (Finding No 1)	<p>Regio/J2 CAF - Vol III – NIPAC/AA/SC (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 5) SC (Mar 09 Audit)</p>
3	SC / NAO	The MIS is an important IT tool in order to enable the efficient management and monitoring of current (IPA) and future (Structural Funds) programmes. The Turkish authorities are currently developing an integrated MIS. The system will include both financial and contracting information and shall be used by all IPA actors as a monitoring & evaluation tool. An inter-ministerial working group, chaired by the SC has been recently established (September 2008) to address this weakness but the design has not yet been sufficiently developed, coverage not determined, costs not yet estimated and compatibility with IPA formal requirements still have to be tested. As regards implementation, MIS should start functioning by the end of the 1 <sup>st</sup> semester of 2009. As to date, the ToR and TS of the service contract have not yet been drafted.	M	<p>Whilst the EC auditors were informed that the Turkish authorities plan to have the MIS operational by the end of July 2009 in accordance with action plan submitted during the follow-up audit, from the discussions held it is deemed that a more realistic deadline should probably be set given the work still pending to attain an operational MIS and its bridging with the separate MIS of the Operating Structures.</p> <p>The Turkish authorities are requested to submit updated information on the progress of the implementation of the MIS System.</p> <p>Upon its finalisation, sufficient training should be provided to all potential users of the MIS.</p> <p>The EC auditors confirmed that the Turkish authorities do not intend to have an IT audit after the</p>	30/6/2009	5.3.2 (Finding No 2)	<p>Regio/J2 CAF - Vol III – NIPAC/AA/SC (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 5) SC (Mar 09 Audit)</p>
			L		31/12/2009		

				<p>establishment of the MIS.</p> <p>It is again recommended that an IT audit should be carried out in order to ensure that the system developed satisfies the ISO quality standards following the independent review of an IT expert.</p>		
	30/9/2009		M	<p>It is recommended to update the PIM of all OS to include a reference to the MIS.</p>		
4	31/12/2009		M	<p>It has been satisfactorily verified that a TA project has been proposed and that the translation of EU visibility guidelines shall be completed in the next few weeks and published on the web-site.</p> <p>Furthermore, it was also noted that an inter-ministerial communication working group of publicity officers has been established and will be involved in the development of the Communication Strategy.</p>	<p>There is no reference in the relevant chapters of the PIM of the OSs to the MIS.</p>	<p>Regio/J2 CAF - Vol III - NIPAC/AA/SC (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 5) SC (Mar 09 Audit)</p>
	31/12/2009		M	<p>The EC auditors were informed that conferences have been prepared where NGOs/Municipalities and Universities participated.</p> <p>It is recommended to indicate what training and further guidance is envisaged in the coming months for the publicity officers in order to develop the program specific communication plans.</p>	<p>The SC is responsible for the co-ordination and consistency of the publicity activities followed by the different Operating Structures. SC is responsible for ensuring the consistency of the publicity activities followed by the different operating structures through the publication of a comprehensive IPA communication strategy. An Inter-Ministerial working group, chaired by the SC, has been recently established to tackle this shortfall but Communication Strategy has not yet been finalized. This is a prerequisite for the development of the specific communication plans at the level of individual programmes and the issuance of EU visibility guidelines in order to raise awareness amongst public and potential beneficiaries about EU funding in Turkey.</p> <p>Also a network of publicity officers, one from each operating structure should be set-up for the co-ordination and efficiency of all publicity actions.</p>	

AUDIT AUTHORITY					
Sl. No.	Category	Recommendation / Action Suggested	Reporting Period	Report No.	File Ref.
5	AA	An IPA Audit Manual and Annual Audit Work Plan have been prepared. However, the component specific IPA auditing procedures have not yet been finalised. After these procedures are finalised they should also be incorporated in the IPA audit software which is still under development.	M	30/06/2009	5.4.2 (Findings No 1)  Regio/J2 CAF - Vol III - NIPAC/AA/SC (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 6) AA (Mar 09 Audit)
			M	30/06/2009	
6	AA	The IPA Audit Manual refers to the possibility of outsourcing in cases where the AA has no adequate resources & capacities to carry out the audits as anticipated in the Annual Audit Work Plan. However, even in cases of outsourcing, the AA still retains the responsibility for the quality of the outsourced work	L	30/06/2009	5.4.2 (Findings No 2)  Regio/J2 CAF - Vol III - NIPAC/AA/SC (Dec 08 Audit)

	<p>and thus full ownership of the process. The manner (e.g. procedures, checklists, sample re-performance etc.) by which the AA is expected to operationally guide and review the outsourced work in order to obtain quality assurance is not sufficiently specified in its manual.</p>					<p>-----  Regio/J2 CAF -  Vol II (Sc. 6)  AA  (Mar 09 Audit)</p>
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No	Body	Description of finding	Materiality	Date of finding	Reference
7	NAO	During the IPA preparation phase, a number of NF employees have been transferred to the NAO Office. 5 new officials are expected to join the NAO Office by the end of 2008 and another 5 new officials in 2009. These changes in the organisational set-up constitute a major change in the management & control system.	M	31/12/2009	Regio/J2 CAF - Vol III - NAO (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 2) - NAO (Mar 09 Audit)
8	NAO	AFCOS has not yet been formally set-up for the coordination of all legislative, administrative and operational aspects of the protection of the Communities financial interests. Currently, the Prime Ministry Board of Investigation is carrying out the functions of AFCOS. This finding is also included in the Commission Decision for Component I and according to the Turkish Authorities it is not possible to set-up AFCOS within the timeframe indicated in this Decision.	M	30/6/2009	Regio/J2 CAF - Vol III - NAO (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 2) - NAO (Mar 09 Audit)
9	NAO / OS	The awareness related to what constitutes a major/minor change in the management and control systems within the bodies responsible for the OP was not sufficient. This is an important area which needs to be further clarified to the Operating Structures since the CAO and NAO are responsible under the provisions of Article 15 & 16 of the IPA IR to inform the Commission of any significant change in the management and control systems.	L	31/12/09	5.5.2 (Finding No 7) ----- Regio/J2 CAF - Vol II (Sc. 2) - NAO (Mar 09 Audit)

10	NAO	On a yearly basis, the OS shall prepare a management declaration to the NAO as part of the process of the building up of the statement of assurance to be presented by the NAO to the Commission by 28 February each year. These declarations have not yet been drafted.	M	The auditors confirmed that the Management Declarations templates are still being prepared. A copy should be submitted when these are completed.	30/6/2009	5.5.2 (Finding No 8)	Regio/J2 CAF - Vol III - NAO (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 2) NAO (Mar 09 Audit)
11	NAO / Head of OS	The awareness related to the statement of assurance process within the bodies responsible for the OPs was not sufficient. This will be an essential process to provide annual assurance to the NAO and to the EC services.  The contribution of the Head of the OS should be provided based on a thorough review of a self-assessment exercise to be conducted by each of the bodies within the OS. The self assessment exercise aims at providing assurance on the effective functioning of the management and control systems as well as on the legality and regularity of the underlying transactions. The Head of the OS is also responsible for reporting to the NAO any control weakness, information on the execution of corrective measures and any supporting documentation which is required. From our interviews with the responsible staff we noted that the awareness of this new and essential procedure is not yet sufficient. This has also been confirmed during the review of the audit plan for 2008-2010 of the various internal audit units whereby there was no plan to conduct joint audits with CFCU.	M	The auditors noted that a training plan is being prepared to increase awareness related to the statement of assurance.  It was also ascertained that the internal audit units of the OSs have started to update their audits plans for 2008-2010 to include joint audits with CFCU.  Supporting evidence pertaining to the provision of the training on statement of assurance and updated internal audit plans should be submitted to the EC auditors as soon as they are delivered/completed.	30/6/2009	5.5.2 (Finding No 9)	Regio/J2 CAF - Vol III - NAO (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 2) NAO (Mar 09 Audit)
12	NAO	It was satisfactorily noted that the NAO's Office has now prepared a clear updated procedure relating to what information shall be collected and analysed in order to formulate the Statement of Assurance. However, it is still not clear how all these tools at the	M	The auditors satisfactorily verified that a working group (Head of Department & Training Coordinator in the NAO Office & an Expert from the Financial Management Division) has been set-up as recommended in order to assign relative weightings	30/6/2009	5.5.2 (Finding No 10)	Regio/J2 CAF - Vol III - NAO (Dec 08 Audit) ----- Regio/J2 CAF -

13	NAO	<p>disposal of the NAO will be analysed and coordinated in order to arrive at a final conclusion regarding the effective functioning of the management and control systems.</p> <p>It is satisfactorily noted that the NAO's office plans to make annual accreditation checks by means of self-assessment checklists sent to the OS and CFCU and then followed by on-the-spot visits. It is envisaged that these checks shall be made on a yearly basis during the first week of December. Whilst the auditors acknowledge the pro-active approach of the NAO office, we would like to draw the attention of the Turkish authorities that in order to carry-out these accreditation checks the staff within the NAO's Office should have the necessary level of experience to conduct these assignments and/or receive specific training.</p>	M	<p>to the indicators which will be used as a basis of the statement of assurance.</p> <p>A copy of the results of the working group should be submitted as soon as this is completed.</p> <p>The auditors satisfactorily noted that the NAO Office has improved both the :</p> <p>1) On-the-spot-visits check list (Annex D07 NF Manual) for project audit visits; &amp;</p> <p>2) On-the-spot checks check list (Annex D05 NF Manual) for accreditation checks.</p> <p>Both these check-lists are still being updated as further improvements are still needed. Once finalized they have to be provided to the EC auditors.</p>	30/6/2009	5.5.2 (Finding No 11)	<p>Vol II (Sc. 2) NAO (Mar 09 Audit)</p> <p>Regio/J2 CAF - Vol III - NAO (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 2.14 &amp; 2.15) NAO (Mar 09 Audit)</p>
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14	NF	The current restructuring within the National Fund and NAO Office has not yet been supported by an updated work-load analysis and thereby the estimated increase in staffing could not be reconciled to the work-load analysis.	M	Updated WLA to be submitted as indicated.	30/6/2009	5.6.2 (Finding No 1)	Regio/J2 CAF - Vol III - NF (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 3) NF (Mar 09 Audit)
15	NF	In the updated organisational chart foreseen to be in place by the end of 2009, it appears that the Financial Management and Financial Control departments will not have a head. The Turkish authorities should assess the risk of having two departments within the National Fund without a head of department in place especially when the work-load will significantly increase and the projects will be up and running after the conferral of management decision. A department without proper management and planning in place will possibly not function properly and effectively.	M	During the follow-up audit the EC auditors were informed that Mr Mehmet AK is the Head of Financial Control. It is recommended to update the organigram to reflect this appointment and submit a copy of his appointment as substantive evidence.  The position of Head of Financial Management is still vacant and thus needs to be filled in.	31/12/2009	5.6.2 (Finding No 2)	Regio/J2 CAF - Vol III - NF (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 3) NF (Mar 09 Audit)
16	NF	The whistle blowing procedures included in the PIM needs to be further elaborated in order to ensure that the staff at NF and NAO Office can clearly assess their rights and responsibilities insofar as whistle-blowing procedures are concerned.	L	The EC auditors were informed that procedures will be upgraded as recommended.	30/6/2009	5.6.2 (Finding No 3)	Regio/J2 CAF - Vol III - NF (Dec 08 Audit) ----- Regio/J2 CAF -



								Vol II (Sc. 3) NF (Mar 09 Audit)
17	NF	The pro-forma Irregularity database is not attached as an annex to the PIM. Whilst it was confirmed that the current irregularity database used for the pre-accession instruments will be used by the NF, it was noted that this should be updated to capture the key information relating to irregularities.	L	Finding has still to be addressed as recommended.	30/6/2009			Regio/J2 CAF - Vol III – NF (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 3.7) NF (Mar 09 Audit)
18	NF / NAO	The conditions for the Audit Authority (AA) to rely on the work of the different internal audit units within the Operating Structures are not yet satisfactorily met. This is mainly because the internal audit units have been recently established and some lack sufficient resources, experience in auditing of the EU funds and adequate methodology.	M	It has been satisfactorily noted that the Turkish authorities have prepared a new ToR under SEI funds envisaged for the training of 45 internal auditors involved in the IPA system with the aim of strengthening the internal audit units' capacity throughout all the various IPA bodies.  The auditors shall assess the state of play in relation to the strengthening of internal audit units during subsequent audit visits / progress reports.	31/12/2009	5.6.2 (Finding g No 5)		Regio/J2 CAF - Vol III – NF (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 3.9) F (Mar 09 Audit)
19	NF	The Internal Audit Manual has not yet been finalised.	M	A draft Internal audit manual has been obtained which still needs to be updated and completed by the Turkish authorities.	30/6/2009	5.6.2 (Finding g No 6)		Regio/J2 CAF - Vol III – NF (Dec 08 Audit) Regio/J2 CAF - Vol II (Sc. 3.11) NF (Mar 09 Audit)
20	NF	PIM Chapter I – Financial Management includes a number of references to documents used by the NF for the Turkish pre-accession instrument.	M	Finding has still to be addressed as recommended.	30/6/2009	5.6.2 (Finding g No 7)		Regio/J2 CAF - Vol III – NF (Dec 08 Audit)Regio/J2 CAF - Vol II

21	NF / NAO	<p>In accordance with the PIM, the NF shall be responsible to perform additional on-the-spot checks (4<sup>th</sup> level controls) to make sure that goods/supplies/services are timely and substantially delivered. The awareness related to how these on-the-spot checks shall be carried out was not clear to the NF staff and the procedures and selection criteria for such checks are not yet developed.</p> <p>The POG chapter explaining how the on-the-spot checks will be carried out needs to be further elaborated.</p>	M	<p>The EC auditors note that the Turkish authorities have drafted a "Risk assessment methodology for IPA" for the selection of projects which however still need to be finalized.</p> <p>POG chapter has to be updated accordingly.</p>	30/6/2009	5.6.2 (Finding g No 8)	(Sc. 3) NF (Mar 09 Audit)  Regio/J2 CAF - Vol III – NF (Dec 08 Audit)  ----- Regio/J2 CAF - Vol II (Sc. 3.8) NF (Mar 09 Audit)
22	NF	<p>A review of the risk management policy showed that most of the risks identified are closely related to the Annex I criteria of the IPA IR and the mitigation measures mostly state that every risk has been addressed. The risk management exercise should be concentrated on the risks at the organisational level and on specific activities. Whilst certain risks are closely related to the Annex I criteria, the risk identification of the NF should not be constrained by the latter. For instance, the Risk Management Policy states that the recruitment of staff on the basis of appropriate and timely work load analysis is a risk (rated 4 - High) and the mitigation measure is "comprehensive workload analysis has been carried out and staff recruited accordingly". In this case, the identified risks should have been for example the risk of high staff turnover; inexperienced staff with low quality documents; interruption of work due to a number of staff unavailable etc. In similar way, specific risk factors should be developed and included in the analysis for the areas of financial control, accreditation and assurance.</p>	M  L	<p>Finding has still to be addressed as recommended.</p> <p>The EC auditors were notified that the risk management policy for 2009 is still being prepared. Once completed the document is to be submitted to the EC.</p>	30/6/2009  31/12/2009	5.6.2 (Finding g No 9)	<p>Regio/J2 CAF - Vol III – NF (Dec 08 Audit)  ----- Regio/J2 CAF - Vol II (Sc. 3) NF (Mar 09 Audit)</p>

23	NF	The PIM does not mention the applicable procedures to follow-up any reported exceptions.	L	Finding has still to be addressed as recommended.	31/12/2009	5.6.2 (Finding No 10)	Regio/J2 CAF - Vol III – NF (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 3) NF (Mar 09 Audit)
24	NF	In the National Fund there are 4 types of sensitive posts identified: Director of the NF, Head of the Financial Management Department, Head of the Financial Management Department and Accountant. According to the information obtained during the interviews, the mitigating measures will rather consist of further controls instead of staff rotation. For example, the Director of NF will be supervised by the NAQ; in the case of accountants, the system is providing for adequate cross-checks.	L	Finding has still to be addressed as recommended and manuals updated respectively.	31/12/2009	5.6.2 (Finding No 11)	Regio/J2 CAF - Vol III – NF (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 3) NF (Mar 09 Audit)

25	CFCU	<p>The Strategic plan of the CFCU is currently still in draft form. In this regard, it is not possible to monitor objectives against targets and assess if CFCU objectives are being attained.</p>	M	<p>The EC auditors were informed that the strategic plan is still in the process of being finalized. The Turkish authorities are requested to communicate the strategic plan when completed.</p>	30/6/2009	5.7.2 (Finding No 2)	<p>Regio/J2 CAF - Vol III – CFCU (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 7) CFCU (Mar 09 Audit)</p>
26	CFCU	<p>During the review of Irregularities it was noted that whistle blowing procedures are not clearly explained in the PIM.</p>	M	<p>Whilst the EC auditors noted that CFCU staff has been informed about whistle blowing procedures in the irregularity training, the PIM still needs to be further enhanced insofar as whistle blowing procedures are concerned in order that it highlights more clearly to the employees their rights and responsibilities and also to provide a practical guideline on how whistle blowing procedures may be applied.</p>	30/6/2009		

