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ANNEX I

Financial Plan

Amended financial plan of the multi-annual operational programme "Environment".

<u>Years</u>	Total IPA allocation
2007	67 000 000
2008	69 500 000
2009	67 600 000
2010	95 240 000
2011	117 360 000
Total 2007-2011	416 700 000

Priority	IPA Funding	National co-financing	Total funding	Co-financing rate
	(a)	(b)	(c) = (a) + (b)	(d) = (a)/(c)
Priority 1: Improved delivery of drinking water and wastewater services	280 141 600	49 436 753	329 578 353	85.00%
Priority 2: Improved integrated solid waste management	120 060 400	21 187 131	141 247 531	85.00%
Priority 3 - Technical Assistance	16 498 000	2 911 414	19 409 414	85.00%
Total (2007-2011)	416 700 000	73 535 298	490 235 298	85.00%

ANNEX II

Certificate and statement of expenditure and application for interim payment

EUROPEAN COMMISSION

INSTRUMENT FOR PRE-ACCESSION ASSISTANCE – IPA

*Regional Development Component (Component III)
/Human Resources Development (component IV)*

Certificate and statement of expenditure and payment application

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 European Commission 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⁽¹⁾

		20...	and amounts to:	euro ²	
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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 IPA 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 European Union and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria

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

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

applicable to the programme and complying with relevant applicable European Union rules and regulations, in 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 expenditure¹ paid:

Priority axis/measure	Total expenditure incurred to date (between.... ² 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					
Priority Axis 2					
Measure 2.1					
Priority Axis 3					
Measure 3.1					
Priority Axis 4					
Measure 4.1					

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

² Starting date for eligibility of expenditure (Article 34 of the Financing Agreement)

Breakdown by year of the total certified eligible expenditure¹ (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 (CCI no. plus title)					
Measure 1.2					
Priority Axis 2					
Measure 2.1					
Priority Axis 3					
Measure 3.1					
Priority Axis 4					
Measure 4.1					

¹ 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 (%)
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 IPA 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 IPA 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>— <i>has been forwarded by Operating Structure within the time limit laid down in art. 83 of the Financing Agreement</i></p> <p>— <i>is attached</i></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>— <i>has been forwarded by Audit Authority within the time limit laid down in art. 90 of the financing Agreement</i></p> <p>— <i>is attached</i></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

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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 ¹	EU contribution	Total expenditure of final beneficiaries	Public contribution	Co-financing rate ²	EU contribution
1								
Operation 1.1.x								
2								
Operation 2.1.x								
3								
Operation 3.1.x								
Total								

¹ 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 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 ¹	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				

¹ 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):

	IPA co-financing ¹	
	[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		

¹ Only provisional forecasts of likely payment applications in respect of the IPA contribution, and not total expenditure forecast, should be stated in the table. In the provisional forecasts of likely payment applications, the IPA 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: 2007 TR 16 I PO 001**

Field 2. **Name of the Operational Programme: "Environment"**

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

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) 2945710

e-mail: sc@dpt.gov.tr

Field 7. **Competent Accrediting Officer**

Name: Minister of State

Address: Undersecretariat of Treasury , İnönü Bulvarı No:36 06510 Emek Ankara
Turkey

Phone: +90 (312) 212 80 56

e-mail: ali.babacan@hazine.gov.tr

Field 8. **National Authorising Officer**

Name: Undersecretary of Treasury

Address: Undersecretariat of Treasury, İnönü Bulvarı No:36 06510 Emek Ankara
Turkey

Phone: +90 (312) 212 86 30
e-mail: ibrahim.canakci@hazine.gov.tr

Field 9: **National Fund**

Name: Director of the National Fund

Address: Undersecretariat of Treasury , İnönü Bulvarı No:36 06510 Emek Ankara
Turkey

Phone: + 90 (312) 212 88 56

e-mail: ibrahim.sepici@hazine.gov.tr

Field 10. **Audit Authority**

Name: Chairman of the Board of Treasury Controllers

Address: Undersecretariat of Treasury , İnönü Bulvarı No:36 06510 Emek Ankara
Turkey

