

SECTORAL ANNUAL IMPLEMENTATION REPORT

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

Prepared by

Secretariat General for EU Affairs

Date
5th July 2011

Identification

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

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

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

1.1. Information should be provided about the following:

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

2007 programme consisted of 36 projects with 75 tenders with total EC assistance of € 229.6 million contributing to the areas of political criteria, civil society development, customs union, education, environment, energy, fisheries, financial control, internal market, JFS, public administration, social policy-employment, statistics, taxation and transport.

Out of these 75 tenders, the contracting deadline of 7 projects with 11 tenders was extended to 6 – 12 months.

One project, TR0701.02 – Civic Training for Mehmetçik, has been cancelled and 2 small supply tenders with a total budget of 400.000 EUR were failed. Furthermore, 1 lot in one of the supply tenders with a budget of 112.641 EUR could not be awarded because no offer was received both in the first and re-launched tenders.

As of 20th January 2011, 62 out of 67 tenders whose contracting deadline was 17th December 2010 were awarded with a total amount of 98.6 MEUR. This commitment accounts for 90% of the budget to be committed within the deadline. Also, under this part of the 2007 NP, 5 tenders were awarded through re-launch of the procedure taking the advantage of early tendering.

The rest of the 2007 NP budget for the remaining seven projects extended, 120 MEUR represents 58% of the whole Programme. Therefore, the final contracting rate in this programme will be able to be seen at the end of 2011.

As for the SEI, 56 contracts were awarded with a total amount of 8.5 MEUR. Under this programme, 29 requests for services were cancelled with several reasons. However, contracting rate reached to the level of 80.5% in this programme.

Similarly, the IPA 2008 Component I programme includes 31 projects with 61 tenders with total EU assistance of € 224.5 million that have been selected among the priorities identified in the 2008-2010 MIPD after analysis of the relevant Turkish authorities and consultation with the EC, according to the priorities identified in the Accession Partnership, the screening process and subsequent negotiations in the different chapters of the acquis. A gap analysis study has been made by NIPAC services to determine the gap for which assistance should be delivered. This programme covers the areas of political criteria, civil society development, agriculture, customs union, education, environment, energy, fisheries, financial control, financial services, internal market, health, JFS, public administration, science and research, food safety and statistics.

As of January 2011, 20 tenders were awarded with a total budget of 81.7 MEUR. This accounts for **36.4%** of the programme budget.

Furthermore, totally 10.45 MEUR is allocated to the SEI with 2 different components: PPF and UNIBE.

In the 2008 NP also approximately total of 15.2 MEUR already remained unspent from the several tender savings. On the other hand, possible saving from the Mehmetçik project will translate this amount to 28.4 MEUR.

Please see Annexes 1 and 2 for the list of projects under 2007 IPA-I NP and 2008 IPA-I NP.

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

Examples of Projects Successfully Finalized in the Reporting Period

TR0602.03 - Active Employment Measures and Support to Turkish Employment Organization at Local Level

The project, which was executed under 2006 National Programme, started on the 27th of October, 2008 and lasted for 18 months. The project which was finalized on the 26th of April, 2010, had a service component with a budget of €4 Million and grant component with a budget of €16 Million. The service component was aimed at institutional capacity building of the beneficiary. With the grant scheme, unemployed women and youth registered with ISKUR in grant scheme provinces were targeted.

The overall objective of the project is to improve the existing capacity to design, develop and implement policies and programmes in order to contribute to human resource development aligned with European Employment Strategy in Turkey.

The purpose of the project is to implement more efficient active employment measures according to labour market needs at local level and to increase the employability of young unemployed and women through improving the institutional capacity of İŞKUR.

With the project, action plans were prepared in 28 model and pilot offices. Labour market analyses were made in 25 provinces in 13 different sectors and a labour market studies guide was developed.

In order to improve the capacity of ISKUR, 1817 man/days of training were delivered to ISKUR staff on the employer relations, action plan counseling, job and vocational counseling, strengthening employment services, IT, training of trainers and moderator training. Also, exchange programmes and study visits were organized to public employment services of EU Nations.

A total of 101 grant projects were selected and contracted by the end of November 2008. Approximately, 12.000 people benefitted from the grant scheme and at least 50% employed in the medium term.

TR 0602.05 - Support to the Solution of Economic and Social Integration Problems in Istanbul, Izmir, Ankara and Bursa as Major In-Migrant Destinations

The project, which was executed under 2006 National Programme started on December 2008 and ended on June 2010. The beneficiaries of the project were İstanbul, Ankara, İzmir and Bursa Metropolitan Municipalities.

The overall objective of the project is to reduce urban disparities through enhanced economic, social and cultural opportunities for all citizens.

The purpose of the project is to support İstanbul, Ankara, İzmir and Bursa municipalities to increase institutional capacity to mitigate socio economic integration and environmental related problems derived from migration, and to rehabilitate and reintegrate street children in the targeted districts.

The project is composed of two components. The first component covers capacity improvement activities including baseline surveys, needs assessment, feasibility studies, EU best practices, extensive trainings and preparation of strategic action plans covering 2010-2020 for all target cities. The second component aims the improvement of social services for street children.

During the implementation of the project, one or two meetings in a month were organized regularly for 22 working groups in Ankara with a total attendance of 300 people from NGO's, institutions and municipalities in order to prepare the strategic action plan. Over 250 face to face interviews were realized with the institutions and organizations.

In order to determine the target groups, a needs assessment study on 2300 houses was realized on neighborhood level in order to find the layer and hidden urban poverty. Also separate training activities were organized to which approximately 1300 people were attended for the first component and 700 people for the second component.

As a result of the project, an action plan is developed. The plan is focused on 13 areas with 17 purposes and the 51 goals to serve these purposes will be realized through 182 activities and events. Actions were sorted in the working group tables to show institutions' responsibilities and the activities.

Another important result of the project is the GIS maps created in order to show the disadvantaged regions in each city from the scope of urban poverty. These maps provide a very important resource for determining the policies towards these groups.

Within the framework of the project, Sultanbeyli Child and Youth Centre (İstanbul), Ankara Metropolitan Municipality Social Rehabilitation Centre for Street Children and/or Children with Substance Addiction (Ankara), Bursa Metropolitan Municipality Children Centre (Bursa), İzmir Metropolitan Municipality Child and Youth Center (İzmir), became operational in order to support, educate and rehabilitate children who are facing the negative affects of urban poverty.