27	CFCU	<p>During the review of risk management it was noted that:</p> <p>The risk assessment strategy for 2008 took into consideration only indicators at the organisational level and the risks existing at the level of the separate units within the CFCU were not captured in this exercise;</p> <p>A risk action plan with target dates by when the identified risks will be addressed has not been prepared for 2008; Risk mitigation plans need to be further enhanced.</p>	M	<p>A copy of the document which is still being enhanced "List of risks for objective of the CFCU" has been obtained. However, more enhancement is required regarding the prioritization of risks (risk rating) and the establishment of specific deadlines for addressing them.</p>	30/6/2009	Regio/J2 CAF - Vol II (Sc. 7.14) CFCU (Mar 09 Audit)
28	CFCU	<p>Following a review of the "Sensitive posts policy paper" it was noted that not all positions within CFCU have been subject to a sensitivity assessment. Indeed, the starting point was a list of positions which were deemed to be sensitive and then the sensitive assessment has been applied. This methodology is not correct and needs to be adjusted during the ongoing exercise to update this document. In fact, the post of CFCU director and Deputy CFCU director were not identified as sensitive on the basis of the methodology applied. Both these high level positions are normally expected to qualify as sensitive and mitigating factors then put in place accordingly. Specific mitigating factors should then put in place for the sensitive posts identified.</p>	M	<p>The EC auditors obtained a copy of the updated "Policy Paper on Identification, Managing and Inventory of Sensitive Post in the CFCU". In accordance with this policy paper, it is noted that the posts of CFCU director &amp; Deputy CFCU director are still not deemed to be sensitive. The EC auditors reiterate that these positions are sensitive by nature and thereby further improvements are still needed in this policy paper.</p>	30/6/2009	<p>5.7.2 (Finding No 7)</p> <p>Regio/J2 CAF - Vol III - CFCU (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 7.15) CFCU (Mar 09 Audit)</p>
29	CFCU	<p>The QACD guidelines have still to be completed. It is recommended that these guidelines are finalised since these will form the basis of the work of the QACD which have a key role within the CFCU.</p>	M	<p>In line with the improvements needed in the Sensitive policy paper as recommended in the preceding finding, mitigating controls should also be set for the CFCU director and deputy director posts.</p> <p>A copy of the QACD guideline should be submitted to the EC auditors when it is finalized.</p>	30/6/2009	<p>5.7.2 (Finding No 9)</p> <p>Regio/J2 CAF - Vol III - CFCU (Dec 08 Audit)</p> <p>Regio/J2 CAF - Vol II (Sc. 7) CFCU (Mar 09 Audit)</p>

30	CFCU	Our review of the internal audit manual revealed a very preliminary & incomplete audit manual which cannot currently be used as an operational guide by the internal auditors. This document needs to be improved in a number of areas	M	The internal audit manual is being revised at a horizontal level. Once finalized the manual is to be provided to the EC.	30/6/2009		
31	CFCU	The disaster recovery plan and business continuity plan for the IT Services is still in draft format and expected to be completed by June 2009.	M	The EC auditors obtained a copy of the draft Disaster Recovery & Business Continuity Plan (DR-BCP) during the follow-up audit and were notified that this shall be completed by June 2009. Once finalized the document is to be provided to the EC.	30/6/2009	5.7.2 (Finding No 13)	Regio/J2 CAF - Vol III - CFCU (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 7.16) CFCU (Mar 09 Audit)
32	CFCU	It was noted that despite of the obligatory involvement of the EC Delegation (ECD) before contract signature or any change of the contract, there are so called "variation orders (VO)" and "administrative order (AO)" used by the CFCU without previous approval of the EC Delegation. The first type of changing document refers typically to quantities or technical issues, whereas the AO usually concern other minor items of a contract, but can also be applied for extension of contract deadlines.  With reference to the ex-ante controls by the EC Delegation, error statistics do not include cases, where the ECD ask for additional information or changes to the documents by means of a suspension. For the sake of constant quality improvement of tender documents, the error statistics should encompass any requests or questions from the ECD.	M	The recommendation to the CFCU is maintained: Amend PIM, in order to ensure that ECD approval is obtained before any change concerning the key elements of a contract, i.e. price, scope and execution period.  In view of doubts presented to the auditors, following should be clarified: change of execution period requires an addendum (as essential element of the contract); whereas changes to the implementation period (contained in the period of execution) may be changed by means of an administrative order, as long as the period for execution is respected.	30/6/2009	5.7.2 (Finding No 14)	Regio/J2 CAF - Vol III - CFCU Regio/J2 (Dec 08 Audit) ----- CAF - Vol II (Sc. 7.22) CFCU (Mar 09 Audit)
			M	The EC auditors were informed that the analysis of the rejection rates is still being developed by the QACD and the system will be subsequently updated accordingly. Once finalized the analysis is to be provided to the EC auditors.	30/6/2009		

COMMISSIONER GENERAL OF INVESTIGATION & BOARD OF INVESTIGATION					
No.	Body	Summary of findings	Recommendation	Report Reference	File Ref.
33	MoIT	<p>Currently, the programming department is responsible for updating the PIM and POG procedures as there is no officially appointed manual coordinator. Furthermore, no register of modifications exists and there is no proper communication of the system changes.</p> <p>The general awareness of what constitutes a major and minor change in the system needs also to be enhanced together with specific training on how to update system changes.</p>	<p>The EC auditors verified that the PIM has been updated and the Head of QACD has been appointed as Manual Coordinator (Draft PIM A2). Furthermore, the Register of modifications (Draft POG A01) has also been prepared.</p> <p>However, the updated PIM must still be approved and thereby the MoIT should submit the updated approved PIM when available.</p>	30/6/2009	Regio/J2 CAF - Vol II (Sc. 9/27 & 9/33) MoIT (Mar 09 Audit)
34	MoIT	<p>It was verified that no MoIT employees have participated in the training on Ethics &amp; Integrity policies delivered by the NAO.</p>	<p>After participation of MoIT officials in training regarding ethics and integrity policies supporting evidence should be submitted to the EC auditors for review</p>	31/12/2009	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>Regio/J2 CAF - Vol II (Sc. 9/22) MoIT (Mar 09 Audit)</p>
35	MoIT	<p>Whistle blowing procedures are not explained in detail in the PIM. In this respect, the awareness, even at the level of the irregularity officer, is rather limited especially as regards the protection of whistle blowers.</p>	<p>The EC auditors ascertained that whistle blowing procedures shall be further developed as recommended. A copy of the updated procedures should be submitted to the EC services when completed.</p>	30/6/2009	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>Regio/J2 CAF - Vol II (Sc. 9) MoIT (Mar 09 Audit)</p>

36	MoIT	Risk management training to the Risk Manager should also be enhanced.	M	The EC auditors were informed that the ToR for risk register training has been prepared and sent to the EUSG. A copy of these ToR was obtained.  After the delivery of the training on risk management the MoIT should submit supporting evidence to the EC auditors for review.	30/6/2009	Regio/J2 CAF - Vol II (Sc. 9/12) MoIT (Mar 09 Audit)
37	MoIT	In accordance with the WLA conducted in May 2009, the auditors satisfactory noted that the MoIT has hired additional staff in order to ensure that the RCP-CIC has a more complete human resource capacity in place. From the review of the updated WLA submitted during the audit it was noted that an additional 7 new posts still needs to be filled in the coming months. It is expected that the recruitment process will not take long since the MoIT intends to fill in these posts by transferring internal staff from other departments within the MoIT.	M	Since Dec. 2008 the RCP-CIC recruited additional 6 employees (2 of which replaced officials who left the RCP-CIC). The additional 4 officials were recruited as follows :  1 – Programming Department 2 – Technical Implementation Department 1 – Head of QACD  Thereby, it was satisfactorily noted that the shortage in the Technical Implementation Department of 4 officials which was highlighted in the Dec 08 audit report has now been partially addressed and also the RCP-CIC filled the post of Head of QACD.  Further recruitment procedures are currently ongoing for an additional 8 experts. 4 experts are expected to be recruited in May and the remaining 4 experts will be recruited in September 2009.  The RCP-CIC is required to submit an updated organigram to the EC auditors when the recruitment planned for May 09 will be completed.	30/6/2009	Regio/J2 CAF - Vol III – MoIT (Dec 08 Audit)  Regio/J2 CAF - Vol II (Sc. 9/6 & 9/8) MoIT (Mar 09 Audit)
		It was noted that the MoIT has satisfactorily prepared a strategy for the establishment and capacity building of a finance and contracts unit within the RCP-CIC. This department is already depicted in the current	L	The MoIT is requested to submit a copy of the Specific Road Map (and relative ToR) for the establishment of the FCD when completed.	31/12/2009	Regio/J2 CAF - Vol II (Sc. 9/15) MoIT



		organizational chart and a head of department has also been allocated to this department. Staff recruitment plans have still to be developed.			The EC auditors were informed that the MoIT expects to take back the 2 experts currently seconded to the CFCU in order to further strengthen the FCD. It was also noted that during the transitional period (2009 & 2010), the officials within the shadow unit will cooperate in public procurement and contracting matters with the CFCU as part of their on-the-job training.			(Mar 09 Audit)
38	MoIT	It was also noted that training maps have not yet been prepared within the MoIT since a general training needs assessment at the Unit level was conducted. Whilst the auditors verified that the MoIT established what the general training needs of the IPA Unit are, it is recommended to develop individual training maps that will capture the specific training needs required for some of the officials.	M	31/12/2009	The MoIT is requested to submit a copy of the new person specific training maps when these will be completed.			
39	MoIT	The MoIT has identified two high risk posts as sensitive, namely Head of OS and Head of RCOP CIC. The mitigation procedures for these two sensitive posts are the same. It has to be noted the mitigation procedures are not realistic with relation to the Head of the OS (i.e. annual review of the activities performed by HOS by the QACU; internal control of the reports and documents approved by the HOS by the QACU).	M	30/6/2009	The MoIT is requested to submit a copy of the revised Sensitive post analysis when this is completed. The analysis should also determine the mitigation procedures and controls for the risky functions and activities identified.	5.10.2 (Finding No 9)	Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 9) MoIT (Mar 09 Audit)	
40	MoIT	With reference to the controls carried out by the CFCU and the EC Delegation, the PIM does not stipulate which unit will be responsible for the analysis of error statistics. Such analysis is deemed to be essential for quality assurance of tender related documents.	M	30/6/2009	The MoIT is requested to submit the approved updated procedures of the Implementing Manuals (PIM - POG) as well as the updated job descriptions of QACD staff.	5.10.2 (Finding No 10)	Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 9) MoIT (Mar 09 Audit)	

41	MoIT	<p>In the cooperation agreement and the procedures manual the task of carrying out on-the-spot checks is foreseen for different bodies (CFCU, MoIT and NF). The basis for planning on-the-spot checks (on-the-spot checks annual plan) and the possibility for conducting joint audits with the CFCU is still not clear. According to the information obtained during the interviews, the CFCU shall participate in on-the-spot checks carried out under responsibility of the OS. However, this is not visible from the respective flowchart. The risk is that on-the-spot checks are performed in an uncoordinated manner with the possibility of contradictory results and delays in the certification of expenditure and in the implementation of the measures.</p> <p>It is also generally unclear the link between the results of the administrative checks and the ones of the on-the-spot checks.</p>	M	<p>The EC auditors verified that the POG M01 "Contract Management" has been updated and hence MoIT is the body primary responsible for the conduct of the on-the-spot checks. All other bodies including CFCU may participate in a supportive verification role.</p> <p>However, the updated POG &amp; related Audit Trail must still be approved and thereby the MoIT should submit the updated approved POG &amp; Audit Trail when available.</p>	30/6/2009	5.10.2 (Finding No 11)	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 9/37) MoIT (Mar 09 Audit)</p>
42	MoIT	<p>The Implementation Division is responsible for the technical and physical verification of operations and proposals for payments to beneficiaries, but the respective checklist is not included in the Manual.</p>	M	<p>The EC auditors verified that the Draft PIM Annex M10 "Checklist invoice controls" has now been prepared and a copy obtained.</p> <p>However, the updated PIM must still be approved and thereby the MoIT should submit the updated approved PIM when available.</p>	30/6/2009	5.10.2 (Finding No 12)	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 9/56) MoIT (Mar 09 Audit)</p>
43	MoIT	<p>The exception report is currently still in draft format and the PIM does not mention how the reported exceptions shall be followed up. It has been noted that the awareness of the procedures in this respect is rather limited among the officials of the MoIT.</p>	M	<p>The EC auditors verified that the PIM Annex D04 "Exception Report" &amp; Annex D05 "Exception Notification" has now been prepared and a copy obtained.</p> <p>However, the updated PIM must still be approved and thereby the MoIT should submit the updated approved PIM when available.</p>	30/6/2009	5.10.2 (Finding No 13)	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 9/44 &amp; 9/45) MoIT (Mar 09 Audit)</p>
			M	<p>The EC auditors verified that the draft POG D06 "Exception Notification &amp; Reporting for OS" has</p>	30/6/2009		<p>Regio/J2 CAF - Vol II (Sc. 9/35)</p>

44	MoIT	<p>The internal audit unit of the MoIT is currently under the guidance and supervision of the Internal Audit Coordination Board (Ministry of Finance). The internal audit manual prepared horizontally by the latter does not exist in English and therefore it was not possible to verify its completeness and methodology (e.g. reliance on the work of others, methodology, risk assessment).</p> <p>The audit plan for 2008-2010 overlooked the task of the internal audit unit carrying out joint audits within CFCEU together with the internal auditors of the latter. This task of the internal auditing unit is also specified in the "Procedures for Supervision of the Beneficiaries" document submitted to the EC auditors by the MoIT.</p>	M	<p>The internal audit manual is being revised at a horizontal level. Therefore, once completed in the manual should be submitted to the EC auditors for consideration.</p>	30/6/2009	5.10.2 (Findings No 15)	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 9/26) MoIT (Mar 09 Audit)</p>	MoIT (Mar 09 Audit)
45	MoIT	<p>A communication strategy and action plan (including the exact budget) at the MoIT is still in draft form</p>	M	<p>A copy of the final version of the Communication strategy and action plan (including the respective budget appropriation) should be submitted to the EC auditors when completed.</p>	30/6/2009	5.10.2 (Findings No 16)	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>-Regio/J2 CAF - Vol II (Sc. 9/23) MoIT (Mar 09 Audit)</p>	MoIT (Mar 09 Audit)
46	MoIT	<p>It has been noted that a number of recommendations of the Compliance auditors are planned to be addressed by the second half of 2009.</p>	M	<p>Supporting evidence should be submitted by the MoIT once the pending findings from the Compliance Audit relating to IT have been addressed.</p>	30/6/2009	5.10.2 (Findings No 17)	<p>Regio/J2 CAF - Vol III - MoIT (Dec 08 Audit)</p> <p>-Regio/J2 CAF - Vol II (Sc. 9) MoIT (Mar 09 Audit)</p>	MoIT (Mar 09 Audit)

## **ANNEX VIb**

### **List of the ex-ante controls to be performed by the Commission**

#### **In relation to service, supply and works contracts**

##### **Procurement procedures**

- (1) Approval of the use of competitive dialogue
- (2) Approval of the use of a negotiated procedure
- (3) Approval of the use of a restricted procedure for works contracts of € 5.000.000 or more

##### **Publications**

- (4) Publication of the individual contract forecast in the Official Journal, on the EuropeAid website and in any other appropriate media
- (5) Publication of procurement notices and tender dossier in the Official Journal, on the EuropeAid website and in any other appropriate media
- (6) Publication of the corrigendum notice in the Official Journal, on the EuropeAid website and in any other appropriate media
- (7) Publication of the references of the local open tender procedure on the EuropeAid website with the address from which firms can obtain further information
- (8) Publication of the additional information during the calls for tender procedure.
- (9) Publication of the contract award notice and the results of the tender procedure in the Official Journal, on the EuropeAid website and in any other appropriate media.
- (10) Publication of the cancellation notice.

##### **The Evaluation Committee**

- (11) Approval of the composition of the Evaluation Committee.
- (12) Nomination of an observer to follow all or part of the proceedings of the Evaluation Committee.
- (13) Approval of other observers in the Evaluation Committee

##### **Establishment of shortlists in service contracts**

- (14) Endorsement of the short list with less than minimum of four candidates meeting the selection criteria.
- (15) Endorsement of the shortlist report approved by the relevant services of the Contracting Authority

#### Tender dossier and evaluation

- (16) Endorsement of the tender dossier (Terms of Reference/Technical specifications) prior to issue
- (17) Prior approval of the derogations specifically provided for by PRAG. Authorisation for derogation from the basic rules (e.g. shorter deadline for submission of tenders such as 50 days for services, 60 days for supply, 90 days for works). Derogation from rule of origin, nationality in exceptional cases following approval of HQ.
- (18) In case of particularly complex supplies prior approval of the use of a combination of quality and price as the basis for awarding the contract to the most economically advantageous tender. Provision of technical support on a case-by-case basis.
- (19) Endorsement of the Evaluation Report together with its recommendations.
- (20) Prior approval before cancelling a tender procedure.

#### Provision and replacement of experts

- (21) Prior approval before cancelling the contract.
- (22) Prior approval before replacing experts.

#### Award of the contract

- (23) Formal endorsement of award prior to the submission of the notification letter to the successful tenderer.
- (24) Endorsement of the contract dossier.
- (25) Receipt of one signed original from the successful tendered/applicant.

#### Modifying contracts

- (26) Endorsement of an addendum to the contract.
- (27) Receipt of one signed original of the addendum from the contractor.

#### **In relation to Grants**

- (28) Prior approval of the derogations specifically provided for by PRAG.
- (29) Prior approval of the use of a framework partnership agreement.

- (30) Prior approval of the use of the direct award procedure.

Evaluation Committee

- (31) Approval of the composition of the Evaluation Committee.
- (32) Nomination of an observer to follow all or part of the proceedings of the Evaluation Committee.
- (33) Approval of other observers in the Evaluation Committee.
- (34) Approval of the list of assessors where the assessors are to be used for examination of proposals.
- (35) Endorsement of the proposal opening session and administrative check report.
- (36) Endorsement of the evaluation report of the concept note.
- (37) Endorsement of the evaluation report of the application form.
- (38) Endorsement of the Evaluation Report.