Phone: + 90 (312) 212 89 04

e-mail: yasar.akgun@hazine.gov.tr

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

Name: CFCU Director

Address: Central Finance and Contracts Unit, Eskişehir Yolu 4. Km 2. Cd (Halkbank
Kampüsü) No: 63 C Blok 06520 Söğütözü /Ankara / Turkey

Phone: +90 (312) 295 49 00

e-mail: muhsin.altun@cfcu.gov.tr

Field 12. **Operating Structure**

Name: Ministry of Environment and Forestry

Address: Söğütözü Caddesi No: 14-E Beştepe, 06560 Ankara-TURKEY

Phone: + 90 312 207 62 83

e-mail: skadioglu@cevreorman.gov.tr

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

Name: Deputy Undersecretary of the Ministry of Environment and Forestry

Address: Ministry of Environment and Forestry, Söğütözü Caddesi No: 14-E, Beştepe
06560 Ankara, TURKEY

Phone: + 90 312 207 62 83

e-mail: skadioglu@cevreorman.gov.tr

Field 13. **IPA Monitoring Committee**

Chairperson: National IPA Coordinator

Co-Chairperson: Representative of the European Commission

Field 14. **Sectoral Monitoring Committee for the "Environment" 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-ispaa@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/ISPA, 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 "Environment" 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 "Environment" 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 "Environment" 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 "Environment" 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

CAO						
N°	Body responsible	Summary of finding	Risk rating (L/M/H)	Recommendation / Action required	Updated Timeframe to implement	Report Ref. / File Ref.
1	CAO	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	M	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.	30/6/2009	5.1.3 (Finding No 1) Regio/J2 CAF - Vol III – NAO Office (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. I) CAO (Mar 09 Audit)

STRATEGIC COORDINATOR

N°	Body responsible	Summary of finding	Risk rating (L/M/H)	Recommendation / Action required	Updated Timeframe to implement	Report Ref.	File Ref.
2	SC / NAO	<p>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)</p>	<p>M</p> <p>M</p>	<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>Regio/J2 CAF - Vol II (Sc. 5) SC (Mar 09 Audit)</p>
3	SC / NAO	<p>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 1st semester of 2009. As to date, the ToR and TS of the service contract have not yet been drafted.</p>	<p>M</p>	<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>	30/6/2009	5.3.2 (Finding No 2)	<p>Regio/J2 CAF - Vol III – NIPAC/AA/SC (Dec 08 Audit)</p> <p>Regio/J2 CAF - Vol II (Sc. 5) SC (Mar 09 Audit)</p>
			<p>L</p>	<p>The EC auditors confirmed that the Turkish authorities do not intend to have an IT audit after the</p>	31/12/2009		

			establishment of the MIS. 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.				
			It is recommended to update the PIM of all OS to include a reference to the MIS.	M	30/9/2009		
4	SC	There is no reference in the relevant chapters of the PIM of the OSs to the MIS. 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. 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.	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. 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.	M	31/12/2009	5.3.2 (Finding No 3)	Regio/I2 CAF - Vol III - NIPAC/AA/SC (Dec 08 Audit) ----- Regio/I2 CAF - Vol II (Sc. 5) SC (Mar 09 Audit)
			The EC auditors were informed that conferences have been prepared where NGOs/Municipalities and Universities participated. 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.	M	31/12/2009		

AUDIT AUTHORITY

N°	Body responsible	Summary of finding	Risk rating (L/M/H)	Recommendation / Action required	Updated Timeframe to implement	Report Ref.	File Ref.
5	AA	<p>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.</p>	M	<p>Significant progress has been observed in the preparation of component specific IPA audit procedures in accordance with the IPA Audit Manual. For those not yet finalised (e.g. reliance on internal audit – PS 03, assessment of internal controls – PS 04, Audit Planning Memorandum – AP 07, compliance audit – AP11) a realistic deadline has been set.</p> <p>Furthermore, a number of recommendations (e.g. per component risk assessment for prioritization of audit objectives, timeframe for IPA audit procedures, enhancement of the audit programme procedure AP-08, inclusion of dates in the IPA Audit Manual, coverage of all IPA bodies in the annual audit work plan, conclusion of protocol agreements with internal audit units) were proposed by EC auditors.</p>	30/06/2009	5.4.2 (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. 6) AA (Mar 09 Audit)</p>
6	AA	<p>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</p>	M	<p>Training including study visits is currently in progress. Training maps will be updated after the finalisation of the IPA audit procedures and the revision of the annual audit work plan.</p>	30/06/2009	5.4.2 (Finding No 2)	<p>Regio/J2 CAF - Vol III – NIPAC/AA/SC (Dec 08 Audit)</p>