Examples of Projects that are Ongoing in the Reporting Period

TR0702.08 – Capacity Building in the Field of Environment

This project which was under the 2007 National Programme has a budget of €3 Million and is being implemented by a direct grant agreement with REC. The overall objective is to facilitate transposition, implementation and enforcement of the EU environmental acquis thereby accelerating Turkey's EU accession process in the field of environment.

The objective of the project is to enhance environmental management of Turkey by strengthening the capacity of key environmental stakeholders in Turkey active in the field of promoting the implementation of the environmental acquis.

The activities realized within the scope of the project can be categorized into four groups.

- 1- Trainings for governmental institutions
- 2- Impact assessments
- 3- Capacity building at local level
- 4- Trainings for other stakeholders

By this project, 26 trainings with the participation of more than 900 people from governmental institutions were organized. Regulatory impact assessments for 5 EC directives and Sectoral impact assessments for 3 sectors were carried out. To increase the

capacity at local level, three pilot cities were selected and working committees were established in those pilot cities and three trainings were organized. For other stakeholders in the environment sector, 15 training sessions with the participation of more than 600 people were realized. Apart from these, 14 publications analyzing the environmental issues from the EU perspective were released.

TR 0702.12 - Support to the Strengthening of the Quality Infrastructure in Turkey

The Project is implemented under the 2007 National Programme and it has budget of 4.8 Million €. The official start date of the Project is 3rd May 2010. The beneficiaries of the project are Undersecretariat of Foreign Trade (UFT) and Turkish Society for Quality (KalDer).

The overall objective is to contribute to the removal of technical barriers to trade between Turkey and EU in order to ensure the free movement of goods between two parties, whereas the Project purpose is to establish a strengthened institutional and infrastructural framework in Turkey to enable better implementation of the *acquis* regarding the free movement of goods.

The Strengthening the Quality Infrastructure of Turkey Project aims to provide support to public institutions, producers, exporters and consumers that hold responsibility/authority and are involved in the fields of the harmonization of national legislation with the EU technical legislation, market surveillance and export controls in addition to the four fields of the quality infrastructure, namely accreditation, standardization, compliance assessment and metrology/calibration. The technical assistance components of the project can be listed as:

- Short Term Technical Assistance.
- Country reports.
- Inter-Laboratory Comparison and Proficiency Testing (ILC&PT).
- Conferences and Awareness Raising Campaigns.

The achievements under each component within the year 2010 can be summarized as follows:

Within the scope of short-term technical assistance component, 33 trainings were organized for a total of 706 people from private and public institutions, laboratories, certification institutions and universities.

During the SQIT Project, 3 annual Country Reports are foreseen to be prepared. The aim of country reports is to have a bird's eye view presented by independent experts in relation to the progress attained by Turkey in the fields of harmonization and implementation of, and awareness on, technical legislation, accreditation, conformity assessment and certification, standardization, metrology and calibration in a scope extending to the country as a whole. The first country report is being drafted by 4 short-term experts by contacting around 40 stakeholders in 7 different provinces (Ankara, Kayseri, İstanbul, Kocaeli, Bursa, İzmir and Aydın) and it will be submitted to UFT for approval in January 2011.

The Inter-Laboratory Comparison and Proficiency Testing (ILC&PT) activities aim the identification of the technical capabilities of the laboratories and these activities are a prerequisite for accreditation. Within the scope of the project, 20 ILC&PT cycles are

planned with the participation of 300 laboratories. Until the end of 2010, the sectors for these 20 ILC&PT cycles have been determined.

Conferences and Awareness Raising Campaigns are specifically intended for consumers and SMEs. **The activities organized under this component through year 2010 can be listed as:**

- Standardization and product safety weeks were organized. The first one of these activities was accomplished in September-October 2010 which included seminars for product safety and awareness raising activities in 25 different shopping malls in İstanbul, Ankara and İzmir.
- Quality in Laboratory Conference was organized on 30th November 2010 with 150 participants.
- A Website on product safety was built in order to support all of these activities: www.urunguvenligi.org.

TAIEX Activities

Although there was a decrease in the TAIEX activities due to the new web based application system of EUSG, for the benefit of Turkey more than 100 Study visits, workshops or expert mission activities were conducted. Two broad-scale seminars were held in the field of political criteria with broad participation. These are the seminars with focuses respectively on “Juvenile Justice System and the Protection Mechanisms” (13-14 April 2010) and “Roman Citizens in Turkey” (15-16 December 2010). Both seminars took place with the participation of a number of stakeholders, more than 200 attendees participated especially in the "Roman Citizens in Turkey" seminar.

Among all activities; 'Justice, Freedom and Security' and ' Judiciary and Fundamental Rights' were the fields that TAIEX activities mostly have been carried out in 2010. TAIEX activities mostly focused on the topics regarding energy, social policy and employment, environment, agriculture and food safety.

These activities both made a great contribution to the adoption and implementation of the EU acquis and the development of the Country's democracy by paving the way for people to discuss taboo issues which were not questioned before as in the “Roman Citizens in Turkey” seminar.

Community Support is used to facilitate Turkey's participation to Union Programmes for subsequent years. For example, IPA funding from year 2009 is used partially to finance the 2010 participation fees for Union Programmes. The associated funding from IPA resources allocated for Turkey's participation fees for the year 2010 and 2011 are as follows (in Euros):

	2009 Financing Agreement, 2010 Participation Fees	2010 Financing Agreement, 2011 Participation Fees
Program/Agency	Community Support	
Lifelong Learning (LLP) + Youth in Action (YiA)	49.538.000	51.301.000
Culture 2007-2013	1.120.000	1.040.000

PROGRESS	32.000	40.000
CIP/EIP (The Entrepreneurship and Innovation Programme)	1.464.960	1.415.675
CIP/ICT (The Information Communication Technologies Policy Support Programme)	540.480	410.040
Customs 2013	59.108	44.331
7th Framework Programme	34.277.223	12.327.930 (*)

(*) The remaining funds available under 2010 Programme will be used to support Turkey's contribution for the 7th Framework Programme.