Grant procedure and grant award

- (39) Approval of the annual work programmes and the Guidelines for Applicants.
- (40) Publication of the annual work programmes, Guidelines for Applicants and grant award notices.
- (41) Prior approval for cancelling a call for proposals procedure
- (42) Endorsement of details of the proposed grants and where appropriate, the draft contracts
- (43) Endorsement of the grant award
- (44) Notification by the contracting Authority on the signature of the contract
- (45) Endorsement of an addendum to a contract.

## ANNEX VII

### Requirements of the roadmap to waive *ex-ante* controls

#### (Article 31 of the Financing Agreement)

Decentralisation without *ex-ante* controls by the Commission is the objective for the implementation of the Operational Programme "Regional Competitiveness" in Turkey.

In accordance with Article 8(4)c of Commission Regulation (EC) No 718/2007 this Financing Agreement lays down the provisions relating to the establishment and regular updating by Turkey of a Roadmap to achieve decentralisation without *ex-ante* controls by the Commission.

#### **1. Objective**

The objective of the Roadmap is to set the requirements and benchmarks to be met in order to achieve by Turkey a decentralised management without *ex-ante* controls by the Commission.

#### **2. Deadline for submission of the Roadmap and frequency of reporting**

The Roadmap will be submitted by the NAO to the Directorate General for Regional Policy at the latest three months after the signature of the Financing Agreement.

Turkey shall report to the Commission on a quarterly basis on the current state of affairs with respect to its achievements in meeting the requirements and benchmarks set.

#### **3. Scope and structure**

The Roadmap will describe the existing system for managing funds under the "Regional Competitiveness" Operational Programme. It will identify the steps and improvements necessary to achieve a management and control system with internal rules of procedure as well as clear institutional and personal responsibilities which will efficiently function without *ex-ante* controls by the Commission.

The Roadmap will set quantitative and qualitative benchmarks on (non exhaustive list):

- the establishment and management of the institutional set up,
- the staffing,
- the functioning of decentralised implementation system with *ex-ante* controls,
- the implementation of operations/projects under the "Regional Competitiveness" Operational Programme

The Roadmap will additionally include a set of benchmarks relating to the tendering and contracting process. In particular these benchmarks will refer to the increased quality of tender and contract documents submitted to the EC Delegation for *ex-ante* approval and to the timely procurement (procurement plan with binding deadlines).

In the Roadmap Turkey will set the deadline for sending to the Commission the application for the waiving of ex-ante controls.

The Roadmap may refer to a phased waiver of different types of ex-ante controls.

#### **4. Status of the document and procedure**

The Roadmap will be established by Turkey in close consultation with the Commission.

The Roadmap will not be adopted/ approved by the Commission, i.e. it will remain a Turkish document. It will be however the basis for the monitoring and assessment of the functioning of the management and control system.

#### **5. Next steps**

Before dispensing with the ex-ante controls laid down in the Commission Decision on conferral of management powers relating to the "Regional Competitiveness" Operational Programme, the Commission will satisfy itself as to the effective functioning of the management and control system concerned in accordance with the relevant Community and national rules.

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



**ANNEX VIII**

*TEMPLATE*

**MAJOR PROJECT**

**REQUEST FOR CONFIRMATION OF ASSISTANCE**

PROJECTS FALLING WITHIN THE SCOPE OF  
ARTICLES 147 (1)(c) AND 157 OF  
COMMISSION REGULATION (EC) N0 718/2007

INSTRUMENT FOR PRE-ACCESSION ASSISTANCE

**(Infrastructure major projects financed under "Regional  
Competitiveness" programmes)**

**[Project title]**

**CCI No [.....]**

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  - B. PROJECT DETAILS
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  - E. COST-BENEFIT ANALYSIS
  - F. ANALYSIS OF THE ENVIRONMENTAL IMPACT
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  - I. COMPATIBILITY WITH COMMUNITY POLICIES AND LAW
  - J. ENDORSEMENT OF COMPETENT NATIONAL AUTHORITY
- ANNEX I DECLARATION BY AUTHORITY RESPONSIBLE FOR MONITORING  
SITES OF NATURE CONSERVATION IMPORTANCE
- ANNEX II – COST-BENEFIT ANALYSIS (FINANCIAL ANALYSIS AND WHERE  
RELEVANT SOCIO-ECONOMIC ANALYSIS)
- [List all annexes]

## A ADDRESSES AND REFERENCES

### A.1 Authority responsible for the application (operating structure)

- A.1.1 Name: TEXT
- A.1.2 Address: TEXT
- A.1.3 Contact: TEXT
- A.1.4 Telephone: TEXT
- A.1.5 Telex/Fax: TEXT
- A.1.6 E-mail: TEXT

### A.2 Final Beneficiary

- A.2.1 Name: TEXT
- A.2.2 Address: TEXT
- A.2.3 Contact: TEXT
- A.2.4 Telephone: TEXT
- A.2.5 Telex/Fax: TEXT
- A.2.6 E-mail: TEXT

### A.3 Body responsible for tendering and contracting (contracting authority), if different from the body in A.2.

- A.3.1 Name: TEXT
- A.3.2 Address: TEXT
- A.3.3 Contact: TEXT
- A.3.4 Telephone: TEXT
- A.3.5 Telex/Fax: TEXT
- A.3.6 E-mail: TEXT

### A.4 End recipient of the project (project owner after implementation)

- A.4.1 Name: TEXT
- A.4.2 Address: TEXT
- A.4.3 Contact: TEXT
- A.4.4 Telephone: TEXT
- A.4.5 Telex/Fax: TEXT
- A.4.6 E-mail: TEXT

## B. PROJECT DETAILS

### B.1. Title of project / project phase:

TEXT BOX

### B.2 Categorisation of project activity<sup>10</sup>

B.2.1 Code for the priority theme dimension

Code	Percentage
Code	Percentage

B.2.2 Code for the form of finance dimension

Code

B.2.3 Code for the location dimension NUT S II

Code if available

### B.3 Compatibility and coherence with the Operational Programme

B.3.1 Title of the related Operational Programme:

TEXT BOX

B.3.2 Common Code for Identification (CCI) No of Operational Programme

TEXT BOX

B.3.3 Commission decision (no and date):

TEXT BOX

B.3.4 Title of the priority axis

TEXT BOX

### B.4. Project objectives and location

B.4.1 Current infrastructure endowment and impact of the project

Indicate the extent to which the region(s) is/are at present endowed with the type of infrastructure covered by this application; compare it with the level of infrastructure endowment aimed for by target year 20.....(i.e., according to the relevant strategy or national/regional plans, where applicable). Indicate the foreseeable contribution of the project to the strategy/plan objectives. Specify potential bottlenecks or other problems to be resolved.

<sup>10</sup> Refer to the codes as stated in the Annex XIII. *Allocation by category of expenditures* of the Financing Agreement.

TEXT BOX

*B.4.2. Socio-economic objectives*

Indicate the project's socio-economic objectives and targets.

TEXT BOX

*B.4.3. Contribution to the achievement of the Operational Programme*

Describe how the project contributes to the achievement of the relevant priority and measure of the Operational Programme (provide quantified indicators where possible)

TEXT BOX

*B.4.4. Project's objectives*

Fully describe objectives and targets (specific problems to be resolved, population served, quality improvements, reduction of pollution, etc.)

Quantify as far as possible.

TEXT BOX

**B.5. Project description**

*B.5.1. Project (or project phase) description:*

a) Provide a description of the project (or project phase).

TEXT BOX

b) Where the project is a phase of an overall project, provide a description of the proposed stages of implementation (explaining whether they are technically and financially independent).

TEXT BOX

c) What criteria have been used to determine the division of the project into phases?

TEXT BOX

*B.5.2. Technical description of the investment in infrastructure*

a) Describe the proposed infrastructure and the work for which assistance is being proposed specifying its main characteristics and component elements.

TEXT BOX

b) In respect of the work involved, identify and quantify the key output indicators to be used:

TEXT BOX

c) Identify the monitoring body. Specify arrangements for project managing

TEXT BOX

a) Main end users of the infrastructure (i.e. target population served, quantified where possible):

TEXT BOX

a) Is the construction of the infrastructure to be delivered through a public-private partnership (PPP)?

Yes  No

If yes, describe the form of the PPP (i.e., selection process for private partner, structure of PPP, infrastructure ownership arrangements, risk allocation arrangements, etc.):

TEXT BOX

Give details of how the infrastructure is to be managed after the project is completed (i.e., public management, concession, other form of PPP)

TEXT BOX

f) Does the project have a cross-border dimension involving two or more countries?

Yes  No

If so, specify:

TEXT BOX

## **C RESULTS OF FEASIBILITY STUDIES**

### **C.1. Demand analysis**

Provide a summary of the demand analysis, including the predicted utilisation rate on completion and the demand growth rate.

TEXT BOX

### **C.2. Options considered**

Outline the alternative options considered in the feasibility studies.

TEXT BOX

### **C.3. Provide a summary of the main conclusions of the feasibility studies conducted**

TEXT BOX

Give precise references if Community assistance is/was involved in the financing of the feasibility studies.

TEXT BOX

## D. TIMETABLE

### D.1. Project timetable

Give below the timetable for the development of the overall project.

Foresee a separate entry in the table for each contract or phase, where relevant. Where the application concerns a project stage, clearly indicate in the table the elements of the overall project for which assistance is being sought by this application:

	Start date (A)	Completion date (B)
1. Feasibility studies:	dd/mm/yyyy	dd/mm/yyyy
2. Cost-benefit analysis (financial analysis and where relevant socio-economic analysis):	dd/mm/yyyy	dd/mm/yyyy
3. Environmental impact assessment (if appropriate):	dd/mm/yyyy	dd/mm/yyyy
4. Design studies:	dd/mm/yyyy	dd/mm/yyyy
5. Preparation of tender documentation:	dd/mm/yyyy	dd/mm/yyyy
6. Expected launch of tender procedure(s)	dd/mm/yyyy	
7. Land acquisition:	dd/mm/yyyy	dd/mm/yyyy
8. Construction phase / contract:	dd/mm/yyyy	dd/mm/yyyy
9. Operational phase:	dd/mm/yyyy	

Please attach a summary schedule of the main categories of contracts from tendering until final payment (i.e., a Gantt chart, where available).

### D.2. Project maturity

Describe the project timetable (D.1) in terms of the technical and financial progress and current maturity of the project under the following headings:

#### D.2.1. *Technical (feasibility studies, etc.):*

TEXT BOX

*D.2.2. Provide a comprehensive list of legal and administrative documents (decisions, authorisations, EIA (if appropriate), land acquisition, invitations to tender, permits etc) that would be required for project implementation. Indicate which documents have already been obtained and provide indicated dates for obtaining the remaining documents.*

TEXT BOX

*D.2.3. Financial (commitment decisions in respect of national public expenditure, private expenditure, loans requested or granted, etc. - give references):*

TEXT BOX

## E. COST-BENEFIT ANALYSIS

*This section should be based on the Guidelines on the methodology for carrying out the cost-benefit-analysis of major projects. However this analysis and the requirements for performing CBA as stated in the Art. 157.4.e should be proportional to the nature of the project. These requirements should be discussed therefore on a case by case basis with the Commission services.*

### E.1. Financial analysis

*The key elements from the financial analysis should be summarised below.*

#### E.1.1. Short description of methodology and specific assumptions made

TEXT BOX

#### E.1.2. Main elements and parameters used for financial analysis

	Main elements and parameters	Value Not discounted	Value Discounted (Net Present Value)
1	Reference period (years)		
2	Financial discount rate (%) <sup>11</sup>		
3	Total investment cost (in euro, not discounted)		
4	Total investment cost (in euro, discounted)		
4a	Of which non-eligible expenditures (including private contributions)		
5	Residual value (in euro, not discounted)		
6	Residual value (in euro, discounted)		
7	Revenues (in euro, discounted)		
8	Operating costs (in euro, discounted)		
9	Net revenue = revenues – operating costs + residual value (in euro, discounted) = (7) – (8) + (6)		
10	Eligible expenditure (Article 150.2 of IPA IR) = investment cost – non eligible expenditures – net revenue (in euro, discounted) = (4) – (4a) – (9)		
11	Funding gap rate (%) = (10) / (4)		

[The costs and revenues should be based on figures excluding VAT]

<sup>11</sup> Specify if the rate is real or nominal. If the financial analysis is conducted in constant prices, a financial discount rate expressed in real terms shall be used. If the analysis is conducted in current prices, a discount rate in nominal terms shall be used.



*E.1.3. Main results of the financial analysis*

	Without Community assistance (FRR/C) A		With Community assistance (FRR/K) B	
1. Financial rate of return (%)		FRR/C		FRR/K
2. Net present value (euro)		FNPV/C		FNPV/K

*E.1.4. Revenues generated over its lifetime*

If the project is expected to generate revenues through tariffs or charges borne by users, please give details of charges (types and level of charges, principle on the basis of which the charges have been established).

a) Do the charges cover the operational costs and depreciation of the project?

TEXT BOX

b) Do the charges differ between the various users of the infrastructure?

TEXT BOX

c) Are the charges proportional

i. To the use of the project/real consumption?

TEXT BOX

ii. To the pollution generated by users?

TEXT BOX

If no tariffs or charges are proposed, how will operating and maintenance costs be covered?

TEXT BOX

**E.2. Socio-economic analysis** (*Depending on the nature of the project. These requirements should be discussed on a case by case basis with the Commission services*)

*E.2.1. Provide a short description of methodology (key assumptions made in valuing costs and benefits) and the main findings of the socio-economic analysis:*

TEXT BOX

*E.2.2. Give details of main economic costs and benefits identified in the analysis together with values assigned to them:*

<b>Benefit</b>	<b>Unit value (where applicable)</b>	<b>Total value (in euro, discounted)</b>	<b>% of total benefits</b>
...	...	...	...
<b>Cost</b>	<b>Unit value (where applicable)</b>	<b>Total value (in euro, discounted)</b>	<b>% of total costs</b>
...	...	...	...

*E.2.3. Main indicators of the economic analysis*

<b>Main parameters and indicators</b>	<b>Values</b>
1. Social discount rate (%)	
2. Economic rate of return (%)	
3. Economic net present value (in euro)	
4. Benefit-cost ratio	

*E.2.4. Employment effects of project*

Provide an indication of the number of jobs to be created (expressed in terms of full-time equivalents (FTE))

<b>Number of jobs directly created:</b>	<b>No (FTE) (A)</b>	<b>Average duration of these jobs (months) (B)</b>
1. During implementation phase		
2. During operational phase		

[NB: indirect jobs created or lost are not sought for public infrastructure investments].

*E.2.5. Identify the main non-quantifiable / non valuable benefits and costs:*

TEXT BOX

### E.3. Risk and sensitivity analysis

#### E.3.1 Short description of methodology and summary results

TEXT BOX

(a) *E.3.2 Sensitivity analysis*

(b) State the percentage change applied to the variables tested:  
.....

(c) Present the estimated effect on results of financial and economic performance indexes.

Variable tested	Financial Rate of Return variation	Financial Net Present Value variation	Economic Rate of Return variation	Economic Net Present Value variation

(d)

(e) Which variables were identified as critical variables? State which criterion is applied.

TEXT BOX

(f) Which are the switching values of the critical variables?

TEXT BOX

(g) *E.3.3 Risk analysis*

(h) Describe the probability distribution estimate of the project's financial and economic performance indexes. Provide relevant statistical information (expected values, standard deviation)

TEXT BOX

**F. ANALYSIS OF THE ENVIRONMENTAL IMPACT**  
(Depending on the nature of the project. These requirements are to be discussed on a case by case basis with the Commission services)

**F.1. How does the project:**

- a) contribute to the objective of environmental sustainability (European climate change policy, halting loss of biodiversity, other ...)
- b) respect the principles of preventive action and that environmental damage should as a priority be rectified at source
- c) respect the "polluter pays" principle

TEXT BOX

**F.2. Consultation of environmental authorities**

Have the environmental authorities likely to be concerned by the project been consulted by reason of their specific responsibilities?

Yes  No

If yes, please give name(s) and address(es) and explain that authority's responsibility:

TEXT BOX

If no, please give reasons:

TEXT BOX

**F.3. Environmental Impact Assessment (EIA)**

*F.3.1. DEVELOPMENT CONSENT<sup>12</sup>*

F.3.1.1. Has development consent already been given to this project?

Yes  No

F.3.1.2. If yes, on which date

DD/MM/YYYY

F.3.1.3. If no, when was the formal request for the development consent introduced:

DD/MM/YYYY

---

<sup>12</sup> 'Development consent' means the decision of the competent (national) authority or authorities which entitles the developer to proceed with the project.

F.3.1.4. By which date is the final decision expected?

DD/MM/YYYY

F.3.1.5. Specify the competent authority or authorities, which has given or will give the development consent

TEXT BOX

*F.3.2. APPLICATION OF COUNCIL DIRECTIVE 85/337/EEC ON ENVIRONMENTAL IMPACT ASSESSMENT (EIA)<sup>13</sup>*

F.3.2.1 Is the project a class of development covered by:

- Annex I of the Directive (go to question F3.2.2)
- Annex II of the Directive (go to question F.3.2.3)
- Neither of the two annexes (go to question F.4)

F.3.2.2 When covered by Annex I of the Directive, include the following documents:

- a) Non-technical summary<sup>14</sup> of the Environmental Impact Study carried out for the project.
- b) Information on consultations with competent environmental authorities, indicating in what way the concerns of the designed consultees have been taken into account.
- c) Results of the consultations with the public concerned<sup>15</sup>.