								----- Regio/J2 CAF - Vol II (Sc. 6) AA (Mar 09 Audit)
						responsibility for the quality of the outsourced work 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.		

NAO OFFICE							
N°	Body responsible	Summary of finding	Risk rating (L/M/H)	Recommendation / Action required	Updated Timeframe to implement	Report Ref.	File Ref.
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	The auditors ascertained that that the transfer of staff from the NF to the NAO Office has been completed and that additional 5 new staff has started to work in the latter office. The Turkish authorities are requested to submit the state of play for recruiting the additional 5 staff in 2009.	31/12/2009	5.5.2 (Finding No 2)	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	The auditors note that the draft law stipulating the PMBI to be AFCOS is currently in progress and will be finalized in the next few months. The Turkish authorities are requested to submit further information on the process and, if finalized, submit a copy of the AFCOS law.	30/6/2009	5.5.2 (Finding No 5)	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	L	The auditors were informed that the procedures will be upgraded as recommended and relevant information circulated to the related parties. Furthermore training sessions shall be organized in the coming months. Supporting evidence pertaining to the above should be submitted to the EC auditors when completed.	31/12/09	5.5.2 (Finding No 7)	Regio/J2 CAF - Vol III – NAO (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 2) NAO (Mar 09 Audit)

10	NAO	management and control systems. 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	M	The auditors satisfactorily verified that a working group (Head of Department & Training Coordinator in the NAO Office & an Expert from the Financial	30/6/2009	5.5.2 (Finding No 8)	Regio/J2 CAF - Vol III – NAO (Dec 08 Audit)

		order to formulate the Statement of Assurance. However, it is still not clear how all these tools at the 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.		Management Division) has been set-up as recommended in order to assign relative weightings to the indicators which will be used as a basis of the statement of assurance. A copy of the results of the working group should be submitted as soon as this is completed.		10)	----- Regio/J2 CAF - Vol II (Sc. 2) NAO (Mar 09 Audit)
13	NAO	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.	M	The auditors satisfactorily noted that the NAO Office has improved both the : 1) On-the-spot-visits check list (Annex D07 NF Manual) for project audit visits; & 2) On-the-spot checks check list (Annex D05 NF Manual) for accreditation checks. 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.	30/6/2009	5.5.2 (Finding No 11)	Regio/J2 CAF - Vol III – NAO (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 2.14 & 2.15) NAO (Mar 09 Audit)

NATIONAL FUND							
N°	Body responsible	Summary of finding	Risk rating (L/M/H)	Recommendation / Action required	Updated Timeframe to implement	Report Ref.	File Ref.
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 -

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)	Vol II (Sc. 3) 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 No 5) Regio/J2 CAF - Vol III – NF (Dec 08 Audit) ----- Regio/J2 CAF - Vol II (Sc. 3.9) F (Mar 09 Audit)	Regio/J2 CAF - Vol III – NF (Dec 08 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 No 6) Regio/J2 CAF - Vol II (Sc. 3.11) NF (Mar 09 Audit)	Regio/J2 CAF - Vol III – NF (Dec 08 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 No 7) Regio/J2 CAF - Vol III – NF (Dec 08 Audit) Regio/J2 CAF - Vol II (Sc.	Regio/J2 CAF - Vol III – NF (Dec 08 Audit) Regio/J2 CAF - Vol II (Sc.