Some of the results achieved under the fore mentioned Union Programmes is as follows:

Program/Agency	Overview of Results in 2010
Youth in Action (YiA)	<ul style="list-style-type: none"> All 7,3 million € budget made available by the Commission – National Agency Agreement was allocated to beneficiaries 465 project applications are accepted 1048 individual applications are accepted
Lifelong Learning (LLP)	<ul style="list-style-type: none"> All 57 million € budget made available by the Commission – National Agency Agreement was allocated to beneficiaries 957 project applications are accepted 12.530 individual applications are accepted 11.416 beneficiaries are supported under “Erasmus” sub program of LLP
CIP/ICT (The Information Communication Technologies Policy Support Programme)	<ul style="list-style-type: none"> 5 projects are in the main and one is in the reserve list Around 1.100.000 are allocated to the projects in the main list.
7th Framework Programme (*)	<ul style="list-style-type: none"> The data on the overall implementation of the programme in 2010 will be compiled as of July 2010.

Besides the financial benefits the beneficiaries obtain from the Union Programmes, Union Programmes have served as a means of integration in their associated fields.

7th Framework Programme serves as a tool that links Turkish Research Area (TARAL) to European Research Area (ERA). While Turkish R&D expenditure was only %0,48 percent of Turkish GDP in the year 2000, it has raised to **%0,85** by 2009, and it is expected to reach **%1** in 2010 or 2011. By participating in FP7, Turkey also closely

follows the “Innovation Union” goals, which is one of the 7 initiatives under EU 2020 Strategy. Participation to FP7 enables Turkey to pursue EU 2020 Strategy not only in “Chapter 25 - Science and Research” but in many other chapters as well.

“Digital Agenda” is one of the 7 initiatives under EU 2020 strategy. As indicated in the initiative: *“The overall aim of the Digital Agenda is to deliver sustainable economic and social benefits from a digital single market based on fast and ultra fast internet and interoperable applications.”*

ICT-PSP contributes to formation of a Digital Single Market and other major goals of the Digital Agenda.

LLP and YiA programs, which are directly related with the Chapter 26-Education & Culture, aim at ensuring intercultural exchanges and increasing tolerance to cultural diversities. These programmes have direct impact on individuals through accelerating intercultural dialogue among Turkish citizens and European citizens, which definitely contributes to strengthening Turkey’s further integration with the EU. Moreover, the young and dynamic population of Turkey contributes to EU goals with the help of the opportunities presented by these programs.

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

For the 2007 IPA TAIB component;

The procurement plans are prepared by the CFCU and are regularly reported to the NAO and EUD. According to these procurement plans the deadlines for submission of tender dossiers to the EU Delegation and also the ex-ante processing of these tender documents were prepared. After discussions with the EUD, these deadlines were determined for the projects under 2007 IPA TAIB component. Please refer to **Annex 1** for the Procurement Plan of 2007 IPA TAIB component as of January 2011.

Procurement Reviews for the risky projects per programming years namely 2007, 2008 and 2009 IPA TAIB are given in Annex 3. The amounts which are under risk are given for each programme as well as the savings.

For the 2008 IPA TAIB component;

The procurement plans are prepared by the CFCU and they are regularly reported to the NAO and EUD. Please refer to **Annex 2** for the Procurement Plan of 2008 IPA TAIB component as of January 2011.

The procurement process for the projects under 2008 IPA I component continues and the risk analysis for these projects was shared with the NAO and EUD services.

The saved amount of approximately 32 MEUR is allocated to the following projects :

- TR0801.01 Enhancing the Role of the Supreme Judicial Authorities in Respect of European Standards
- TR0803.02-02 EU-Turkey Intercultural Dialogue-Museums
- TR0803.02-03 EU-Turkey Intercultural Dialogue-Culture&Art
- TR0803.04 Participation in Community Programmes and Agencies

⁽¹⁾See Annexes 1 and 2

Overview of 2009 IPA-I

Under this Programme, 54 tenders were funded with a total amount of **128.7 MEUR**.

Only IPA Community Contribution*

	Committed allocations with FA**	Committed amount with addendum/update d PFs	Contracted	RAC²	%Contracte d	Paid	RAL³[2]	%Paid
IPA 2007	197.689.950,0 0	197.689.950,00	94.503.464,76	103.186.485,24	47,80%	36.253.009,59	161.436.940,4 1	18,34 %
IPA 2008	186.225.190,0 0	186.095.125,00	58.710.364,14	127.514.825,86	31,53%	17.982.576,31	168.242.613,6 9	9,66%

*Cut of date

31/12/2010

** Budget amounts excludes the Community Programme Budget

Total Budget (IPA Com. Contribution+National Contribution)*

	Committed allocations with FA**	Committed amount with addendum/update d PFs	Contracted	RAC[1]	%Contracte d	Paid	RAL[2]	%Paid
IPA 2007	227.699.033,0 0	228.589.134,00 ⁽⁹⁾	98.637.843,13	129.951.290,87	43,15	37.223.523,20	191.365.610,8 0	16,28 %
IPA 2008	226.284.719,0 0	224.474.321,00	66.806.060,12	157.668.260,88	29,76%	21.477.144,52	202.997.176,4 8	9,57%

*Cut of date

31/12/2010

** Budget amounts excludes the Community Programme Budget

² Reste à Contracter

³ Reste à Liquidier

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

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

TAIEX: The activities carried out under TAIEX in 2010 were explained in detail in chapter 1.

G2G Bilateral Cooperation with Netherlands: Within the year 2010, the project proposals prepared by Turkish institutions for the G2G.NL, which is a joint programme between Turkey and the Netherlands were evaluated by EUSG. Based on the shortlist prepared, 12 project proposals (6 for economic cooperation, 6 for environment) with a total budget of 1.860.000 EURO were approved by the Netherlands. In addition to this, EUSG coordinated the MATRA and G2G projects initiated in the previous years and attended their PAC meetings. This bilateral cooperation is very important and beneficial in terms of knowledge and experience exchange between the countries, as well as the improvement of economic relations. Furthermore, Turkey benefits from the Netherlands, which is an EU member, in adaptation of the EU Acquis and in building the institutional capacity required to implement it effectively.