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<sup>13</sup> On the assessment of the effects of certain public and private projects on the environment (the "EIA Directive"), OJ L 175, 5.7.1985, as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003.

<sup>14</sup> A description of the project comprising information on the site, design and size of the project,

- a description of the measures envisaged in order to avoid, reduce and, if possible, remedy significant adverse effects
- the data required to identify and assess the main direct and indirect effects which the project is likely to have on the environment on the following factors:
  - human beings, fauna and flora (including those environmentally sensitive areas which might fall in future under the protection of the Birds (79/409/EEC) and Habitats (92/43/EEC) Directives;
  - soil, water, air, climate and landscape;
  - material assets and the cultural heritage;
  - interaction between the factors mentioned in the first, second and third indents.
  - any further information which might arise from any of the obligations deriving from Annex IV of the EIA Directive.

<sup>15</sup> The information provided should cover the following:

- the concerned public which has been consulted,
- the places where the information has been consulted,
- the time which has been given to the public in order to express its opinion,
- the way in which the public has been informed (for example, by bill-posting within a certain radius, publication in local newspapers, organisations of exhibitions with plans, drawings, tables, graphs, models, etc.),
- the manner in which the public has been consulted (for example, by written submissions, by public

- d) Trans-boundary consultation with those states affected by the project need to be provided, demonstrating that the procedure of Art 7 of the EIA directive has been applied. Indication in what way the concerns of the designed consultees and concerned public have been taken into account should be provided.
- e) Evidence that the decision to grant or refuse development consent has been available to the public by the competent authority<sup>16</sup>.

*In relation to point b), c) and d), project proponents should be informed that these may be represented in the form of a statement, conclusion or certification obligation as how. by the competent environmental authorities testifying that all described in the items above have been followed and describing*

F.3.2.3 When covered by Annex II of the Directive, has an Environmental Impact Assessment been carried out for this project?

- Yes  
(in which case, include the necessary documents as listed under point F.3.2.2)
- No  
(in which case, explain the reasons and give the thresholds, criteria or case by case examination carried out to reach the conclusion that the project has no significant environmental effects):

TEXT BOX

#### F.4. ASSESSMENT OF EFFECTS ON SITES OF NATURE CONSERVATION IMPORTANCE

*F.4.1 Is the project likely to have significant negative effects on sites included or intended to be included in sites of nature conservation importance?*

Definition of sites of nature conservation importance:

- a) Sites identified by the competent national authorities as sites to be proposed for the Natura 2000 network as laid down in the Birds Directive (79/409/EEC) and Habitats Directive (92/43/EEC);

enquiry, etc.)

- the way in which the concerns of the public have been taken into account.

<sup>16</sup> Including:

- the content of the decision and conditions attached thereto,
- the main reasons and considerations on which the decision has been based,
- a description, where necessary, of the main measures to avoid, reduce and, if possible, offset the major adverse effects.

b) Sites listed in the latest inventory of Important Bird Areas (IBA 2000) for candidate countries or (if available) equivalent more detailed scientific inventories endorsed by national authorities;

c) Wetlands of international importance designated under the Ramsar Convention or qualifying for such protection;

d) Areas to which the Bern convention on the conservation of European Wildlife and Natural Habitats (Art.4) applies, in particular sites meeting the criteria of the Emerald network;

e) Areas protected under national nature conservation legislation.

Yes, in which case:

(1) Please provide a summary of the conclusions of the appropriate assessment carried out "according to Article 6 (3) of Directive 92/43/EEC<sup>17</sup>"

TEXT BOX

(2) In case, compensation measures were deemed necessary "according to Article 6 (4)", please provide a copy of the form "Information on projects likely to have significant negative effect on sites of "nature conservation importance, "as notified to the Commission (DG Environment) under Directive 92/43/EEC<sup>18</sup>".

No, in which case attach a completed Annex I declaration filled in by the relevant authority.

#### F.5. Additional environmental integration measures

Does the project envisage, apart from Environmental Impact Assessment, any additional environmental integration measures (e.g. environmental audit, environmental management, specific environmental monitoring)?

Yes

No

If yes, specify

TEXT BOX

#### F.6. Cost of measures taken for correcting negative environmental impacts

If included in total cost, estimate proportion of cost of measures taken to reduce and/or to compensate for negative environmental impacts

%

17 OJ L 206 of 22.07.92.

18 Document 99/7 rev.2 adopted by the Habitats Committee (Member States representatives established under Directive 92/43/EEC) at its meeting on 04.10.99.

Explain briefly:

TEXT BOX

**F.7. In case of projects involving investments in the areas of water, waste water treatment and solid waste management:**

Explain whether the project is consistent with a sectoral/integrated plan and programme associated with the implementation of Community policy or legislation in those areas:

TEXT BOX

3.



## G. JUSTIFICATION FOR THE PUBLIC CONTRIBUTION

The socio economic analysis set out above provides information on the internal rate of return of the project. The financial analysis demonstrates the financing gap and the impact of the Community assistance on the financial viability of the project. Please complete this information with the elements set out below.

### G.1. Competition

Does this project involve State Aids?

Yes  No

### G.2. Impact of Community assistance on project implementation

For each affirmative answer, give details:

Will Community assistance:

a) accelerate implementation of the project?

Yes  No

b) be essential to implementation of the project?

Yes  No

TEXT BOX

## H. FINANCING PLAN

The decision amount and other financial information in this section **must** be coherent with the basis for the co-financing rate of the priority axis. Private contribution must be reflected under non-eligible costs.

### H.1 Cost breakdown

Euro	TOTAL PROJECT COSTS (A)	INELIGIBLE COSTS (B)	ELIGIBLE COSTS (C)=(A)-(B)
1. Planning/design fees			
2. Land purchase			
3. Building and construction			
4. Plant and machinery			
5. Technical assistance			
6. Publicity			
7. Supervision during construction implementation			
8. Sub-TOTAL			
9. Contingencies <sup>19</sup>			
10. TOTAL			
11. VAT			

### H.2 Total planned resources and planned contribution from the IPA

The funding gap rate was already presented under Section E.1.2. This should be applied to the "eligible expenditure to which the co-financing rate for the priority axis applies" (Article 157.3 of the IPA IR). This is then multiplied by the co-financing rate of the priority axis to determine the Community contribution.

#### H.2.1. Community contribution calculation

		Value
1.	Eligible cost (in euro, not discounted) (Section H.1.10(C))	
2.	Funding gap rate (%) = (E.1.2.10)	
3.	"Eligible expenditure to which the co-financing rate for the priority axis applies" (Article 157.3 of the IPA IR)= (1)*(2)	

<sup>19</sup> Contingencies should not exceed 10% of total investment cost net of contingencies. These contingencies may be included in the total eligible costs used to calculate the planned contribution of the assistance Section H2.

4.	Co-financing rate of the priority axis (%)	
5.	Community contribution (in euro) = (3)*(4)	

[The costs and revenues should be based on figures excluding VAT]

### H.2.2. Sources of co-financing

In the light of the results of the financing gap calculation (where relevant) the total investment costs of the project shall be met from the following sources:

Source of total investment costs (€)					Of which (for Information)	
Total investment cost [H.1.12.(A)]	Community assistance [H.2.1.5]	National public (or equivalent)		National private		Other sources (specify)
		eligible	non-eligible			
a)= b)+c)+d)+e)	b)	c)		d)	e)	f)

The details of the decision(s) on national public financing, loans, etc., should be provided in Section D.2.3 above.

### H.3. Annual financing plan of Community contribution

The Community contribution (H.2.1.5) shall be presented below in terms of the share of annual programme commitment.

(in euro)	2007	2008	2009	2010	2011	2012	2013
IPA							

## I. COMPATIBILITY WITH COMMUNITY POLICIES AND LAW

Article 1 of Regulation (EC) No 1085/2006 states that "The Community shall assist the countries listed in Annexes I and II in their progressive alignment with the standards and policies of the European Union, including where appropriate the *acquis communautaire*, with a view to membership. In addition to the elements already set out above please provide the following information:

### I.1. Other Community financing sources

*I.1.1. Has an application been made for assistance from any other Community source (including ISPA, IPA, PHARE, CARDS, Turkey Financing Mechanism,...) for this project?*

Yes  No

If yes, please give details (financial instrument concerned, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

*I.1.2. For an earlier phase of this project (including feasibility and preparatory phases)?*

Yes  No

If yes, give details (provide precise details, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

**I.2. Is the project subject to a legal procedure for compliance with Community legislation?**

Yes  No

If yes, please give details:

TEXT BOX

### I.3. Publicity measures

Give details of the proposed measures to publicise Community assistance (i.e., type of measure, brief description, estimated costs, duration, etc.):

TEXT BOX

#### **I.4. Public procurement**

In cases where contracts have been advertised in the Official Journal of the European Communities (i.e. procurement forecasts), give reference.

<b>Contract</b>	<b>Date</b>	<b>Reference</b>

## **J. ENDORSEMENT OF COMPETENT NATIONAL AUTHORITY**

I confirm that the information presented in this form is accurate and correct.

NAME:

SIGNATURE:

ORGANISATION:

(OPERATING STRUCTURE)

DATE:

**ANNEX I**  
**DECLARATION BY AUTHORITY RESPONSIBLE FOR MONITORING**  
**SITES OF NATURE CONSERVATION IMPORTANCE**

(Depending on the nature of the project. These requirements are to be discussed on a case by case basis with the Commission services)

Responsible Authority \_\_\_\_\_

Having examined the project application \_\_\_\_\_

Which is to be located at \_\_\_\_\_

Declares that the project is not likely to have significant effects on a the site of nature conservation importance on the following grounds:

TEXT BOX

Therefore an appropriate assessment required by Article 6 (3) of the EIA Directive was not deemed necessary.

A map at scale of 1:100.000 (or the nearest possible scale) is attached, indicating the location of the project as well as the sites of nature conservation importance concerned, if any.

Date (dd/mm/yyyy): \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Organisation: \_\_\_\_\_

(Authority responsible for monitoring the sites of nature conservation importance)

Official Seal:

**ANNEX IX**

**TEMPLATE**

**BILATERAL PROJECT AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF TURKEY**

**AND**

**THE COMMISSION OF THE EUROPEAN COMMUNITIES**

**CONCERNING THE CO-FINANCING**

**OF THE MAJOR PROJECT**

**(.....)**

**CCI No: .....**

**UNDER**

**THE INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)**

**IPA Component III – Regional Development**

**Operational Programme "Regional Competitiveness"**

**CCI No: 2007 TR 16 I PO 003**

**Title and Priority Axis No: .....**

**Title and Measure No: .....**



**The Government of The Republic of Turkey**  
**And**  
**The Commission of the European Communities**

Hereafter jointly referred to as "the Parties" or individually as "the Beneficiary", in the case of the Government of the Republic of Turkey, or "the Commission", in the case of the Commission of the European Communities

**Whereas**

- 1) On 17 July 2006, the Council of the European Union adopted Regulation (EC) No 1085/2006<sup>20</sup> establishing an Instrument for Pre-Accession Assistance (hereinafter referred to as "IPA Framework Regulation").
- 2) On 12 June 2007, the Commission adopted Regulation (EC) No 718/2007<sup>21</sup> implementing the IPA Framework Regulation, detailing applicable management and control provisions (hereinafter referred to as "IPA Implementing Regulation").
- 3) On 29 November 2007 the Commission adopted Decision No. C(2007)5729 approving the multi-annual programme "Regional Competitiveness" for co-financing under the Instrument for Pre-Accession Assistance in Turkey
- 4) On 11 July 2008 the Beneficiary and the Commission signed a Framework Agreement setting out the rules for co-operation concerning the EC financial assistance from the Instrument for Pre-Accession Assistance (IPA). This Framework Agreement entered into force on 24 December 2008.
- 5) On {DATE} the Beneficiary and the Commission signed a Financing Agreement laying down specific provisions for the implementation of the multi-annual programme "Regional competitiveness". This Financing Agreement entered into force on (DATE).
- 6) In accordance with Article 54 of the Financing Agreement, the Operating Structure submitted to the Commission a major project {NAME} in which it envisages a contribution from the Instrument for Pre-Accession Assistance under priority axis {NAME} of the multi-annual operational programme "Regional Competitiveness". At the request of the Commission, the Operating Structure submitted additional information on {DATE}].
- 7) On {DATE}, the Commission adopted decision N° C {NUMBER} approving a Community contribution to the major project {NAME}.

---

<sup>20</sup> OJ L210, 31.7.2006, p.82

<sup>21</sup> OJ L 170, 29.6.2007, p.1

- 8) In accordance with Article 54 of the Financing Agreement, the decision of the Commission approving the project shall define the physical object and the eligible public expenditure to which the co-financing rate for the priority axis applies and shall be followed by a Bilateral Project Agreement with the Beneficiary.

HAVE AGREED AS FOLLOWS:

**Article 1**  
**Subject matter**

1. This Bilateral Project Agreement is concluded between the Government of the Republic of Turkey and the Commission of the European Communities. It concerns the project {NAME} adopted by Commission Decision C {NUMBER} as described in Annex I. All documents and correspondence pertaining to this project shall bear the reference CCI {NUMBER}.

**Article 2**  
**Project funding**

1. The Eligible Public Expenditure calculated in accordance with Article 150 of Commission Regulation (EC) 718/2007 is (...) €.
2. The co-financing rate for the priority axis {NAME} of the "Regional Competitiveness" operational programme applies to the project. The maximum Community Contribution to the project is (...)€.
3. The Community Contribution to the co-financing of the project is subject to the fulfilment of the provisions of this Bilateral Project Agreement and the obligations and conditions set out in the Framework Agreement, Financing Agreement as well as the regulatory and conventional framework applicable to pre-accession assistance.

**Article 3**  
**Eligibility period**

1. The eligibility period is as laid down in Articles 11(3), 34(2), 43 of the Financing Agreement.

**Article 4**  
**Eligible Expenditure**

1. Expenditure incurred in the implementation of the project shall be eligible for Community co-financing if:
  - a) it has been actually incurred within the eligibility period indicated in Article 3 above and is supported by receipted invoices or accounting documents of equivalent probative value;

- b) if contracts giving rise to such expenditure are consistent with the project, as adopted by Commission Decision C {NUMBER} of (date);
- c) if it has been incurred in accordance with the principles of sound financial management and, in particular, of economy and cost-effectiveness and
- d) if it conforms to the eligibility rules laid down in Chapter VI of the Financing Agreement.

#### **Article 5 Agreement**

- 1. An agreement as stated in Article 51(3) of the Financing Agreement must be signed prior to the commencement of any contract within the project. In addition the agreement shall define also the modalities of handing over the project to the end recipient after its completion.
- 2. A signed copy of the agreement shall be sent to the Commission services.
- 3. Notwithstanding the above, the requirements of Article 27 of the Financing Agreement remain applicable.

#### **Article 6 Procurement rules and procedures**

- 1. The procurement rules and procedures to be followed are stipulated in Articles 44, 46 and 48 of the Financing Agreement. In addition, and where applicable, the rules laid down in Article 20 of the Financing Agreement governing procurement by IFIs also apply.
- 2. In duly substantiated exceptional cases derogation from the rules of participation and origin might be authorised in line with the provision of Article 19(6) of the Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession {to specify}

#### **Article 7 Monitoring**

- 1. Monitoring refers to the use of a system of information in order to trace the progress made in implementing the project. Monitoring shall use financial and physical indicators which enable actual progress towards completion of the project to be compared with the Indicative Work Schedule/Expenditure Plan presented in Annex I.
- 2. The implementation of the project shall be monitored in line with the stipulations of Chapter XIII (Monitoring and Evaluation) of the Financing Agreement. This, amongst others, will require:
  - a. the Operating Structure, and where appropriate the relevant Contracting Authority, managing the project monitoring activities;

- b. the Sectoral Monitoring Committee reviewing the progress of implementation;
- c. the preparation of the monitoring sheets provided by the Commission. These monitoring sheets form the principal part of the sectoral annual report on implementation in accordance with Articles 84 and 85 of the Financing Agreement;
- d. special or ad-hoc monitoring reports, if deemed necessary by the Operating Structure or the Commission services;
- e. physical on the spot checks.

#### **Article 8 Evaluation**

- 1. An assessment of the project may be carried out during its implementation at the request of the Beneficiary, or on the initiative of the Commission, in order to assess whether the project is proceeding towards completion in accordance with the objectives originally laid down in Annex I to this agreement and to propose adjustments to take account of problems encountered during implementation.
- 2. An ex-post assessment of the impact of the project may be carried out by an assessor appointed either by the Beneficiary or the Commission once the project has been completed.

#### **Article 9 Project modification**

- 1. Any modification to the approved project shall require the approval of the Commission by way of a modifying decision or by exchange of letters between the Beneficiary and the Commission services.
- 2. Expenditure relating to a physical object introduced in the project by way of a modification is eligible from the date of approval of the modification by the Commission.
- 3. Any modification to the project presented in Annex I to this agreement which affects the content of the operational programme, will necessitate not only a Commission modification decision concerning the project, but also a decision concerning modification of the operational programme. Therefore, such project modification requests are receivable only if submitted in parallel with the necessary request for a modification of the operational programme.
- 4. Any major modification to the project, as defined in Annex I to this Bilateral Project Agreement requires the approval by the Commission by way of a modifying decision. Such modifications must be supported by a duly motivated request to be submitted before the end of eligibility of expenditure as defined in Article 3 above.