21	NF / NAO	<p>In accordance with the PIM, the NF shall be responsible to perform additional on-the-spot checks (4th 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 (Findings No 8)	3) 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,</p>	M	<p>Finding has still to be addressed as recommended.</p>	30/6/2009	5.6.2 (Findings No 9)	<p>Regio/J2 CAF - Vol III - NF (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 3.8) NF (Mar 09 Audit)</p>
			L	<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>	31/12/2009	<p>Regio/J2 CAF - Vol III - NF (Dec 08 Audit)</p> <p>-----</p> <p>Regio/J2 CAF - Vol II (Sc. 3) NF (Mar 09 Audit)</p>	

		accreditation and assurance.							
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 NAO; 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)		

CFCU							
N°	Body responsible	Summary of finding	Risk rating (L/M/H)	Recommendation / Action required	Updated Timeframe to implement	Report Ref.	File Ref.
25	CFCU	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.	M	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.	30/6/2009	5.7.2 (Finding No 2)	Regio/J2 CAF - Vol III – CFCU (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 7) CFCU (Mar 09 Audit)
26	CFCU	During the review of Irregularities it was noted that whistle blowing procedures are not clearly explained in the PIM.	M	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.	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 & 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	Regio/J2 CAF - Vol III – CFCU (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 7.15) CFCU (Mar 09 Audit)
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	Regio/J2 CAF - Vol III – CFCU (Dec 08 Audit) Regio/J2 CAF - Vol II (Sc. 7) CFCU (Mar 09 Audit)

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		

COMPONENT III – MINISTRY OF ENVIRONMENT & FORESTRY (MoEF)

N°	Body responsible	Summary of finding	Risk rating (L/M/H)	Recommendation / Action required	Updated Timeframe to implement	Report Ref.	File Ref.
33	MoEF	The current version of organization chart fails to depict the shadow unit that has been established within the MoEF in order to build up the necessary contracting and tendering capacity in the IPA Coordination and Implementation Center. This Unit is expected to be adequately staffed and fully functional by June 2009.	L	<p>The EC auditors were informed that the organizational chart shall be updated in the next few months to reflect the planned procurement & financial department.</p> <p>An internal memorandum dated 23/3/09 has been submitted to the EC auditors as evidence of the preparation for revising the organizational chart in the coming months as recommended by the EC auditors during the previous audit mission.</p> <p>The MoEF is requested to submit a copy of the updated organigram and corresponding staff list once completed.</p>	31/12/2009	5.9.2 (Findings No 2)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8.8) MoEF (Mar 09 Audit)
34	MoEF	No Irregularity file and Irregularity register is maintained in accordance with the PIM provisions. One of the main responsibilities of the Irregularity officer is to ensure that any possible irregularity noted throughout the organisation is appropriately recorded and subsequently reported in accordance with the guidelines set out in the PIM. Adequate recording of irregularities facilitates the proper communication and subsequent follow-up of any irregularity and its eventual resolution.	M	<p>The EC auditors note that the PIM still needs to be updated as recommended in order to include the pro-forma Irregularity register which has to be maintained in accordance with the relevant provisions of the PIM.</p>	30/6/2009	5.9.2 (Findings No 7)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)
35	MoEF	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	M	The EC auditors ascertained that whistle blowing procedures are still being further developed as recommended. A copy of the updated procedures	30/6/2009	5.9.2 (Findings)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit)