G2G Bilateral Cooperation with the Grand Duchy of Luxembourg: During the year 2010 three training seminars were organized by the trainers from the Luxembourg Centre of the European Institute of Public Administration (EIPA) for the related institutions and ministries in Turkey in topics “Migration and Asylum”, “Translation Techniques for EU Law” and “Food Law”. These seminars were held in the facilities of the Secretariat General for EU Affairs (EUSG) and approximately 150 participants attended them.

With regards to stakeholder participation in programming period, the beneficiaries have been informed by the NIPAC Services about the stakeholder participation at earliest level. At the programming level, it has been proposed that the project fiche be discussed in all aspects with potential stakeholders in order to decide which matters should be included in the fiche. This has become a plausible measure to clarify the responsibilities of the parties during the implementation period in terms of identifying which responsibility should be taken by whom. . At this stages, the sectoral departments of EUSG played very important role to lead the beneficiaries on assessing the project ideas..

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

There is not any repaid or reused assistance as referred to in the related article of the IPA Implementing Regulation.

2. Detailed information about the financial implementation of the programme (⁴), Art. 84, (4) (b) IPA Implementing Regulation).

Analysis of the following factors: Please provide clear explanations of measures taken to catch up with the back logs and to speed up implementation. Please provide the analysis of state of play of the implementation based on the attached annexes I and II.

There are different reasons impeding the implementation phases of projects though not grouped yet. Cancellations and reallocations are emanated from some various reasons and dependent on different parameters. The recovery report for 2007 NP is provided in Annex 4 giving the details of the name of the contractors, requested amounts, realized amounts, etc.

- Factors that impeded and/or delayed the financial implementation.

N.A.

- Factors that had a positive impact on the financial implementation.

N.A.

(⁴) See Annexes 1 and 2.

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

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

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

Management and control system existing for the operation of the financial cooperation has based itself on the elements recommended and envisaged in the related provisions of the EU and national legislation. The system is also subject to regular supervisions by the EU and authorized national institutions taken place in the DIS management.

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

The staffing of the coordinatorship has been fulfilled in accordance with the workload analysis conducted and necessary staff has been assigned to the vacant positions.

In this respect, all the monitoring and evaluation activities are conducted in close cooperation with the EC and EUD and also with other DIS actors in a timely manner.

The audit unit of the EUSG has not yet been established; however, the establishment process has been initiated.

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

All staff involved in the financial cooperation have signed the;

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

documents. This issue is given utmost importance by the EUSG and followed with due care.

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

As regards the Roadmap for full Decentralization, the ex-ante controls are planned to be annulled. The Roadmap was revised in line with the comments of European Commission. The next step is the implementation by the relevant parties of the measures foreseen in the document.

Annual Statement of Assurance for the Operational Programmes under IPA Component I was submitted to the EC by the National Authorizing Officer (NAO) on 28 February 2011. The Statement of Assurance was based on the NAO’s supervision of the management and control systems throughout the programming year of 2010 and therein it was pointed out that the systems of management and control for the IPA Component I

were in place and functioning effectively and that the expenditures declared to the Commission during the financial year 2010 were true and accurate.

Through the evaluation of the management and control system realized by the Board of Treasury Controllers the findings regarding the Annual Statement of Assurance were taken into consideration. The recommendations received by the Internal Controllers of the Treasury were also reflected in the Annual Statement of Assurance.

During the course of 2010, monitoring of IPA I has been conducted and efforts have been made to improve the current procedures and practices. In this context, to facilitate the preparation and to prevent delays in submission of PMRs, an electronic facility developed by CFCU has been put into use. Also related activities to finalize the tendering process of ROM Turkey project were completed. Eventually the tender has been completed and the contract has been signed as of December 17th 2010.

In addition to these new systems, the institutional capacity of EUSG has been improved in 2010. The monitoring team of EUSG has been strengthened with the recruitment of eight new junior experts. The training activities related to these newly recruited staff has also been initialized.

Another important element of the monitoring activities was the new approach which has been introduced to the SMSC meetings. Within the context of his new structure of the SMSC meetings a more strategic approach and sectoral focus has been underlined in addition to the inclusion of wider range of stakeholders to be actively involved in the SMSC meetings.

The major findings regarding the problematic issues in monitoring can be summarized as follows:

- There is a large time gap between the programming and implementation of the projects. This causes difficulties in the implementation phase since the environment in which the project was designed can significantly change within this period of time. The issue has always been raised by some different stakeholders, therefore the Commission services should take into account this problem and introduce some remedial measures to the existing system.
- The delays in signature of Financial Agreements also cause delays in the implementation of the projects.
- In some cases, the staff responsible for the project at the beneficiary institutions may not be able to show the sufficient interest to the project due to their other responsibilities. The EUSG as NIPAC brings this issue to the attention of the beneficiaries in order to ensure full-time staff dedicated only to the EU funded projects and will continue its efforts in this regard.

There are three evaluation projects initiated by the Commission which were carried out through the course of 2010.

Country Program Interim Evaluation (CPIE) 2009: One of the evaluation studies that was carried out in 2010 is the CPIE 2009 which ended with the submission of the final report at the end of September 2010. A list of recommendations was submitted as a result of this evaluation study. These recommendations of the said study are as follows:

- Revise MIPD to make it a real strategic document used by all stakeholders.
- Review some of the programming mechanisms and establish programming tools to guarantee greater relevance of ANPs.

- Estimate financial needs for large projects and allocate remaining funds in line with programming priorities.
- Reinforce EUSG capacities to improve its leading and coordination role.
- Review and adapt the sector definition used by all IPA-I related documents and monitoring system.
- Review the monitoring system and define properly the tasks of each stakeholder.
- Accelerate the development of the MIS and develop adequate IT tools.
- Reinforce EUSG training programme (see PCM-training)
- Encourage stronger involvement of Turkish stakeholders.

All of these recommendations are being followed-up by the Commission on a regular basis.

In addition to CPIE 2009, there are two other evaluations which have been ongoing through the course of 2010. These evaluations are the “Review of Twinning in Turkey” and “Evaluation on stakeholder participation in programming and implementation of pre-accession assistance to Turkey.” Both of these studies have not been finalized in 2010.