A modification is considered **major** when it involves

- a) a change in any of the elements described in points 4 (Project Description) and 5 (Objectives) of Annex I to this Bilateral Project Agreement; or
- b) any change in the amount of Community Contribution allocated to the project; or

- c) a change in the Eligible Public Expenditure of the project; or
  - d) a substantial change in the physical characteristics or the functional purposes of the project, which alter its objectives, including the addition of a physical component not covered by the original decision; or
  - e) a change in the conditions of ownership or operation of the project.
5. Any minor modification to the project can be approved by way of an exchange of letters between the Beneficiary and the Commission services, on the basis of a duly motivated proposal to be submitted before the end of eligibility of expenditure as defined in Article 3 above.
- A modification is considered **minor** in all cases except those mentioned in the previous paragraph, notably when it concerns,
- a) an extension to the period of implementation initially envisaged in the project application; or
  - b) amendments to the Indicative Work Schedule/Expenditure Plan that do not fall under paragraph 4 ( c )above; or
  - c) a change to the physical characteristics or functional purposes of the project that does not affect its overall objectives.
6. The Sectoral Monitoring Committee shall be informed about major and minor project modification proposals.
7. As a general rule, the number of major project modifications requiring a Commission modification decision should be kept to minimum.
8. Each request for a modification, be it major or minor, will be examined by the Commission on a case-by-case basis.
9. The Commission reserves the right to refuse project modification requests which would result in modifications of the operational programme it deems unacceptable.

#### **Article 10 Special Conditions**

*{List any conditions which have to be fulfilled including related to payments and may be necessary for co-financing the project e.g. financial or legal arrangements, submitting of permits, evidence of the completion of land purchase, preliminary agreements, any requirements for later stages of the project (i.e. timetable for closing remaining landfills, disconnecting cess pits etc.)}*

#### **Article 11 Language**

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

Signed, for and on behalf of the Government of the Republic of Turkey,

at

by

.....

Signed, for and on behalf of the Commission of the European Communities,

at

by

.....

**ANNEX 1**

**PHYSICAL OBJECT OF THE MAJOR PROJECT**

**Operational Programme**  
**"Regional Competitiveness"**  
**CCI No: 2007TR16IPO003**

**Project name**

.....

**CCI No: .....**

**Title and Priority Axis No: .....**

**Title and Measure No: .....**

1. **AUTHORITY RESPONSIBLE FOR THE APPLICATION (Operating Structure)**

Name:  
Address:  
Contact  
Telephone  
Fax  
E-mail

2. **FINAL BENEFICIARY (Article 15 of the Financing Agreement)**

Name:  
Address:  
Contact  
Telephone  
Fax  
E-mail

3. **END RECIPIENT OF ASSISTANCE**

Name:  
Address:  
Contact  
Telephone  
Fax  
E-mail

4. **PROJECT LOCATION**

4.1. Beneficiary country:.....

4.2. County/province:.....

5. **PROJECT DESCRIPTION**

5.1. **General description of the physical object of the project**

(a) *(Provide a description of the project and the type of problems it addresses?)*

*(Main goals, end users (i.e. target population served, quantified where possible) of the infrastructure. Where applicable, indicate the Trans-European Network agreed at Community level the project is linked to)*

(b) *(Where the project is a phase of an overall project, provide a description of the proposed stages of implementation (explaining whether they are technically and financially independent)*



5.2. **Technical description of the infrastructure investment**

- (a) *(Describe the proposed infrastructure and the work for which assistance is being proposed specifying its main characteristics and component elements - it is important to be comprehensive with this description to reduce doubt later regarding the eligibility of actions or equipment.*
- (b) *(In respect of the work involved, identify and quantify the key output indicators to be used)*
- (c) *(Give details of how the infrastructure is to be managed after the project is completed, (i.e., public management, concession, other form of Public Private Partnership))*

6. **OBJECTIVES**

Outline the objectives of the project

7. **INDICATIVE PHYSICAL AND/OR PERFORMANCE INDICATORS**

Provide the main physical and/performance indicators.

The indicators might be refined in the Monitoring Committee when deemed necessary especially upon the finalisation of the contracting. Should it be the case, confirmation of the indicators will be by exchange of letters. In any case, the proposed physical and/or performance indicators are as follows\*:

Indicative Indicators	Before	After
a) Physical		
b) Performance		

\* Provide more than 1 table as necessary.

**8. INDICATIVE WORK SCHEDULE / EXPENDITURE PLAN**

Provide information concerning the number and type of contracts envisaged. Include and indicate clearly any IFI financed components

	Description of contract	Contract type* works/supply/s ervice	Estimated contract value (€)	Tendering Launch month/year	Contract Award month/year	Contract Completion month/year
1						
2						
3						
4						
5						
6						

\* indicate whether yellow or red FIDIC for works contracts.

**9. SUMMARY OF THE MAIN RESULTS OF THE ECONOMIC AND SOCIAL COST-BENEFIT ANALYSIS**

Provide the main conclusions of the economic and social cost benefit analysis:

- The estimated NPV for the project is (...) and the discount rate used is (....)
- The estimated Benefit/Cost ratio is: .....
- The estimated EIRR =

**10. SUMMARY OF THE FINANCIAL ANALYSIS**

Provide a summary of the main conclusions of the financial analysis.

Ensure that income generation is taken into account when calculating the Community (IPA) Contribution:

- Based on the information provided in the application and/or any additional information obtained during appraisal
  - the FNPV for the project is estimated € ....million.
  - the FIRR is estimated ....%.
- The Public Eligible Expenditure (funding gap) as calculated in accordance with Articles 17 and 19 of the Financing Agreement is .....€.
- The Community Contribution is .....€.

**11. POLLUTER PAYS PRINCIPLE (FOR ENVIRONMENTAL PROJECTS ONLY)**

Describe how the Polluter Pays Principle is to be applied on the project.

**12. FINANCIAL SUSTAINABILITY AND AFFORDABILITY**

Outline the main elements of the pricing policy to be pursued.

**13. OPERATION AND MAINTENANCE**

Describe the way the project will be operated and maintained. Describe the organisational and legal setup of the body responsible for managing the finished product.

**14. SUMMARY OF THE MAIN FINDINGS OF THE ENVIRONMENTAL IMPACT ASSESSEMENT**

If a decision has been issued by the relevant body concerning the completion of an EIA list the main conclusions of the non-technical summary. If no EIA has been carried out present a timetable for conducting a full EIA as part of the project, or list the reasons why this is not considered necessary with reference to national EIA legislation.

**15. COST AND ASSISTANCE (IN €)**

Provide an indicative cost breakdown between type of expenditure and project component.

**A. Cost Breakdown between types of Expenditure**

<b>Item</b>	<b>Total costs (estimates) (mln. Euro)</b>	<b>Non-eligible costs (estimates) (mln. Euro)</b>	<b>Total eligible costs (estimates) (mln. Euro)</b>
e.g. Land purchase			
e.g. Main works			
<b>TOTAL ESTIMATED</b>			

**B. Eligible Cost Breakdown by Component (estimates)**

Item	Component I	Component II	Component III	Totals (million Euros)
Site preparation				
e.g. Main works				
e.g. Plant and machinery				
<b>TOTAL ESTIMATED</b>				

The above mentioned quantities are indicative and may vary upwards or downwards during the project contracting and during the course of implementation. These fluctuations of quantities should be in line with the existing legal framework, qualitatively reasonable and sufficiently justified.

**C. Expected financial contribution**

Estimated Total Costs (€ mln)	Of which non eligible (€ mln)	Eligible Public Expenditure (€ mln)	Of which Community Contribution (€ mln)	Public Contribution (€ mln)	Of which: National (€ mln)	IFI (€ mln)	Other (€ mln)
(1)=(4)+5	(2)	(3)	(4)=(3x cofinancing rate)	(5)=(6)+(7)+(8)	(6)	(7)	(8)

Note: Data other than Eligible Public Expenditures and Community Contribution are indicative. Non eligible expenditures are included in public contribution

**16. INVOLVEMENT OF IFIS**

Outline the involvement of any IFIs in the project. Provide a detailed description of their scope of work, together with the financial costs and proposed implementation timescale. In addition provide details of any technical assistance measures envisaged by the IFI e.g. institutional reform as part of the project.

Describe the implementing arrangements (parallel or co-financing), what procurement rules will be applied, and whether the Operating Structure is accredited to apply the relevant procurement rules.

Where applicable, indicate for which contracts derogation from the rules of participation and origin is authorised in line with the provision of Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession.

**17. PUBLICITY MEASURES**

Describe the publicity measures envisaged for the project

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## ANNEX X

### Model of Operation Identification Sheet

*(max 5 pages)*

1. Title of the Operation:
2. Operating Structure: **insert contacts**
3. Organisation Responsible for the Implementation of the Operation: **insert contacts, including contact person**
4. Compatibility and coherence with the Operational Programme
  - 4.1 Title of the programme
  - 4.2 Title of the priority axis
  - 4.3 Title of the measure
  - 4.4 Final Beneficiary (Article 15 of the Financing Agreement)
  - 4.5 End recipient of assistance
  - 4.6 Category/Type of activities foreseen under the measure
5. Description of the Operation
  - 5.1 Contribution to the achievement of the Operational Programme: Describe how the operation contributes to the achievement of the objectives of the Operational Programme (provided quantified indicators where possible) linked with the appropriate measure.
  - 5.2 Overall Objective: Explain in one sentence
  - 5.3 Operation Purpose: Explain in one sentence
  - 5.4 Location(s): Please keep in mind the eligible regions
  - 5.5 Duration: Duration of the operation cannot exceed the final date of eligibility of expenditure set in the Financing Agreement
  - 5.6 Target group(s) :
  - 5.7 Description of the Operation and background: Maximum 10 lines
  - 5.8 Results with measurable indicators:
  - 5.9 Activities:

6. Implementation arrangements

- 6.1. Institutional framework: institutional arrangements foreseen for the implementation of the operation, e.g. operation coordination unit, steering committee, regional and/or provincial authorities, technical assistance team
- 6.2. Proposed monitoring structure and methodology: who will be responsible for monitoring of the operation, how will the operation be monitored, what will be the workflow and reporting lines?
- 6.3. Required procedures and contracts for the implementation of the operation and their sequencing: list the type of procedures (call for proposals, direct implementation by national institutions without prior call for proposals, direct agreements with international organisations, etc) and the corresponding contracts (grant contracts, contribution agreements with international organisations, services, supplies, works, etc) for the proposed activities, together with their sequencing

(please provide detailed chronogram for preparatory stages, tendering, contracting and starting of operations)

7. Risks and assumptions:
8. Expected impact of the operation on the target group and multiplier/spill over effects:
9. Sustainability:
10. Equal opportunity of disadvantaged persons and vulnerable groups (where relevant):
11. Links with other IPA component measures:
12. Requested financing from the European Commission:

The Community contribution shall not exceed the ceiling of xx% of the eligible expenditure at the level at the priority axis.

(no operation shall benefit from a higher co-financing rate than the one relating to the priority axis concerned – Art 149.3 and 153.3 of IPA IR)

13. Co-financing: (please identify expected total contribution by source)

14. Budget breakdown:

(indicative, per operation component if applicable, including estimated total cost, public expenditure, IPA contribution, national public contribution and private contribution)

15. Cash flow requirements by source of funding



## ANNEX XI

### Composition and functioning modalities of the committee for the selection of operations

1. For all operations which are not major projects and which are implemented by final beneficiaries that are national public bodies the Operating Structure is not under the obligation of selecting operations through calls for proposals in line with the provisions of the Article 49 of the Financing Agreement (FA). Since the *Central Finance and Contracting Unit* is final beneficiary in the meaning of Article 15 of the FA for all operations, the provisions of Article 49 do not apply.
2. Operations under Measure 1.2 "Creation and Development of Financing Instruments" and Priority 3 "Technical Assistance" may be selected without recourse to calls for proposals, subject to prior information of the Sectoral Monitoring Committee and the agreement by the Commission services.
3. In line with the Article 50.1.c of the Financing Agreement operations selected and prepared for implementation prior to the entry into force of the Financing Agreement, with a view to permit the early start of the implementation of the programme, may also be selected without recourse to calls for proposals.
4. For operations whose selection modalities have not yet been decided, the Operating Structure will decide these in agreement with Commission services, and inform the Sectoral Monitoring Committee.
5. Should the Operating Structure decide to have recourse or is obliged to the selection of operations with assistance of a project selection committee, the modalities will be those indicated in the Operational Programme, as follows:

*The Operating Structure will set up a selection committee for each call for proposals launched for the selection of operations financed under a specific measure. The Selection Committee will appraise project applications in compliance with the selection criteria and methodologies agreed by the Monitoring Committee for the Regional Competitiveness Operational Programme and published in the call for proposals documents.*

*The applications will first be screened for their compliance with eligibility and administrative criteria meeting the relevant eligibility requirements set out in the relevant measures and thereafter will be evaluated according to their quality. The Selection Committee will then make recommendations to the Operating Structure, in compliance with Article 158 of the IPA Implementing Regulation. The Operating Structure shall decide whether to approve the results of the selection procedure and state the reasons for its decision.*

6. The project selection committee may include permanent members, measure specific members and rotating members, in accordance with the membership list and modalities to be decided by the Head of the Operating Structure, in consultation with the Commission services and after informing the Sectoral Monitoring Committee.
7. Representatives of the Delegation of the European Commission may participate in all works of the Selection Committee as observers.

## ANNEX XII

### Annual and Final Report

(Articles 85 and 102 of the Financing Agreement)

#### 1. IDENTIFICATION

OPERATIONAL PROGRAMME	Programming period
	Programme number (CCI N°)
	Programme title
ANNUAL IMPLEMENTATION REPORT	Reporting year
	Date of approval of the annual report by the Sectoral Monitoring Committee

#### 2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

##### 2.1 Quantitative progress (by priority axis and measures)

Information on the physical progress made in implementing the operational programme, priority axes, measures and where relevant, operations or groups of operations, in relation to their specific, verifiable targets, with a quantification, when possible using the indicators at the appropriate level.

Where relevant, for the HRD component all indicators shall be broken down by gender. If the figures (data) are not yet available, information on when they will become available and when the Operating Structure will provide it to the Commission will be stated.

The list of operations financed under the operational programme should be annexed to the report.

##### 2.2 Qualitative analysis

Analysis of the achievements as measured by physical and financial indicators, including a qualitative analysis on the progress achieved in relation to the targets set out initially.

List of unfinished operations and the schedule for their completion (final report only).

##### 2.3 Financial information

	Expenditure paid out by the final beneficiaries included in payment applications sent to the Commission by the National Fund	Total expenditure committed and paid out by the National Fund	Corresponding public contribution	Corresponding private contribution	Total payments received from the Commission
Priority axis 1					
Measure 1.1					
Measure 1.2					
.....					
Priority axis 2					
Measure 2.1					
.....					
Priority axis 3					
Total					

(all financial data should be expressed in euro)

In addition, financial information may also be provided graphically.

*Indicative breakdown of allocations, by categories of expenditures (for component III only)*

Information in accordance with the detailed list included in Annex XIII of the Financing Agreement.

*Assistance repaid or re-used*

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.

#### **2.4 Changes in the context of the operational programme implementation (if relevant)**

Description of any elements which, without stemming directly from the assistance of the operational programme, have a direct impact on the programme's implementation (such as legislative changes or unexpected socio-economic developments).

#### **2.5 Information about compliance with Community acquis.**

Any significant problems relating to the compliance with Community acquis which have been encountered in the implementation of the operational programme and the measures taken to deal with them.

#### **2.6 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.

### **3. QUALITY AND EFFECTIVENESS OF IMPLEMENTATION.**

#### **3.1 Monitoring arrangements**

Monitoring and evaluation measures taken by the Operating Structure or the Sectoral Monitoring Committee, including data collection arrangements, difficulties encountered and steps taken to solve them.

#### **3.2 Significant problems encountered and measures to overcome them.**

Any significant problems encountered in implementing the operational programme, including a summary of problems identified under the procedure in Article 29(2)(b) of the IPA Implementing Regulation, where appropriate, as well as any measures taken by the Operating Structure or the Sectoral Monitoring Committee to solve the problems.

#### **3.3 Technical assistance**

Explanation of the use made of technical assistance, including where relevant technical assistance prior to the conferral of management

Percentage of the amount of the IPA Funds contribution allocated to the operational programme spent under technical assistance.

#### **4. INFORMATION AND PUBLICITY**

Progress achieved in the implementation of the Communication Action Plan submitted according to the operational programme, stressing the measures undertaken and their impact.

#### **5. MAJOR PROJECTS (where appropriate)**

- Progress in the implementation of major projects.
- Progress in the financing of major projects.
- Any change in the indicative list of major projects in the operational programme.

#### **6. ACTIONS RELATED TO THE HUMAN RESOURCES DEVELOPMENT COMPONENT**

Information on the implementation of horizontal issues such as equal opportunities for men and women, good governance, inclusion of disadvantaged persons, geographical concentration of support or sustainable development and environmental protection (as appropriate).

Where appropriate, a synthesis of the implementation of:

- Gender mainstreaming and gender specific actions
- Participation of migrants in employment
- Integration in employment and social inclusion of disadvantaged persons and other disadvantaged groups, including people with disabilities.

Where appropriate, a description of how the actions supported by IPA Human Resources Development Component are consistent with and contribute to the actions undertaken in the follow up of the Joint Assessment Paper (JAP) and the Joint Inclusion Memorandum (JIM).