		especially as regards the protection of whistle blowers.		should be submitted when completed.	g No 8)	-----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)
36	MoEF	Whilst according to the WLA there is only one vacant post in the Contract Management Unit, this is not in line with the information received during the audit regarding ongoing recruitments and plans for further staffing which has been provided by the Head of the IPA Co-ordination and Implementation Centre.	M	The EC auditors were informed that an updated WLA will be prepared by end of May 2009. Once finalized, the WLA is to be submitted to the EC.	5.9.2 (Findin g No 9)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)
37	MoEF	The MoEF has identified two high risk posts as sensitive, namely Head of OS and Head of IPA CIU. It has been noted that there is no mitigation procedures put in place for these two sensitive posts.	M	The EC auditors were informed that mitigation procedures shall be further developed as recommended and that the sensitive post analysis will be updated accordingly. Once finalized, the procedures / analysis are to be submitted to the EC.	5.9.2 (Findin g No 10)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)
38	MoEF	The Risk Register is still under preparation with no clear deadlines set for addressing the risks identified. It was also noted that risk identification sheets have not yet been prepared by all employees and no risk management training has yet been provided to the Risk Manager.	M	The EC auditors were informed that the preparation of the risk register and related risk management training will be addressed in the following months and currently the TA for IPA Centre is responsible for both these tasks. Once finalized, the risk register is to be submitted to the EC, along with the information on risk related trainings.	5.9.2 (Findin g No 11)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)
			M	Whilst the EC auditors noted that the Turkish authorities in their reply to the audit report stated that the risk manager will be trained through learning by doing during practice the follow-up audit it was also confirmed that the risk manager will also receive further training as indicated in the indicative training table for 2009.	30/6/2009	Regio/J2 CAF - Vol II (Sc. 8.9) MoEF (Mar 09 Audit)
				Supporting evidence of further risk management		

39	MoEF	<p>In the cooperation agreement and the procedures manual the task of carrying out on-the-spot checks is foreseen for different bodies (CFCU, MoEF and NF). The basis for planning on-the-spot checks (on-the-spot checks annual plan) and the possibility of conducting joint audits with the CFCU are still not clear. 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>training should be submitted to the EC auditors after it has been delivered.</p> <p>The EC auditors confirmed that the OS, as the body responsible for the OP, is the body primarily responsible and accountable for management verifications. However, the CFCU will also participate in the carrying out of the on the spot checks as a supportive level of control.</p> <p>The procedure for coordinating the performance of the on-the-spot check with CFCU is currently being prepared and expected to be completed in May 2009.</p> <p>The MoEF should provide the updated procedure for (coordinated) on-the-spot checks preparation and execution.</p>	30/6/2009	5.9.2 (Finding No 12)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8.15) MoEF (Mar 09 Audit)
40	MoEF	<p>No register of procedural exceptions has been prepared yet and it has been noted that the awareness of the procedures in this respect is rather limited among the employees of the MoEF.</p>	M	<p>The EC auditors verified that the templates for Register of exceptions and Approval for exceptions have been prepared.</p> <p>The PIM still needs to be updated and the staff to be informed about the new procedure. Supporting evidence should be submitted in this regard when completed.</p>	30/6/2009	5.9.2 (Finding No 13)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)
41	MoEF	<p>The internal audit unit of the MoEF 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>	M	<p>The internal audit manual is being revised at a horizontal level. Once completed the manual should be submitted to the EC auditors.</p>	30/6/2009	5.9.2 (Finding No 16)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)

		Furthermore, the internal audit programme for 2008 and the internal audit plan for the period 2008 – 2010 are also considered insufficiently developed (absence of risk analysis, not detailed audit activities, no training activities, no follow-up procedures on audit findings). Moreover, the audit plan for 2008-2010 overlooked the task of the internal audit unit to carry out joint audits within CFCU together with the internal auditors of the latter.	M	The EC auditors were informed that the internal audit plan will be revised as recommended to include joint audits between CFCU and MoEF. The completeness and methodology of the internal audit manual will be followed up at a horizontal level (MoF). The revised internal audit plan should be submitted to the EC auditors once completed.	30/6/2009		
42	MoEF	A communication manager has not yet been appointed and no public awareness campaigns or communication actions have yet been organised.	M	The EC auditors confirmed during the follow-up audit that the communication manager has not yet been appointed and thereby this finding still needs to be addressed in the next months. Public awareness campaigns and other communication activities should also be planned. The MoEF is requested to submit evidence on the appointment of the communication manager and on the plan of communication activities once these has been addressed.	30/6/2009	5.9.2 (Finding No 17)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)
43	MoEF	It has been satisfactorily noted that a number of the recommendations of the Compliance auditors have been satisfactorily addressed by the MoEF. However, whilst in the current compliance audit action plan it is stated that points 6 and 7 in this plan has been carried out, during our audit we noted that there are still a number of weaknesses which are still pending and the IT officers confirmed that the actions to address these points is planned for 2009. These include: - the development of disaster recovery plan and business continuity plan; - developing procedures to ensure that security incidents are processed efficiently (e.g. regular reporting, regular reviewing of the reports, identifying	M	The EC auditors verified that the MoEF has set an action plan to address this finding and complete the disaster recovery plan and develop further ICT procedures in the next months. The updated Disaster Recovery Plan should be submitted to the EC auditors once completed.	30/6/2009	5.9.2 (Finding No 18)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)