In connection with the 2011 Annual Audit Work Plan, Audit Authority (AA) carried out audits for the 2007 and 2008 National Programmes under the Instrument for Pre-accession Assistance - Transition Assistance and Institution Building Component (CCI NO: C/2007/6423 and 2008/020-213), for the period between 1 October 2009 and 30 September 2010 and issued its Annual Audit Opinion and Annual Audit Activity Report on 31 December 2010.

With regards to the scope of the audit, the AA conducted system audits with the follow-up of the previous year’s audit findings of the AA and the EC audit services. In addition, audits of operations were carried out. Within this perspective the audit of NSD, NF, CFCU, NIPAC Secretariat and selected SPOs relating to the implementation of Component I were conducted.

The audited SPOs/projects are as follows:

Table: List of Audited Projects

Project Number	Type of Tender	Project Title	Budget (Euro)
TR0701.05	Direct Grant	Support to Further Implementation of Local Administration Reform in Turkey	4.000.000
TR0702.08	Direct Grant	Capacity Building in the Field of Environment	3.000.000
TR0702.13	Service - Supply-Grant	Strengthening the Vocational Qualifications Authority (VQA) and the National Qualifications System (NQS) in Turkey	10.900.000
TR0702.18	Direct Grant-Supply	Dissemination of Model Prison Practices and Promotion of the Prison Reform in Turkey	7.000.000
TR0702.20	Service - Supply	Improvement of Occupational Health and Safety Conditions at Workplaces	4.075.000
TR0702.25	Service - Supply	Strengthening the Statistical Capacity of the MARA (the Ministry of Agriculture and Rural Affairs)	1.150.150
TR0703.02	Direct Grant - Service	EU-Turkey Civil Society Dialogue – Cultural Bridges	6.600.000
TR0703.03	Grant-Service	Continuation of the Jean Monnet Scholarship Programme	6.980.000
TR0801.01	Direct Grant	Strengthening the Role of the Supreme Judicial Authorities in the EU Process	3.172.500
TR080303	Grant	Istanbul 2010 European Capital of Culture (ECoC) Grant Scheme Facility	1.854.300
TR0801.08	Direct Grant-Grant	Civil Society Development for Active Participation	3.200.000

AA's audit work for the period of 1 October 2009 - 30 September 2010 started with the follow-up of previous year's audit findings. For that purpose, an official letter was sent to NSD/NF, CFCU and NIPAC in June 2010 to understand the current status of previous year's audit findings. After having official replies from auditees, AA reassessed the findings and in the beginning of the field work priority was given to understand the situation of those findings.

As it is described in a detailed manner in Annual Audit Activity Report, during the audit work AA detected 43 weaknesses, 17 of those are in NSD/NF, 14 of those are in CFCU, 4 of those related with selected SPOs and 8 of those are in NIPAC. On the other hand 35 of these findings come from systems audit while 8 of them come from audit of operations.

Of the total 43 audit findings in the Annual Audit Activity Report 26 of them are new findings and 17 are previous year findings. 8 of total previous year's findings belong to NSD/NF, 3 of them belong to CFCU, 1 of them belongs to SPOs and 5 of them belong to NIPAC. The distribution of the audit findings by audited institution and by COSO component is given below;

AUDITEE COSO	NSD/NF	CFCU	NIPAC	SPOs
Control Environment	<ul style="list-style-type: none"> Organizational Structure Staffing Training Working Premises Irregularity Management 	<ul style="list-style-type: none"> Staffing Job Descriptions Rotation Policy Irregularity Management 	<ul style="list-style-type: none"> Organizational Structure Irregularity Management Sensitive Post 	
Risk Assessment	<ul style="list-style-type: none"> Risk Management 	<ul style="list-style-type: none"> Risk Management 	<ul style="list-style-type: none"> Risk Management 	
Control Activities	<ul style="list-style-type: none"> Manual of Procedures Archiving Changes in MCS Accounting Process (3) On the Spot Checks by NF Request of Funds From EC by NF Control of Funds Received from EC 	<ul style="list-style-type: none"> Payment Process (3) Tendering Process (2) CFCU Manual 	<ul style="list-style-type: none"> Manual Of Procedures 	<ul style="list-style-type: none"> Direct Grant Contract Payments Direct Grants Contract Audits Interest Income
Monitoring	<ul style="list-style-type: none"> Internal Audit Supervision and Monitoring Activities 	<ul style="list-style-type: none"> CFCU Supervision Over SPOs On the Spot Checks for Contracts 	<ul style="list-style-type: none"> Monitoring Process Internal Audit 	<ul style="list-style-type: none"> Internal Controls in SPOs
Communication Information		<ul style="list-style-type: none"> Reporting 	<ul style="list-style-type: none"> Programming Process 	

Audit Authority also categorized the findings by reference to their level of importance. 6 of the 43 findings are Major findings (1 NSD/NF – 2 CFCU – 3 NIPAC), 21 of them are Intermediate findings (10 NSD/NF – 5 CFCU – 4 NIPAC – 2 SPOs) and 16 of them are Minor findings (6 NSD/NF – 7 CFCU – 1 NIPAC – 2 SPOs)

Major Findings are explained below;

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

- Changes in management and control systems are not systematically followed by NAO and NAO does not communicate the significant changes to the EC for approval. There are different treatments for same kind of changes. Therefore AA recommended that NAO should set up procedures for a systematic change management, receive regularly all changes in the system designed and accredited, set up a data-base to follow up changes, approve changes in the management and control system and provide further guidance in relation to what constitutes a major/minor change in the management and control systems.

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

- CFCU has not duly fulfilled its supervision responsibility over the Project Implementation Units. In our audit period CFCU requested from the SPOs in 2007 programme to update their Self Assessment Studies by email but did not carry out any on the spot visits to the SPOs for supervision. On the other hand CFCU did not prepare any study, analysis and evaluation and carry out on the spots visits regarding the SPOs in the 2008 programme. AA recommended that CFCU should perform the supervision responsibilities over the SPOs in the 2007 and 2008 Programmes.
- The invoices submitted by the contractor must be controlled by SPOs and SPOs should stamp “Read and Approved” expression on the invoices before a payment is made. But AA observed that this procedure was not implemented for some of the payments selected. AA recommended that this procedure should be used without any exception.