**ANNEX XIII**  
**Allocations by category of expenditures**  
**(Article 85(3)c) of the Financing Agreement)**

**Part A: Codes by Dimension**

**TABLE 1: CODES FOR THE PRIORITY THEME DIMENSION**

1	Transport
1.1	Rail infrastructure
1.1.1	Interconnection/interoperability between national networks
1.1.2	Interconnection/interoperability between national networks and trans-European
1.2	Road infrastructure
1.2.1	Interconnection/interoperability between national networks
1.2.2	Interconnection/interoperability between national networks and trans-European
1.3	Maritime ports infrastructure
1.4	Inland waterways
1.5	Airports infrastructure
1.6	Multi-modal transport infrastructure
1.7	Intelligent transport systems
1.8	Technical Assistance
1.9	Other
2	Environment
2.1	Waste management
2.2	Water supply
2.3	Urban waste water
2.4	Air quality
2.5	Rehabilitation of contaminated sites and land
2.6	Energy efficiency
2.7	Renewable energy
2.8	Other
2.9	Technical assistance
3	Regional Competitiveness
3.1	provision of business and technology services for enterprises, particularly in the
3.2	access and use of information and communication technologies
3.3	promotion of technological development, research and innovation including
3.4	development of business networks and clusters
3.5	creation and development of financing instruments which facilitate access to
3.6	provision of local infrastructure and services which contribute to facilitate
3.7	education and training infrastructures, where necessary for regional development
3.8	improvement of tourism potential of regions
3.9	Other
4.0	Technical assistance
4	Technical Assistance
4.1	Preliminary studies and technical support related to eligible activities, including
4.2	Programme management, monitoring, evaluation, information and control activities

**TABLE 2: CODES FOR THE FORM OF FINANCE DIMENSION**

01	Non-repayable aid
02	Aid ( <i>loan, interest subsidy, guarantees</i> )
03	Venture capital ( <i>participation, venture-capital fund</i> )
04	Other forms of finance

**Part B:**

**Cumulative breakdown of allocations of the Community contribution by category in the annual and final report on implementation**

CCI No: \_\_\_\_\_

Name \_\_\_\_\_ of \_\_\_\_\_ the \_\_\_\_\_ programme:

Date of the last Commission decision for the Operational Programme concerned: \_\_\_\_/\_\_\_\_/\_\_\_\_

Code * Dimension 1 Priority theme	Code * Dimension 2 Form of finance	Amount **

\* The categories should be coded for each dimension using the standard classification.

\*\* Allocated amount of the Community contribution for each combination of categories.

## ANNEX XIV

### Indicative description of the information requirements for a sufficient audit trail

#### *(Article 90 of the Financing Agreement)*

A sufficient audit trail, as referred to in Article 90, is present when, for a given measure, including individual projects within a group of projects:

1. Accounting records kept at the appropriate management level provide detailed information about expenditure actually incurred in the co-financed measure by the Operating Structure, including where the latter is not the final recipient of funding, the bodies and firms involved in the implementation of the measure, whether as concession-holders, delegates or otherwise. The accounting records show the date they were created, the amount of each item of expenditure, the nature of the supporting documents and the date and method of payment. The necessary documentary evidence (e.g., invoices) is attached.
2. For items of expenditure relating only partly to the co-financed measure, the accuracy of the allocation of the expenditure between the co-financed measure and the rest is demonstrated. The same applies to types of expenditure that are considered eligible only within certain limits or in proportion to other costs.
3. The technical specifications and financial plan of the measure, progress reports, documents concerning tendering and contracting procedures, and reports on inspections of the execution of the measure are also kept at the appropriate management level.
4. For declaring expenditure actually incurred in the co-financed measure to the National Fund, the information referred to in paragraph 1 is aggregated into a detailed statement of expenditure broken down by category. The detailed statements of expenditure constitute supporting documents for the accounting records of the National Fund and are the basis for the preparation of declarations of expenditure to the Commission.
5. Where there is one or more delegated bodies between the Operating Structures or the bodies or firms involved in implementation of the measure and the National Fund, each delegated body for its area of responsibility requires detailed statements of expenditure from the body below it as supporting documentation for its own accounting records, from which it provides at least a summary of the expenditure incurred on the measure to the body above it.
6. In the case of computerised transfer of accounting data, all the authorities and bodies concerned obtain sufficient information from the lower level to justify their accounting records and the sums reported upwards, so as to ensure a sufficient audit trail from the total summary amounts certified to the Commission down to the individual expenditure items and the supporting documents at the level of the Operating Structure and the other bodies and firms involved in the implementation of the measure.

## ANNEX XV

### List of data on operations to be communicated on request to the Commission for the purpose of documentary and on-the-spot checks

(Article 80(5) of the Financing Agreement)

The data requested may include the following, the precise content being subject to agreement with the Beneficiary Country. The field numbers represent the record structure preferred when compiling computer files for transfer to the Commission.

#### A. Data on operations

Field 1	Operational programme
Field 2	Number of priority
Field 3	Name of fund
Field 4	Code of region or area where operation is located/carried out (NUTS Level or other, if appropriate)
Field 5	Operating Structure
Field 6	National Authorising Officer
Field 7	Final beneficiary or other body that declares expenditure to Operating Structure, if applicable
Field 8	Unique code number of operation
Field 9	Short description of operation
Field 10	Starting date of operation
Field 11	Completion date of operation
Field 12	Body issuing approval decision
Field 13	Approval date
Field 14	Reference of end recipient
Field 15	Currency (if not euro)
Field 16	Total estimated cost of operation (1)
Field 17	Total eligible expenditure
Field 18	Total public eligible expenditure
Field 19	EIB (to include equivalent for IPA) financing

(1) i.e., including private funding but net of non-eligible expenditure and other financing.



## B. Expenditure declared on operation

Field 20	Internal reference number of last application for reimbursement from operation
Field 21	Date on which last application for reimbursement from operation was entered into monitoring system
Field 22	Amount of eligible expenditure declared in last application for reimbursement from operation entered into monitoring system
Field 23	Total eligible expenditure for which an application for reimbursement has been made
Field 24	Location of detailed supporting documents for claim if not on premises of beneficiary
Field 25	Expenditure paid in areas adjacent to the eligible areas (cross border cooperation) (non eligible)
Field 26	Expenditure paid by partners located outside the area (transnational cooperation) (non eligible)
Field 27	Expenditure paid outside the Community (cross-border, transnational and interregional cooperation)
Field 28	Expenditure paid for the purchase of land
Field 29	Expenditure paid for housing
Field 30	Expenditure paid for indirect costs/overheads charged at flat rates
Field 31	Revenue deducted from applications for reimbursement, if any
Field 32	Financial corrections deducted from applications for reimbursement, if any
Field 33	Total eligible expenditure declared from operation and included in statement of expenditure sent to the Commission by National Authorising Officer (in EUR)
Field 34	Total eligible expenditure declared from operation and included in statement of expenditure sent to the Commission by National Authorising Officer (national currency)
Field 35	Date of last statement of expenditure of the certifying authority containing expenditure from operation
Field 36	Date of verifications carried out pursuant to Article 81
Field 37	Date of audits pursuant to Article 82
Field 38	Body carrying out the audit or verification
Field 39	Degree of achievement of target for operation, if completed (%)

## ANNEX XVI

### Certificate and statement of expenditure and application for final payment

EUROPEAN COMMISSION

*INSTRUMENT FOR PRE-ACCESSION ASSISTANCE - IPA*  
*Regional Development Component (Component III)*  
Certificate and statement of expenditure and payment application

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*Name of operational programme*

*Commission Decision* of

*Financing Agreement* of

*Commission reference (CCI) No:*

*National reference (if any)*

---

CERTIFICATE

I, the undersigned,

National Authorising Officer,

hereby certify that all expenditure included in the attached statement complies with the criteria for eligibility of expenditure set out in the Financing Agreement signed on {DATE} between the Commission of the European Communities and the Government of Turkey and has been incurred and paid by the final beneficiaries on the implementation of operations selected under the operational programme in accordance with the conditions for granting IPA assistance.

after<sup>(1)</sup>

		20...
--	--	-------

and amounts to:

euro <sup>2</sup>	
-------------------	--

(exact figure to two decimal places)

The attached statement of expenditure, broken down by priority axis and measures, is based on accounts provisionally closed on

		20...
--	--	-------

and forms an integral part of this certificate.

I also certify that operations are progressing in accordance with the terms of the Financing Agreement, and in particular that:

1. all the requirements laid down in Article 69 of the Financing Agreement are fulfilled, in particular
  - The sectoral final implementation report for the programme concerned has been sent to the Commission by the Operating Structure;
  - An opinion on any final statement of expenditure, supported by a final activity report has been sent to the Commission by the Audit Authority in accordance with Article 92 of the Financing Agreement
  - The accreditation delivered by the Competent Accrediting Officer and the National Authorising Officer are in force, and the conferral of management by the Commission remains valid
2. the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
3. the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with relevant applicable Community and national rules, in particular as regards rules on protection of the environment, transport, competition, and the award of public contracts (PRAG).
4. the statement of expenditure and the payment application take account, where applicable, of any amounts recovered and of any interest received; and of net revenue accruing from operations financed under the operational programme;
5. the breakdown of the underlying operations is recorded on computer files and is available to the relevant Commission departments on request

---

(1) Starting date for eligibility of expenditure (date of signature of the Financing Agreement)

(2) total amount of eligible expenditure paid by final beneficiaries.

In accordance with Article 104 of the Financing Agreement, the supporting documents are and will continue to be available for at least three years following the closure of the operational programme by the Commission.

Date

		20...
--	--	-------

Name in capitals, stamp, position and signature

of National Authorising Officer

Statement of expenditure by priority axis and measures: Final payment	
Operational Programme reference (CCI No):	
Name of programme:	
Date of provisional closure of accounts:	Date of sending to the Commission:
<b>Total certified eligible<sup>1</sup> expenditure paid:</b>	

Priority axis/measure	Total expenditure incurred to date (between.... <sup>2</sup> and ....)	Expenditure certified in present declaration	Total expenditure planned (initial budget)	Expenditure incurred to date as proportion of initial budget (%)	Remarks
Priority Axis 1					
Measure 1.1					
Operation 1.1.1					
Operation 1.1.2					
Priority Axis 2					
Measure 2.1					
Priority Axis 3					
Measure 3.1					
Priority Axis 4					
Measure 4.1					

Breakdown by year of the total certified eligible expenditure<sup>3</sup> (amounts in euros)

Priority axis/measure	2008	2009	2010	2011	2012
Priority Axis 1					
Measure 1.1					
Priority Axis 2					
Measure 2.1					
Priority Axis 3					
Measure 3.1					
Priority Axis 4					
Measure 4.1					

<sup>1</sup> As defined by Articles 149, 150 and 152 of Commission Regulation (EC) 718/2007

<sup>2</sup> Starting date for eligibility of expenditure (signature of the Financing Agreement)

<sup>3</sup> By year: the breakdown mentioned in this table shall correspond to the payments made by the final beneficiaries in the year concerned. Where it is not possible to establish this breakdown precisely, the best estimate of the breakdown should be given.

**ANNEX 1 to statement of expenditure:**

The computerised listing of operations by measure and the corresponding expenditure, including contribution under the IPA Regulation and national public expenditure

Priority axis/measure	Total expenditure (EURO)	IPA funds (EURO)	National public expenditure (EURO)	IPA co-financing rate (%)
Priority Axis 1: total				
Measure 1.1				
<i>Operation 1.1.1</i>				
<i>Operation 1.1.2</i>				
.....				
Measure 1.2				
<i>Operation 1.2.1</i>				
<i>Operation 1.2.2</i>				
.....				
Measure 1.3				
<i>Operation 1.3.1</i>				
<i>Operation 1.3.2</i>				
.....				
Priority Axis 2: total				
Measure 2.1				
<i>Operation 2.1.1</i>				
.....				
Priority Axis 3				
Measure 3.1				
<i>Operation 3.1.1</i>				
.....				

**ANNEX 2 to statement of expenditure:**

Details of amounts recoverable following cancellation of all or part of the Community contribution for an operation

Name of the priority/measure /operation	
Amount ordered to be recovered	
Debtor	
Date of issue of recovery order	
Authority which issued recovery order	
Date of recovery	
Amount recovered	

**ANNEX 3 to statement of expenditure:**

The volume of Community contribution in the component-specific euro account at the date of the last debit to which this statement refers and the interest earned



**APPLICATION FOR PAYMENT: final payment**

*Name of operational programme:*

*Operational programme reference (CCI) No:*

Pursuant to Annex A of the Framework Agreement (Article 25 of Regulation (EC) No 718/2007), I, the undersigned (name in capitals of National Authorising Officer), hereby request payment of the amount of EUR .... as a final payment.

This application is admissible because:

	Delete as appropriate
<b>(a) no more than the maximum amount of assistance from IPA Funds as laid down in the Financing Agreement and the decision of the Commission approving the operational programme has been paid by the Commission during the whole period for each priority axis.</b>	
<b>(b) the Operating Structure has sent to the Commission the sectoral final implementation reports, in accordance with art. 67 of the Financing Agreement</b>	<i>— has been forwarded by Operating Structure within the time limit laid down in art. 100 of the Financing Agreement — is attached</i>
<b>(c) the Audit Authority has sent to the Commission, in accordance with Article 92 of the Financing Agreement, an opinion on any final statement of expenditure, supported by a final activity report</b>	<i>— has been forwarded by Audit Authority within the time limit laid down in art.90 of the Financing Agreement — is attached</i>
<b>(d) the accreditations delivered by the Competent Accrediting Officer and the National Authorising Officer are in force, and the conferral of management by the Commission remains valid</b>	
<b>(e) the payments have not been suspended in accordance with Article 72 of the Financing Agreement</b>	
<b>(f) none of the situations justifying blocking of payments to major projects have occurred</b>	

The payment should be made by the Commission to the body designated by the beneficiary country for the purposes of making payments

Designated body	
Bank	
Bank account No	
Holder of account (where not the same as the designated body)	

Date 

		20...
--	--	-------

Name in capitals, stamp, position and signature of

**ANNEX XVII**

**MODEL**

**FINAL CONTROL REPORT AND CLOSURE DECLARATION FOR  
OPERATIONAL PROGRAMMES**

**PURSUANT TO ARTICLE 29 OF COMMISSION REGULATION (EC) No 718/2007**

**Part A: Model final control report**

**1. INTRODUCTION**

- Indication of the responsible audit authority and other bodies that have been involved in preparing the report.
- Indication of the reference period from which the random sample was drawn.
- Identification of the operational programme covered by the report and its Operating Structure and National Authorising Officer,
- Description of the steps taken to prepare the report.

**2. CHANGES IN MANAGEMENT AND CONTROL SYSTEMS—** Indication of any significant changes in the management and control systems notified to the audit authority and of the dates from which the changes apply.

**—3. SUMMARY OF AUDITS CARRIED OUT**

*For systems audits:*

- Indication of the body (ies) that have carried out systems audits, including the audit authority itself.
- Summary list of audits carried out: bodies audited and year of audit.
- Description of the basis for selection of audits in the context of the audit strategy.
- Description of the principal findings and the conclusions drawn from the audit work for the management and control systems and their functioning, including the sufficiency of management checks, accreditation procedures and the audit trail, adequate separation of functions and compliance with Community requirements and policies.
- Indication of whether any problems identified were considered to be of a systemic character, and the measures taken, including a quantification of the irregular expenditure and any related financial corrections.

*For audits of operations:*

- Indication of the body (ies) that carried out the sample audits, including the audit authority itself.
- Description of the basis for selection of the sample(s).
- Indication of the materiality level and, in the case of statistical sampling, the confidence level applied and the interval, if applicable.
- Description of the principal results of the audits, indicating in particular the amount of irregular expenditure and the error rate resulting from the random sample audited.
- Indication of the conclusions drawn from the results of the audits with regard to the effectiveness of the management and control system.
- Information on the follow-up of irregularities, including revision of previously reported error rates.
- Indication of whether any problems identified were considered to be systemic in nature, and the measures taken, including a quantification of the irregular expenditure and any related financial corrections (1).

**4. FOLLOW-UP OF AUDIT ACTIVITY**

- Information on the follow-up of the results of systems audits and audits of operations.

**5. ADDITIONAL WORK UNDERTAKEN BY AUDIT AUTHORITY IN PREPARING ITS CLOSURE DECLARATION**

- Summary of audits of the closure procedure of the operating structure.
- Summary of the results of the re-performance of controls on the accuracy of the amounts declared in relation to supporting documents.
- Summary of the results of examination of reports of other national or Community audit bodies (specify, by category, which reports have been received and examined).
- Summary of the results of examination of information relating to follow-up of audit findings and reported irregularities.
- Summary of the results of examination of additional work carried out by the operating structure or any other relevant body to enable an unqualified opinion to be provided.
- Other.

**6. LIMITATIONS ON THE SCOPE OF THE EXAMINATION BY THE AUDIT AUTHORITY**

- Details of any factors that have limited the scope of the examination by the audit authority should be reported (2).
- Estimated amounts of expenditure and the Community contribution that are affected must be stated.

## **7. REPORTED IRREGULARITIES**

- Confirmation that the procedure for reporting and following up irregularities, including the treatment of systemic problems, has been carried out in accordance with regulatory requirements in force.
- Confirmation of the accuracy of the information given in the final implementation report on the irregularities reported. .
- A list of cases of irregularity regarded as systemic and the amounts of expenditure affected.