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

- There is not any risk management study related with the activities of EUSG Directorate of Financial Cooperation. AA recommended that NIPAC Secretariat should determine the procedures and methodology to be used in risk management and should prepare its Risk Management Plan that reflects current risks related with its activities under IPA and should set up mitigation factors to be carried out for significant risks.
- The organizational structure of EUSG was changed with Law No 5916 and the manual of NIPAC does not reflect the current organizational structure of Directorate of Financial Cooperation. AA recommended that EUSG Directorate of Financial Cooperation should update its Manual to include the current organizational structure and current responsibilities of Directorate of Financial Cooperation and should set up detailed procedures, including implementation and operational guidelines and checklists related with programming, monitoring, evaluation, general coordination and training activities.
- Although it has been agreed 2 internal auditors to be appointed at EUSG under Law No 5018 there isn't any internal audit activity within EUSG Directorate of Financial Cooperation related with its activities under IPA. AA recommended that EUSG should assign enough number of auditors in order to carry out its internal audit responsibilities.

3.2. Analysis of the following factors:

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

The main factor that impeded the management and control systems was the lack adequate staff in all the DIS institutions. This problem was addressed to a great extent with the recruitment of new junior experts by those institutions including EUSG, NAO and CFCU. Among them EUSG was recruited the highest number and there is no gap in this term.

Also during the reporting period, the take-over process⁵ has initiated and once it is finalized the heavy workload of CFCU will dramatically decrease and will significantly increase the overall performance of the CFCU.

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

The Roadmap for de-centralised management without ex-ante controls of the EC under IPA Components I-II was revised, detailing the progress with regard to the targets foreseen in the document and conveyed to the Commission in August 2010.

The (conditional) Conferral of Management decisions for IPA Components I & II which were granted by the European Commission (EC) on 29 October 2008 and 1 December 2008, respectively. contained 49 measures/findings addressed to individual functions and bodies and general issues related to the system as a whole (management of irregularities, reporting of changes, training, monitoring), that needed to be implemented/addressed by Turkish authorities within the timeframes specified in the said decisions. The NAO was informed by the auditors of the EC's DG ELARG during their follow-up audit mission of 25-29 January 2010 that according to their initial assessment, significant headway was made by Turkish institutions in designing systems of management and control and preparing manuals of procedures to utilise IPA funds.

The Commission's final report on the follow-up of the IPA I & II Conferral of Management decision conditions was received on 8 December 2010. The findings laid down in the report, which was prepared further to an audit conducted in January 2010, have been addressed to a large extent. In this respect, the NIPAC services have recruited additional staff in line with its workload analysis and delivered the necessary in-service trainings to them. Furthermore, the staff who will perform the evaluation task at the NIPAC services will not assume the monitoring task in order to ensure organisational separation and segregation of duties.

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

The relevant information is provided within the Terms of Reference, Technical Specifications, etc. in order to give detailed information to the Beneficiaries as well as the contractors that they should comply with during the implementation of the projects. It

⁵ IPA Units of IPA III & IV Line Ministries will take over (until the end of 2011) the tendering and contracting functions which are temporarily delegated to the CFCU.

is observed that both the Beneficiaries and the contractors follow the visibility guidelines as a whole. On the other hand, it is deemed that marking a few projects where good visibility has been achieved would not have any contribution to the process.

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

All projects /contract implemented under the programme shall comply with the **Visibility Guidelines for European Commission Projects in Turkey** published by the EU Delegation to Turkey, at
http://www.avrupa.info.tr/AB_Mali_Destegi/Gorunurluk,Visi.html

All communication and visibility activities should be carried out in close co-operation with the CFCU. The CFCU is the main authority in charge of reviewing and approving visibility-related materials and activities. Before initiating any information, communication or visibility material and activity, consultants and implementing partners should seek the approval of the CFCU in writing.

The EU-Turkey cooperation logo should be accompanied by the following text:

“This project is co-financed by the European Union and the Republic of Turkey.”

In addition to these efforts, the web site of EUSG has been redesigned in 2010, allowing the users to reach information easily. During the course of the year 2010, The Minister for EU Affairs and Chief Negotiator Egemen Bağış has met with the representatives of NGOs approximately 70 times. A presentation on EU financial assistance was made on December 13th to a group of NGO representatives. Also in 2010, 919 “request for information” applications to the EUSG made by the public, 671 of them were replied positively or partly positively and related information or documentation had been provided and 149 of them were directed to other institutions.

An example project where good visibility has been achieved in IPA projects is TR0702.12-01/001 – “Technical Assistance Support to the Strengthening of the Quality Infrastructure” which The Beneficiary is Undersecretariat of Foreign Trade and the Contractor is British Standards Institute (BSI).

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

- List of the monitoring and evaluation measures, including data collection arrangements;

Please refer to section 3.1.

- Summary of any significant problems encountered in implementing the programme and any subsequent measures taken;
- The use made of technical assistance.

A short summary regarding the monitoring and evaluation system for the year 2010 in Turkey is given below:

The monitoring and evaluation system for the year 2010 operated in 11 sectors in Turkey. These sectors are:

- I. Political Criteria (25 projects)
- II. Justice Freedom and Security (17 projects)
- III. Civil Society Dialogue and Development (15 projects)
- IV. Internal Market, Customs Union, Energy (15 projects)
- V. Public Finance, Statistics and Accession Process Support (17 projects)
- VI. Cross Border Cooperation (4 projects)
- VII. Environment (22 projects)
- VIII. Regional Development (8 projects)
- IX. Transport (5 projects)
- X. Human Resources Development (15 projects)
- XI. Rural Development (11 projects)

The progress and monitoring reports related to these projects have been submitted to the electronic system introduced by CFCU. Four reports, each covering a period of 3 months, were submitted for each project.

Two meetings regarding “JMC for Pre-Accession Financial Assistance and TAIB Monitoring Committee” were held during the course of the year. One was on 11th February 2010 and the other was on 29th June 2010.

During the year 2010, Sectoral Monitoring Sub Committee (SMSC) meetings were held between 17-28th of May.

Following the SMSC meetings in May and because of the fact that those meetings were not as effective as they should be, the issue of how the effectiveness of the SMSCs can be ensured was put on the agenda of the JMC&TAIB Monitoring Committee. After having discussed at the JMC&TAIB MC, both sides agreed that these platforms should be conceived as a place where the parties can discuss the sector strategies in details, a close link between the negotiation process and financial cooperation in the sector should be established and also linkage between the JMC&TAIB and SMSCs should be ensured.

SEI projects under the 2007 programming were successfully terminated as of December 2010. A sum of 8.448.947 Euros was allocated to the beneficiary Institutions in the scope of SEI Project which has a total budget of 10,5 Million Euros. Therefore, %80 utilization rate of total SEI fund has been reached. In 88 projects, 56 have been financed and evaluation process of the rest 32 projects, in order to shift to the 2008 programming is still ongoing.

Within the context of Support Activities to Strengthen the European Integration Process (SEI) Project, evaluation meetings and workshops were held between the dates of January 1- December 31, 2010. Elaboration of an action plan was put on the agenda of forthcoming year. It's also decided to carry on workshops and evaluation meetings.

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

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

During the year 2010, there have been several legislative changes that have implications on IPA financial management/project implementation.

There has been a change in several articles of the Constitution of Turkey as a result of the referendum held on September 12th. The results of these changes affected the implementation of some projects. In order to finalize the project "TR0501.07 Support to the Establishment of Courts of Appeal in Turkey", Supreme Board of Judges and Prosecutors was expected to make the necessary appointments to the newly established courts. As a result of the referendum, the structure of the Supreme Board of Judges and Prosecutors was changed. The new members of the Board were needed to be informed on the status of the project, therefore the appointment of the judges were further delayed in order to inform the new members on the current status of the project.

Arisen from the needs of making legal arrangement for the simplification of customs transactions of experts working for the projects funded under IPA, the issue of customs has been discussed through the process with the involvement of related parties in Turkey and representatives from the EU side. After long deliberations, the Undersecretariat of Customs has approached to the problem with determination and prepared the Customs Communiqué which is now in force with being published on the Official Gazette on the 15th of October. The EUSG now monitors the implementation process of the said communiqué in close collaboration with the Undersecretariat of Customs.

6. Conclusions on:

- Design and implementation of the programme
- Management and control systems

Two different Supervision Authorities conducted regular supervision visits to the NIPAC services and prepared their findings to be addressed by the EUSG during the year 2010. Besides these supervisions conducted by the national authorities, the EUSG underwent an audit by the Commission Services in January 2010.

The EUSG has strengthened its staffing capacity in line with the recommendations and finding put forth in reports prepared after those supervision activities. Also, segregation of duties which had been criticized by the European and national accreditation authorities was already ensured with the amended institutional Law numbered 5916 promulgated in 2009.

Strengthening the SMSC's structures also has become an important step taken towards making them proper platforms to establish link with the projects under sector in question and implementation of the national strategies in the sector and also link with the negotiation in the sector has been sought. This sectoral approach has been adopted in line

with the new MIPD for the period 2011 – 2013, first practices for this approach started in 2010.

Evaluation sub-unit was specified under the coordinatorship of “monitoring and evaluation” which was also one of the findings of supervision visit conducted by the NAO. With this action, independency of the evaluation function from the monitoring has been ensured at sub – unit level.

Lastly, a project has been initiated by the EUSG under SEI project to revise the NIPAC Manual which was prepared in 2008 and was far from reflecting the EUSG’s structure reshuffled with the amended Law. Roles and responsibilities which were assigned with both the amended Law and Prime Ministry Circular numbered 2009/18 entered into force in December 2009 will be included into the new version of the Manual. Once the manual is revised, some other findings such as;

Need for specifying general coordination unit under FCD,

- Risk analysis of the NIPAC services,
 - Training strategy of the FCD,
 - Updated Work Load Analysis,
 - Updated job descriptions
-
- Impact of the programme

The sectors focused on this programming period were particularly at the political and dialogue spheres. The projects related to these spheres were being aimed to reach some of the main criteria related to Acquis directly. In terms of content of the projects, the projects under the programming package were aimed to create an action on institutional building perspective rather than providing some practical impacts. Generally this shows that the institutions still need to increase their managerial capacity and/or develop their human resources. Furthermore, the number of projects aiming only investment related activities was decreased gradually. Also, quite a limited number of the institutions like the Undersecretariat of Customs and Ministry of Interior generally follow their own roadmaps consisting sequential projects, which were being structured over the results obtained from the previously implemented projects. On the soft projects side, the topics were handled by considering different segments of the society in each year. This provides the dialogue programmes to be facilitated to and supported by each of the community segments equally. Hence, the dialogue programmes may also be given as an example to the sequential projects.

- Factors imposing risk of non-implementation or delayed implementation

The factors affecting the implementation stage by imposing risk of non – implementation or delayed implementation should be handled in an analytical way and can be classified as legal factors, managerial level factors, human resource factors etc. They exist for each DIS actor and need to be handled institutionally. The most important points can be specified as:

- The staff turnover rate of the system at all levels is high.
- The institutional know-how capacity of the DIS bodies could not be structured systematically.
- The legislative frames of the institutions are not open to the new approaches which are being tried to be integrated to the system as much as expected.

- Even though strategic documents have already described the principals of the DIS system, the bureaucratic levels of some of the DIS institutions have increased gradually.
- Because of the long periods wasted in tendering stages, the enthusiasm of the community at all levels have decreased.

Strengths:

- Considering the fact that Turkey has long lasting relations with EU and in this context Financial Cooperation process dates back quite a long time, Turkey has a solid base for the implementation of EU funded projects. In this framework, although not fully adequate in all cases, relatively sufficient human resources exist in most of the line ministries. An important part of this staff working on financial cooperation between EU and Turkey are quite experienced and equipped with sound technical background.
- Another underlined feature of Turkish public administration system is that, although there is a high staff turnover rate in public administration, there is an observed interest and motivation of people to replace the outgoing staff.

Weaknesses:

- There is a high staff turnover rate which has to be remedied. Although new staff quickly replaces the outgoing personnel, it takes time for the new people to learn the required tasks.
- Due to the fact that the financial cooperation between Turkey and EU is an evolving process, the current structures and procedures have to be reviewed and updated on a continuous basis.
- There are different procedures and applications in every institution regarding the EU projects. Each institution has its own way of working which affects the structure of the projects.
- There are many institutions with high human resources and financial capacity, but the number of mature enough projects does not reflect this high capacity.
- Slow and complex exchange of comments and approval procedures resulting from ex-ante approval discourage the beneficiaries.