## **8. OTHER INFORMATION (IF APPLICABLE)**

**9. TABLE FOR DECLARED EXPENDITURE AND SAMPLE AUDITS**

IPA	CCI n°	Programme	Expenditure declared in reference year	Expenditure in reference year audited for the random sample		Amount and percentage (error rate) of irregular expenditure in random sample		Other expenditure Audited (3)		Amount of irregular expenditure in other expenditure sample	Total expenditure declared cumulatively	Total expenditure audited cumulatively as a percentage of total expenditure declared cumulatively
				(1)	(2)	Amount	%	(1)				

(1) Amount of expenditure audited

(2) Percentage of expenditure audited in relation to expenditure declared to the Commission in the reference year

(3) Expenditure from complementary sample and expenditure for random sample not in reference year

## **Part B: Closure declaration**

To the European Commission, Directorate-General

### **1. INTRODUCTION**

I, the undersigned, representing the ... (name of the body designated by the Beneficiary Country), have for the operational programme ... (name of the operational programme, CCI code number, period) examined the results of the audit work carried out on this programme by or under the responsibility of the audit authority in accordance with the audit work plan (and have carried out the additional work I judged necessary). The results of the examination and any additional work I have performed are summarised in the attached final audit activity report (which also contains the information required by the annual audit activity report for the period 1 January 2015 to 31 December 2016). I have planned and performed this work with a view to obtaining a reasonable assurance as to whether the payment application for the final balance of the Community contribution to the operational programme is correct and valid and the underlying transactions covered by the final statement of expenditure are legal and regular.

### **2. SCOPE OF THE EXAMINATION**

The examination was carried out in accordance with the audit strategy in respect of this programme and reported in the attached final control report pursuant to Article 29 of Commission Regulation (EC) No 10718/2007.

#### **Either**

There were no limitations on the scope of the examination.

#### **Or**

The scope of the examination was limited by the following factors:

- (a) ...
- (b) ...
- (c) etc.

(Indicate any limitation on the scope of the examination, for example any systemic problems, weaknesses in the management and control system, lack of supporting documentation, cases under legal proceedings, etc., and estimate the amounts of expenditure and the Community contribution affected. If the audit authority does not consider that the limitations have an impact on the final expenditure declared, this should be stated.)

### **3. IRREGULARITIES AND ERROR RATES**

#### **Either**

The cases of irregularity and error rates found in the audit work are not such as to preclude an unqualified opinion given the satisfactory way they have been dealt with by the operating structure and the trend in the level of their occurrence over time.

**Or**

The cases of irregularity and error rates found in the audit work and the way they have been dealt with by the operating structure are such as to preclude an unqualified opinion. A list of these cases is provided in the final control report, together with an indication of their possible systemic character and the scale of the problem. The amounts of total declared expenditure and public contribution that could be affected are {xxxx} respectively. As a consequence, the corresponding Community contribution that could be affected is {xxx}.

#### **4. OPINION**

**Either**

(Unqualified opinion)

*If there were no limitations on the scope of the examination and the cases of irregularity and error rates and the way they have been dealt with by the Operating Structure do not preclude an unqualified opinion:*

Based on the examination referred to above, it is my opinion that the final statement of expenditure presents fairly, in all material respects, the expenditure paid under the operational programme, that the application for payment of the final balance of the Community contribution to this programme is valid and that the underlying transactions covered by the final statement of expenditure are legal and regular.

**Or**

(Qualified opinion)

*If there were limitations on the scope of the examination and/or the cases of irregularity and error rates and the way they have been dealt with by the Operating Structure call for a qualified opinion but do not justify an unfavourable opinion for all the expenditure concerned:*

Based on the examination referred to above, it is my opinion that the final statement of expenditure presents fairly, in all material respects, the expenditure paid under the operational programme, that the application for payment of the final balance of the Community contribution to this programme is valid and that the underlying transactions covered by the final statement of expenditure are legal and regular, except with regard to the matters referred to at point 2 and/or to the observations at point 3 regarding the error rates and cases of irregularity and the way they have been dealt with by the managing authority, the impact of which is quantified above. I estimate the impact of these qualifications to be {xxx} of the total expenditure declared. The Community contribution affected is thus {xxx}.

**Or**

(Adverse opinion)

*If there were major limitations on the scope of the examination error rates and cases of irregularity and the way they have been dealt with by the Operating Structure such that no conclusion can be reached on the reliability of the final statement of expenditure without considerable further work:*

Based on the examination referred to above, and in particular in view of the matters referred to at point 2 and/or the error rates and cases of irregularity and the fact that they have not been dealt with satisfactorily by the Operating Structure as reported at point 3, it is my opinion that the final statement of expenditure does not present fairly, in all material respects, the expenditure paid under the operational programme, that, as a consequence, the application for payment of the final balance of the Community contribution to this programme is not valid and that the underlying transactions covered by the final statement of expenditure are not legal and regular.

Date Signature

... ..



## **ANNEX XVIII**

### **Guidelines for the completion of the standard form for quarterly communications of irregularities**



EUROPEAN COMMISSION  
EUROPEAN ANTI-FRAUD OFFICE (OLAF)

Operational & Policy Support  
Fraud Prevention & Intelligence

WORKING DOCUMENT

**Guidelines for the completion of the standard form for quarterly  
communications of irregularities in connection with the Instrument for Pre-  
Accession Assistance (IPA)**

# **GUIDELINES FOR THE COMPLETION OF THE STANDARD FORM FOR QUARTERLY COMMUNICATIONS OF IRREGULARITIES IN CONNECTION WITH THE INSTRUMENT FOR PRE- ACCESSION ASSISTANCE (IPA)**

## **INTRODUCTION**

In accordance with Article 28 of the Framework Agreements<sup>1</sup> between Candidate Countries and Potential Candidate Countries benefiting from pre-accession assistance a control and reporting mechanism concerning irregularities<sup>2</sup> shall be organised according to the provisions set out by Commission Regulation No. 1828/2006, Section 4 Irregularities (Articles 27-36)<sup>3</sup>. Consequently, Beneficiary Countries are equally required to report quarterly to the Commission the irregularities detected in IPA funded projects. In order to facilitate this task and to ensure the uniform recording of cases in the appropriate database, the Commission has developed a standard form (Annex I) based on the above regulation.

These guidelines are used when the "paper version" of the standard form is filled. An electronic system is in the process of being developed.

## **GUIDELINES**

### **Preliminary remarks:**

1. Within two months following the end of each quarter Beneficiary Countries shall report to the Commission any irregularities which have been the subject of a primary administrative or judicial finding. Irregularities have to be reported in English.
2. It is recommended that Beneficiary Countries designate a competent national body responsible for reporting irregularities to the Commission.
3. All irregularities should be reported using the standard form and accompanied by an explanatory letter sent to the following address:  
European Commission  
OLAF – European Anti-Fraud Office  
Directorate C  
Rue Joseph II 30  
B-1049 Brussels  
Belgium  
The irregularity reports should also be forwarded in copy to the DGs in charge of a given component. Please, see the list of DGs in Annex II.
4. The cover letter should contain the following information: which component it relates to, the quarter it refers to, and the various irregularity reports should be attached (separating new reports from updates). In case of a combined cover letter for more than one component, the numbers should be given separately for each component.

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<sup>1</sup> Implementing Article 18 of Council Regulation (EC) No 1085/2006 and Article 19 of Commission Regulation (EC) No 718/2007

<sup>2</sup> As defined in Article 2(7) of Council Regulation (EC) 1083/2006 (see also point 5.1 of the Guidelines).

<sup>3</sup> Commission Regulation (EC) No 1828/2006, OJ L371, 27.12.2006, p. 27-32.

5. Please note that Beneficiary Countries are obliged to inform the Commission if no irregularities have occurred in a given quarter. This should be done by letter, stating clearly which quarter the letter refers to.
6. Please note there are different ways of completing the standard form depending on whether the form refers to a communication relating to Article 28 of Commission Regulation (EC) No 1828/2006 (first communication) or Article 30 (an update). In the case of an **Article 28 communication, all currently available information at the time of completion of the form should be submitted.** In the case of an **Article 30 communication, information on important changes resulting from the instituted procedures with respect to irregularities previously notified should be presented.** If no new facts concerning an irregularity have occurred, there is no need to send an update. Updates should be sent to the Commission only if new information concerning the case has become known.
7. Where a Beneficiary Country considers that an amount cannot be recovered or is not expected to be recovered, in accordance with Article 30 (2), it shall inform the Commission, in a special report with sufficiently detailed information to allow the Commission to take the decision on apportionment of the loss. The provisions on Special report are not applicable to Component V – IPARD.
8. In order to fill the sections concerning the manner in which the irregularity was discovered and the type of irregularity, as well as the actions taken by the Beneficiary Country and sanctions applied, the non-exhaustive lists included should be used. If the issue is not included on the list, please indicate it in point 22. Suggestions on what should be added to the lists will be taken into account.
9. The following cases need not be reported:
- (a) cases where the irregularity consists solely in the failure to execute, in whole or in part, an operation included in the co-financed operational programme owing to the bankruptcy of the beneficiary. Bankruptcy has to be officially established by the competent national authorities. The relevant proceedings are listed in the Council Regulation (EC) No 1346/2000;
  - (b) cases brought to the attention of the Operating structure and the National Fund by the beneficiary voluntarily and before detection by either of them, whether before or after the payment of the public contribution;
  - (c) cases which are detected and corrected by the Operating structure and the National Fund before any payment to the beneficiary of the public contribution and before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission.

However, irregularities preceding a bankruptcy and cases of suspected fraud must be reported<sup>4</sup>.

10. Irregularities relating to operational programmes under Component II - Cross border

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<sup>4</sup> Commission Regulation (EC) No 1828/2006, Art. 28 (2), OJ L371, 27.12.2006, p. 28-29.

cooperation shall be reported by the Participating Country ('shall mean Member State or beneficiary countries, i.e. candidate or potential candidate countries') in which the expenditure is paid by the beneficiary in implementing the operation. The Participating Country shall at the same time inform the managing authority, the certifying authority and the audit authority<sup>5</sup> (in case of cross border cooperation programmes between Beneficiary Countries and Member States) and the competent Accrediting Officer, the National Authorizing Officer and the audit authority (in case of cross border programmes between Non Member States Beneficiary Countries).

11. For cases where there is no obligation to communicate irregularities because the amount involved does not exceed threshold of € 10 000, Beneficiary Countries are obliged to register and undertake recovery proceedings but, unless the Commission explicitly requests information, need not inform the Commission<sup>6</sup>. However, Beneficiary Countries are obliged to inform the Commission (see Annex II) in the framework of the closure report of the programme about follow up activities concerning all the irregularities detected, irrespective of the reporting threshold.

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<sup>5</sup> Commission Regulation (EC) No 1828/2006, Art. 28 (4), OJ L371, 27.12.2006, p. 29.

<sup>6</sup> Commission Regulation (EC) No 1828/2006, Art. 36 (1), OJ L371, 27.12.2006, p. 32.

## IDENTIFICATION OF COMMUNICATION

**Beneficiary Country:** Please indicate the Country

Format: Free text in capitals.

Example: CROATIA

**Case N°:** The number of the case has to be indicated by the Member State on each page of the form.

Format: XX<sup>1</sup>/9999<sup>2</sup>/999<sup>3</sup>/XX<sup>4</sup>/9<sup>5</sup>, X = capital letter, 9 = figure from 0 to 9

Examples: HR/2004/001/CB/0 TR/2005/003/HR/2

1. Beneficiary Country's initials: two letters; the initials to be used are:

AL – Albania

BA – Bosnia and Herzegovina

HR – Croatia

KS – Kosovo under UNSCR 1244

MK – The Former Yugoslav Republic of Macedonia

ME – Montenegro

RS – Serbia

TR – Turkey

2. Year: four digits: 2008, 2009, etc.

3. The number of the case: three digits: 001, 002, etc.

**NB. Numbering is consecutive and corresponds to each component and to each year separately.**

**ATTENTION: The initial number of the case stays the same throughout the years only the version number changes!**

4. The abbreviation identifying the component which the communication relates to. It is compulsory to use the abbreviations. The abbreviations for the components to be used are as follows:

TA for Transition Assistance and Institution Building

CB for Cross-Border Cooperation

RE for Regional Development

HR for Human Resources Development

RD for Rural Development

5. New cases or updates of cases already communicated - one digit: 1 for a new case, 2 for a first update, 3 for a second update, etc.

For example: Initial Communication: TR/2008/003/TA/1

Follow-up Communication: TR/2008/003/TA/2

Next Follow-up Communication: TR/2008/003/TA/3

**NB. The reference number is unique to the specific case and is attributed when initial communication is sent (Art 28 of Commission Regulation (EC) No 1828/2006). When an update has to be reported (article 30 communication), the**

same reference number must be used. If by mistake a new one is inserted, this will be considered as a notification of a new case and, consequently, a duplication of the irregularity will occur.

**Quarter:**

Please indicate the quarter of the year in question.

For updates of existing cases, please tick the current reporting quarter.

**Date sent:**

The date sent is the date of communication to the Commission. This will normally be a date in the two months following each quarter.

Format: DD/MM/YYYY, Year month day.

Example: **13/12/2004**

**NB. This rule is valid for all other dates!**

**Administrative Department in the Beneficiary Country:**

Please indicate the administrative, national and/or regional department(s) responsible for the administration of the irregularity.

Format: Description in block capitals.

Example: **MIN. OF AGRICULTURE, FISHERIES AND FOOD**

Format in case of an addition to the list: Free text uninterrupted (without blank lines!).

Example: **MINISTRY OF ECONOMIC AFFAIRS**

**Address: ...**

**Contact Point:**

Please, specify the details of a contact person, within the administrative department responsible for reporting, who can be contacted in case additional information or clarification is required.

Format: Free text in the given fields.

## DETAILS OF IRREGULARITY

### 1. Description of operation

#### 1.1. Name of programme:

Please quote the name of the annual or multiannual operational programme under one of IPA components, or the form of assistance.

Format: Free text uninterrupted (without blank lines).

Examples: **RD – Multiannual ‘Environmental’ Operational Programme for Croatia**

#### 1.2. Identification number:

Please quote the programme identification number.

Format: Free text uninterrupted (without blank lines).

#### 1.3. Commission decision approving the programme:

Please quote the number and date of the EC Decision by virtue based on which the assistance was granted.

Format: Free text, date DD/MM/YYYY.

Example: **C/2007/6565-1, 13/12/2007.**

#### 1.4. Name of measure and title of project:

Please give the number and the title of the priority axis together with the title of a project.

##### Measure

Format: Free text.

Example: **Priority 1: Developing Waste Management Infrastructure for Establishing and Integrated Waste Management System in Croatia**

##### Title of project

Format: Free text.

Example: **Regional Waste Management Centre for the County of Istria**

#### 1.5. Beneficiary Country's project number:

If the operation was allocated a national reference number, please quote it.

Format: Free text.

### 2. Provisions infringed:

Please specify which Community or national (including contractual provisions) legislation has been infringed.

Format: Free text.

Example: **Article X of the Penal Code**



### **3. Date of first information leading to suspicion of irregularity:**

Please indicate the date on which the first information leading to the suspicion of an irregularity was received. For example in the case of reporting by phone, the date of the telephone conversation should be given.

Format: DD/MM/YYYY

Example: **25/06/2008**

#### **3.1. Source of first information leading to suspicion of irregularity:**

Please indicate how you first became aware of the existence of the irregularity.

Format: Free text.

Example: **Informant, press report, audit, etc.**

### **4. Manner in which the irregularity was detected**

#### **4.1. Who detected the irregularity?**

Please select from the list below a relevant authority which detected the irregularity

Format: Number and the authority.

Example: **10 – National administration**

##### **List of authorities:**

10 – National administration

20 – European Commission

30 – Court of Auditors

90 – Other

#### **4.2. How was the irregularity detected?**

Please select from the list below a relevant method of detection of the irregularity

Format: Number and method.

Example: **10 – Audit**

##### **List of methods of detection:**

10 – Audit

20 – Bankruptcy

30 – Control of products

40 – Control of documents ex-ante

45 – Control of documents ex-post

50 – On the spot control

60 – Informant

70 – Media

80 – Analysis

90 – Other

### **5. Type of irregularity:**

Please select from the list below a relevant type of irregularity.

Format: Number and type.

Example: **102 - Incorrect accounts**

### List of types of irregularity:

- 102 - Incorrect accounts
- 103 - Falsified accounts
- 104 - Accounts not presented
- 201 - Missing/incorrect /incomplete documents
- 213 - Falsified supporting documents
- 299 - Other cases of irregular documents
- 325 - Non-eligible expenditure
- 402 - Non-existing operator
- 405 - Irregular termination, sale or reduction
- 408 - Operator/beneficiary not having the required quality
- 601 - Failure to respect deadlines
- 608 - Refusal of control
- 609 - Refusal of payment
- 610 - Absence or incompatibility of contract
- 611 - Several requests for the same object
- 612 - Failure to respect other regulations/contract conditions
- 614 - Infringement of rules concerning public procurement
- 741 - Failure to fulfil commitments entered into
- 810 - Action not implemented
- 812 - Action not carried out in accordance with rules
- 822 - Expenditure incurred outside the contracting period
- 832 - Infringement with regard to the co-financing system
- 840 - Undeclared revenue
- 850 - Corruption
- 860 - Conflict of interest
- 999 - Other irregularities (to be specified)

### 5.1. Qualification of irregularity

Please qualify case as an irregularity or suspected fraud.

**irregularity**<sup>7</sup> - means any infringement of a provision of Community law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget;

**suspected fraud**<sup>8</sup> - means an irregularity giving rise to the initiation of administrative and/or judicial proceedings at national level in order to establish the presence of intentional behavior, in particular fraud, such as is referred to in Article 1(1), point (a), of the Convention on the protection of the European Communities' financial interests;

**established fraud** – means 'suspected fraud' which has been the subject of a judgment which has the force of res judicata for fraud or any other illegal activity detrimental to the Communities' financial interests;

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<sup>7</sup> Council Regulation (EC) No 1083/2006, Art. 2 (7), OJ L 210, 31.07.2006, p.26.

<sup>8</sup> Commission Regulation (EC) No 1828/2006, Art. 27 (c), OJ L 371, 27.12.2006, p.27.

**no irregularity** – means that in the course of an administrative and/or judicial proceedings allegations of irregularity or fraud have not been confirmed;  
NB: The case can not be qualified as no irregularity in the initial communication!

## **5.2. Practices employed in committing the irregularity:**

Describe the practice employed (modus operandi).

Format: Free text.

Example: **Falsification of invoices by altering the original amounts.**

## **5.3. Are these practices considered new? Yes ( ), No ( ), Not known ( )**

Please tick as appropriate. It is up to the Beneficiary Country to decide whether the practices employed are new or not.

## **6. Are other countries involved: Yes ( ) No ( ) Not known ( )**

This heading applies to cases involving cross-border operations (participation in the programme by more than one State), or cases where the beneficiary is an international firm participating in actions such as investment projects or training courses in more than one State.

Format: Please tick as appropriate. See point 5.3; Free text in block capitals.

Example: **HUNGARY.**

## **6.1. If yes, has notification been sent? Yes ( ), date and references: , No ( ), Not known ( )**

Please tick as appropriate. If the answer is yes, please give the date and references of the communication.

Format: date DD/MM/YYYY; for the references: free text.

Example: **Yes (X) Date and reference: 26/05/2008 detailed information sent to Hungarian authorities.**

## **7. Period of irregularity**

Indicate the date(s) on which, or between which, the irregularity was committed.

Format for the date: DD/MM/YYYY.

Example: **25/11/2008**

For the period: date of the beginning of the irregularity/ date of the end of the irregularity.

Format: DD/MM/YYYY – DD/MM/YYYY

Example: **13/05/2008 – 12/06/2008**

If this information is not known, please indicate this by using the first day of the month, the first month of the quarter (01, 03, 06, 09), the first day and month of the year if only the year is known

Example: **01/01/2008**

## **8. Date of Primary administrative or judicial finding:**

“Primary administrative or judicial finding” means a first written assessment by a competent authority, either administrative or judicial, concluding on the basis of specific facts that an irregularity has been committed, without prejudice to the possibility that this conclusion may subsequently have to be revised or withdrawn as a result of developments in the course of the administrative or judicial procedure<sup>9</sup>.

Format: DD/MM/YYYY

## **9. Authorities or bodies.**

### **9.1. Authorities or bodies which drew up the Primary administrative or judicial finding:**

Please name the authority or body which acted upon the initial discovery and drew up the official report using block capitals.

Format: Free text in block capitals, uninterrupted (without blank lines!!).

Example: **MINISTRY OF JUSTICE**

Address: ...

### **9.2. Authorities or bodies responsible for administrative or judicial follow-up:**

Please name the authority or body which is responsible for the administrative or judicial follow-up using block capitals.

Format and example: see 9.1.

## **10. Name and address of natural and legal persons involved**

### **10.1. Natural persons:**

Please give the name, address, etc., of the person(s) involved in the irregularity.  
Format: Text, but strict rules have to be followed.

- A. surnames and first names have to be given in block capitals
- B. special characters are to be avoided (e.g., \$, &);
- C. indications like M, Mr, Mrs, etc., are to be avoided;
- D. addresses have to be given in small print except for the first letter.

Example: -Name: **ABON**

-First name: **PIOTR**

-Address: **Kurica 25**

-Postal code: **2435**

-City: **Rjeka**

-Country: **CROATIA**

-Function: **Administrator**

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<sup>9</sup> Definition from Art 27 Commission Regulation (EC) No 1828/2006 OJ L 371, 27.12.2006, p.27.

## 10.2. Legal persons:

Please give the name, address, etc. of the legal person involved in the irregularity.  
Format: Text, but strict rules have to be followed:

- A. names are to be given in block capitals
- B. special characters are to be avoided (e.g. -, \$, &);
- C. legal abbreviations like Ltd, Co, N.V, etc. are to be given in small print, after the name;
- D. addresses are to be given in small print except for the first letter;
- E. the same applies to references to cities or countries in the name of the firm (e.g. IBM ANKARA, )

Example: **-Name: TALKER Ltd**  
**-Registered Office: Wallstreet 900**  
**-Postal code: 1529**  
**-City: Medias**  
**-Country: BOSNIA AND HERZEGOVINA**

The name and address required are those of the company. If individuals working for the company are involved in the irregularity, this information should be entered under point 10.1.

If more names are to be provided as foreseen on page 3 of the form, please copy and paste fields under points 10.1 and 10.2.

**NB. In order to comply with rules guaranteeing confidentiality of personal data, please do not refer to the names of physical or legal persons other than under points 10.1 and 10.2.**

## FINANCIAL ASPECTS

### 11. Total amount and distribution between sources of financing

#### 11.1. Total amount of the operation:

Please indicate the total amount contracted in the operation. The amount mentioned has to equal the sum of points 11.2 and 11.3 ("11.1"="11.2"+"11.3").

**The amount has to be in Euro throughout the whole Financial Aspects Section.**

Amounts in national currency shall be converted into Euro using the monthly accounting exchange rate of the Commission in the month during which the expenditure was registered in the accounts of the Operating structure of the programme concerned<sup>10</sup>.

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<sup>10</sup> See Art. 81(3) of the Council Regulation (EC) No 1083/2006, OJ L 210, 31.07.2006, p.61.

Where the expenditure has not been registered in the accounts of the, Operating structure the most recent accounting exchange rate published electronically by the Commission shall be used<sup>11</sup>.

Commission's monthly accounting rate can be found at:  
<http://ec.europa.eu/budget/inforeuro/>

Format: 9999999999999999 currency. Do not separate the figures and do not use decimals. Leave space after the last figure, and then add the currency  
Example: **22345000 EUR**

#### **11.2. Community financing:**

Please give the share of the amount financed by the Community.  
Format: See point 11.1.

#### **11.3. Beneficiary Country financing:**

Please give the share of the amount financed by the Beneficiary Country. It should not include the private contribution.  
Format: See point 11.1.

#### **12. Nature of the irregular amount:**

Please indicate the nature of the irregular amount found irregular.  
Format: Free text.  
Examples: **Salaries, computer equipment, funding of studies.**

#### **13. Amount of the irregularity**

##### **13.1. Total irregular amount:**

Please indicate the total amount **considered to be irregular**. The amount mentioned has to equal the sum of points 13.2, 13.3 ("13.1"="13.2"+"13.3")  
Format: See point 11.1.

##### **13.2. Community irregular amount:**

Please give the Community share of the total irregular amount.  
Format: See point 11.1.

##### **13.3. Beneficiary Country irregular amount:**

Please give the Beneficiary Country share of the total irregular amount.  
Format: See point 11.1.

#### **14. Financial consequences**

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<sup>11</sup> See Art 36(2) of the Commission Regulation (EC) No 1828/2006, OJ L 317, 27.12.2007, p.32.

**14.1. Irregular amount under 13.1 already paid:**

Please give the irregular amount that has been unduly paid to the beneficiary. The amount mentioned has to equal the sum of points 14.2 and 14.3 ("14.1"="14.2"+"14.3")

**14.2. Community irregular amount under 13.2 already paid:**

Please give the Community share of the irregular amount paid to the beneficiary.  
Format: See point 11.1.

**14.3. Beneficiary Country irregular amount under 13.3 already paid:**

Please give the Beneficiary Country share of the irregular amount paid to the beneficiary.  
Format: See point 11.1.

**15. Irregular amount not yet paid**

**15.1. Irregular amount under 13.1 not yet paid:**

Please give the irregular amount **not yet paid** to the beneficiary. The amount mentioned has to equal the sum of points 15.2 and 15.3 ("15.1"="15.2"+"15.3").  
Format: See point 11.1.

**15.2. Community irregular amount under 13.2 not yet paid:**

Please state the Community share of the irregular amount **not yet paid** to the beneficiary.

**15.3. Beneficiary Country irregular amount under 13.3 not yet paid:**

Please state the Beneficiary Country share of the irregular amount **not yet paid** to the beneficiary. Format: See point 11.1.

**15.4. Has the payment been suspended? Yes (-) No ( ) Not Applicable ( )**

Please tick as appropriate.

**16. Possibility of recovery:**

Please give an assessment of the likelihood of recovery of the funds and state as far as possible the underlying reasons.

Format: Free text.

Example: **Possible** or **Not possible due to bankruptcy.**

**17 Amount recovered**

**17.1. Total amount recovered:**

Please state the amount recovered. The amount mentioned has to equal the sum of points 17.2 and 17.3 ("17.1"="17.2"+"17.3").  
Format: See point 11.1.

**Interest rates, penalties, etc. should be specified in the brackets and not included in the basic amount.**

**17.2. Community amount recovered:**

Please state the Community share of the recovered amount.  
Format: See point 11.1.

**17.3. Beneficiary Country amount recovered:**

Please state the Beneficiary Country share of the recovered amount.  
Format: See point 11.1.

**18. Amount to be recovered**

**18.1. Total amount to be recovered:**

Please state the total amount to be recovered. The amount mentioned has to equal the sum of points 18.2 and 18.3 (" $18.1 = 18.2 + 18.3$ ").  
Format: See point 11.1.

**Interest rates, penalties, etc. should be specified in the brackets and not included in the basic amount.**

**18.2. Community amount to be recovered:**

Please state the community share of the amount to be recovered.  
Format: See point 11.1.

**18.3. Beneficiary Country amount to be recovered:**

Please state the Beneficiary Country share of the amount to be recovered.  
Format: See point 11.1.

**NB: Total Irregular amount should equal the sum of amount not yet paid, total amount recovered and total amount to be recovered " $13.1 = 15.1 + 17.1 + 18.1$ ". The amount unduly paid equals to the amount recovered and to be recovered " $14.1 = 17.1 + 18.1$ ". If due to exchange rates differences the sum is not equal, please, indicate that including exchange rate.**

**STAGE OF PROCEDURES**

**19. Action by Beneficiary Country:**

Please select from the list below a relevant action taken following the detection of irregularity.

Format: Number and the name of action from the list.

Example: 20 – Judicial proceedings

**List of actions taken:**



**10 – Administrative proceedings** is selected when a normal administrative recovery procedure is ongoing. If a concurrent judicial or penal procedure is on the way, the judicial/penal procedure prevails and is the one to be indicated.

**20 – Judicial proceedings** shows that the case is currently in front of a non-penal Court. If a concurrent administrative procedure is on the way, the judicial procedure prevails and is the one to be indicated.

**30 – Special procedure** is used when the amount affected by irregularity turns out to be irrecoverable and the Commission has been informed by means of a special report as required in Art 30 (2) of the Commission Regulation (EC) No 1828/2006.

**40 – Penal proceedings** is selected when the case is referred to a Penal Court. If a concurrent administrative procedure is on the way, the penal procedure prevails and is the one to be indicated.

**50 – Procedures closed** is selected when all recovery and related procedures are completed. This means also when the whole procedure is finalised and no irregularity is established or when the outcome of the procedure is that no amount has to be recovered.

**20. Has the recovery procedure been abandoned? Yes ( ) No ( ) Not Applicable( )**

Please tick as appropriate.

**21. Have criminal proceedings been abandoned?: Yes ( ) No ( ) Not Applicable( )**

Please tick as appropriate.

**22. Sanction applied (administrative and/or judicial):**

Please select from the list below a relevant sanction applied.  
Format: Number and the name of a sanction from the list.  
Example: **600 - National administrative sanction**

**List of sanctions applied:**

- 500 – No sanction imposed
- 550 – Sanction to be imposed
- 600 – National administrative sanction
- 640 – Removal of national subsidies
- 650 – Exclusion from future national subsidy
- 660 – Limitation of access to public procurement
- 740 – Exclusion from future Community subsidies
- 810 – Fine under penal law
- 820 – Imprisonment
- 890 – Other penal sanctions
- 900 – Other sanctions, to be specified

**23. Additional observations:**

Please give any additional information/comments which you consider relevant and which has not been covered in the above points.

**24. Final communication: Yes ( ) No ( )**

Please indicate 'Yes' if all administrative and/or judicial proceedings have been finalised and irregular amount has been recovered or declared irrecoverable. No further actions concerning communicated irregularity are foreseen.

In case of any questions on filling the form, please, do not hesitate to contact the following persons.

Auste Savickiene  
e-mail: [Auste.Savickiene@ec.europa.eu](mailto:Auste.Savickiene@ec.europa.eu)  
tel: +32-2-295.36.56

Andrea Bordoni  
e-mail: [Andrea.Bordoni@ec.europa.eu](mailto:Andrea.Bordoni@ec.europa.eu)  
tel: +32-2-296.77.37

fax: +32-2-295.97.59

OLAF – European Anti-Fraud Office  
Directorate C – Operational and Policy Support  
Unit C.2– Fraud Prevention and Intelligence  
Rue Joseph II 30,  
B-1049 Brussels  
Belgium

## ANNEX I - Irregularity report

CONFIDENTIAL

Case No: XX/9999/999/X/9

### QUARTERLY COMMUNICATION OF IRREGULARITIES IN CONNECTION WITH THE INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)

#### IDENTIFICATION OF COMMUNICATION

Beneficiary Country:

Case Number: XX/9999/999/X/9

Quarter:

(a) Quarter I ( )

(b) Quarter II ( )

(c) Quarter III ( )

(d) Quarter IV ( )

Date Sent: DD/MM/YYYY

Administrative Department in Beneficiary Country:

Contact Point: Name:

Phone:

Fax:

E-mail:

#### DETAILS OF IRREGULARITY

##### 1. Description of Operation

1.1. Name of programme:

1.2 Identification number:

1.3. Commission decision approving the programme:

1.4. Name of measure and title of project:

1.5. Beneficiary Country's project number:

##### 2. Provision Infringed:

##### 3. Date of first information leading to suspicion of irregularity:

3.1. Source of first information leading to suspicion of irregularity:

##### 4. Manner in which irregularity was detected

4.1. Who detected the irregularity?

4.2. How was the irregularity detected?

##### 5. Type of irregularity:

**5.1. Qualification of Irregularity:**

- (a) No irregularity ( )
- (b) Irregularity ( )
- (c) Suspected Fraud ( )
- (d) Established Fraud ( )

**5.2. Practices employed in committing the irregularity:**

**5.3. Are these practices considered new? Yes ( ) No ( ) Not known ( )**

**6. Are other countries involved? Yes ( ) No ( ) Not Known ( )**

**6.1. If yes, has notification been sent?**

Yes ( ) Date and reference: No ( ) Not known ( )

**7. Period of irregularity:**

**8. Date of primary administrative or judicial finding:**

**9. Authorities or bodies**

**9.1. Authorities or bodies which drew up the Primary administrative or judicial finding:**

**9.2. Authorities or bodies responsible for administrative or judicial follow-up:**

**10. Name and address of natural and legal persons involved**

**10.1. Natural persons:**

- Name:
- First Name:
- Address:
- Postal Code:
- City:
- Country:
- Function:

**10.2. Legal persons:**

- Name:
- Registered Office:
- Postal Code:
- Country:

## **FINANCIAL ASPECTS**

### **11. Total amount and distribution between sources of financing**

11.1. Total amount of the operation:

11.2. Community financing:

11.3. Beneficiary Country financing:

### **12. Nature of the irregular amount:**

### **13. Amount of the irregularity**

13.1. Total irregular amount:

13.2. Community irregular amount:

13.3. Beneficiary Country irregular amount:

### **14. Financial consequences**

14.1. Irregular amount under 13.1.already paid:

14.2. Community irregular amount under 13.2.already paid:

14.3. Beneficiary Country irregular amount under 13.3 already paid:

15.1. Irregular amount under 13.1 not yet paid:

15.2. Community irregular amount under 13.2 not yet paid:

15.3. Beneficiary Country irregular amount under 13.4 not yet paid:

15.4. Has the payment been suspended? Yes ( ) No ( ) N/A ( )

### **16. Possibility of recovery:**

### **17. Amount recovered**

17.1. Total amount recovered:

17.2. Community amount recovered:

17.3. Beneficiary Country amount recovered:

### **18. Amount to be recovered**

18.1. Total amount to be recovered:

18.2. Community amount to be recovered:

18.3. Beneficiary Country amount to be recovered:

**STAGE OF PROCEDURES**

19. Action by Beneficiary Country:

20. Has the recovery procedure been abandoned? Yes ( ) No ( ) N/A ( )

21. Have criminal proceedings been abandoned? Yes ( ) No ( ) N/A ( )

22. Sanction applied (administrative and/or judicial):

23. Additional observations:

24. Final communication: Yes ( ) No ( )

## **ANNEX II – List of responsible DGs**

### **COMPONENT I - THE TRANSITION ASSISTANCE AND INSTITUTION BUILDING**

European Commission  
DG Enlargement  
Rue de la Loi 170  
B – 1049 Brussels  
Belgium

### **COMPONENT II - CROSS-BORDER COOPERATION**

European Commission  
DG Regional Policy  
Rue Pere de Deken 23  
B-1040 Brussels  
Belgium

### **COMPONENT III – REGIONAL DEVELOPMENT**

European Commission  
DG Regional Policy  
Rue Pere de Deken 23  
B-1040 Brussels  
Belgium

### **COMPONENT IV - HUMAN RESOURCES DEVELOPMENT**

DG Employment and social Affairs  
Rue Joseph II 54–  
B-1000 Brussels  
Belgium

### **COMPONENT V – RURAL DEVELOPMENT**

European Commission  
DG Agriculture and Rural Development  
Rue de la Loi 130  
B – 1049 Brussels  
Belgium

**ANNEX XIX**  
**Operational Programme**