7. Recommendations and corrective actions

7.1. Recommendations aiming at:

- Achievement of the objectives of the projects/measures under the ongoing programmes and improvement and maintaining or accelerating tendering and contracting process during the following period.
 - Adequate number of human resources with experience and/or necessary training should be in place in the relevant DIS institutions for accelerating project preparation, tendering and contracting process.
- Strengthening the management and control systems.

To strengthen the management and control systems under the IPA 1, the findings regarding the Operating Structures should be closed in a timely manner as foreseen in the action plans. Relevant action plans are being followed closely by the NAO Services.

- Any other recommendations.

7.2. List of recommendations in previous annual implementation report.

- **Recommendation 1 in previous year:** Adequate number of human resource with experience and/or necessary training should be in place in the relevant DIS institutions for accelerating tendering and contracting process.
- **Recommendation 2 in previous year:** SPOs in the Beneficiary Institutions should be well supervised to ensure the quality of technical documentation which will be a basis for procurement dossiers.
- **Recommendation 3 in previous year:** Procurement plans should be operational and updated regularly for effective monitoring of the tendering and contracting phases.
- **Recommendation 4 in previous year:** Rejection rates should be analysed in detail and corrective actions should be developed to reduce these rates.

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

Action 1: The EUSG which is one of the main actors in DIS, has strengthening its capacity to full extend with the amended Law that allowed the EUSG to open an exam for recruiting junior experts. In the reporting year, after the finalization of the recruitment process the newcomers have undergone an induction training period and they are now experiencing on the job training in different units of EUSG.

The staff capacity of the CFCU is not adequate to provide any training to the DIS institutions since the current capacity is scarcely responding the heavy workload in the CFCU. As known, the CFCU is dealing with the components IPA1, 2, 3 and 4 and there is a considerable staff need for meeting the huge number of projects. CFCU tries to do its best to manage this deficiency in its capacity; however the CFCU is not in a position to hold an extra workload for providing trainings oriented to the DIS institutions.

Action 2: SPO Supervision is carried out by the CFCU regularly. The SPOs are informed via official letters regarding the quality of technical documentation they should prepare for the programming year. Besides, Operational Agreements are signed among the relevant SPO and the CFCU per programming year where the

definitions and responsibilities of the actors are clearly described. On the other hand, Roundtable Meetings are organised regularly in order to inform the SPOs regarding the essential issues they should pay attention to as well as the DIS structure.

- **Action 3:** Procurement Plans are operational and regularly updated by the responsible Contract Managers via the contract.net. The status of the projects are regularly and effectively monitored by the Procurement Plans.
- **Action 4:** CFCU has developed a **“Rejection Rate System”** calculating the rejection rates with the occurrences of the reasons. This system makes the CFCU able to measure the rejection rates for each IPA Roadmap category, each Financing Agreement or each specific tender documents or types of tender. Furthermore, the rejections are identified and classified by “Classifying and Coding System (CCS)”, according to the rejection reasons through a coding methodology. EUD comments were also recorded and followed-up within this system. CFCU continuously produces related reports from this system and follows the most occurred codes which show the rejection reasons. With the help of this detailed analysis, CFCU has taken corrective and preventive actions in-house. Therefore, it has been observed that the rejection rates in some areas started to decrease. For example, although the target of the year 2010 for the ex-ante approval of Evaluation Committee was 10 % in CFCU’s IPA Roadmap, as of 31 December 2010 this rate had occurred as 6 %. By achievement of this target, it is expected that the target for the year 2011 which is 5 % seems to be achieved easily.

8. Overview of the upcoming period

- An indicative updated time table for tendering and contracting (broken down per quarter) per ongoing programme ⁽⁶⁾.

In accordance with the proposal of the EC, programming of IPA-1 for the years 2011-12 with multi-annual sectoral approach has been adopted. Accordingly, Turkey prepared and presented its sector priorities during a seminar that was held on 29 April 2010. The whole process will be carried out in line with the modalities agreed.

⁽⁶⁾ See Annexes 1 and 2.

2. g Benchmarks

2007 National Programme	2008	2009 (cumulative)	2010 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	2	30	44
Number of calls for proposals launched* (twinning, grants)	10	13	21
Number of direct grants without call for proposals	0	4	6
Contracting Rate (%)	0%	27%	58%

2008 National Programme	2009	2010 (cumulative)	2011 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	3	16	35
Number of calls for proposals launched* (twinning, grants)	11	17	17
Number of direct grants without call for proposals	1	5	7
Contracting Rate (%)	1%	33%	66%

2009 National Programme	2010	2011 (cumulative)	2012 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	0	26	26
Number of calls for proposals launched* (twinning, grants)	0	14	17
Number of direct grants without call for proposals	0	7	7
Contracting Rate (%)	0%	50%	80%

- Summary of the next programming exercise (please elaborate this part based on the below information:

The programming process of 2010 for IPA-1 was started in June 2009 rather than September in accordance with the agreement between EC and Turkey (2010 Programming Process Document). The priorities have been initially studied by the working groups established consisting of representatives of the related stakeholders. The output of the study has been discussed and a consensus has been reached with the EC. Accordingly the LMs were asked to submit their project ideas based on the priorities determined.

2010 National Programme for IPA-1 consisting of 33 project fiches with the total amount of € 217.8 million has also been studied in line with the modalities/schedule given in PPD and has been submitted officially,.

In line with the new programming approach which was commonly known as “sectoral approach” and prescribed in the new draft MIPD (2011-2013), the working groups’ meetings have been adapted to the process by involving all the related parties.

There are two project packages in 2011 programming year.

The first package consists of 9 projects with a total budget of 130 MEUR. The EU contribution for the first package is 82 MEUR and the rest is the national co – finance. The final version of the package was submitted to EC on the 18th of March, 2011.

ANNEXES

Annex 1 Procurement Plan of 2007 IPA TAIB

Annex 2 Procurement Plan of 2008 IPA TAIB

Annex 3 Procurement Reviews for the Risky Projects of 2007, 2008 and 2009 IPA TAIB

Annex 4 Recovery Report for 2007 NP