		problems etc) - developing procedures to ensure that the changes applied to the system (e.g. new equipment, new software, configuration changes) do not compromise the existing system						
44	MoEF	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	The EC auditors were informed that the analysis of the rejection rates shall be carried out by the QACU and that the procedures are still under development. The updated procedures in the PIM and POG should be submitted to the EC auditors once completed.	30/6/2009	5.9.2 (Findings No 19)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8) MoEF (Mar 09 Audit)	
45	MoEF/ SC/ NAO	According to the information obtained, the contract related data (contract amendments, invoices received and paid, etc.) are to be stored in the MIS specifically developed for the MoEF. This system (not developed yet) shall in future be connected to the MIS of Strategic Coordinator.	M	The EC auditors were informed that the TA team has an IT expert who is working on the IT development in the MoEF (IPA Unit) and it is planned to have a full MIS system (including modules for contract management and financial management). This MIS shall be subsequently integrated in the SC Monitoring Information System currently under-development by the end of 2009. The MoEF further plans to have an external IT audit in order to ensure that the system developed satisfies the ISO quality standards. Training for the staff of the IPA centre in MoEF is also envisaged together with the development of a Users' Guide. A detailed time schedule for all the above activities should be submitted to the EC auditors.	30/6/2009	5.9.2 (Findings No 20)	Regio/J2 CAF - Vol III – MoEF (Dec 08 Audit) -----Regio/J2 CAF - Vol II (Sc. 8/2.2) MoEF (Mar 09 Audit)	

ANNEX VIb

The 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 EUR 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 "Environment" 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 Operational Programme "Environment". 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 Operational Programme "Environment".

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 Operational Programme "Environment", the Commission will satisfy itself as to the effective functioning of the management and control system concerned in accordance with the relevant European Union 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

**UNDER ARTICLE 10 OF COUNCIL REGULATION (EC) NO.
1085/2006 AND ARTICLE 157 OF COMMISSION
IMPLEMENTING REGULATION (EC) NO. 718/2007**

INSTRUMENT FOR PRE-ACCESSION ASSISTANCE

INFRASTRUCTURE INVESTMENT

ENVIRONMENT

[Project title]

CCI No [.....]

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WITH ENGLISH TRANSLATION
- ANNEX VII: MAPS

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.1.1 *Title of project / project phase:*

TEXT BOX

B.2 Categorisation of project activity (to be filled by the Commission)

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) & the date of signing of the financing agreement for this OP:*

TEXT BOX

B.3.4 *Title of the priority axis and measure*

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 and the impact on the sector concerned. Specify potential bottlenecks or other problems to be resolved.

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 priorities of the Operational Programme (provide quantified indicators where possible) linked with the appropriate measure.

TEXT BOX

B.4.4. Project 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.4.5. Project's environmental priorities of the Accession Partnership/National Programme for the Adoption of the Acquis

TEXT BOX

B.4.6 Project's contribution to the achievement of the relevant priority

TEXT BOX

B.4.7. Project's link to the implementation of European Union environmental legislation and policy and the Operational Programme

- Refer to the Directive(s) or Regulation concerned.
- Explain the specific contribution made by the project to meeting the legal requirements.
- Priority axis/measure of OP.

TEXT BOX

B.4.8. Explain whether the project is consistent with a sectoral or integrated plan.

Sectoral, integrated plans and master plans to be submitted with the application form.

TEXT BOX

What priority does the project have within the relevant plan?

TEXT BOX

B.4.9. Existence of a master plan for investment in the sector concerned in the city or district

Yes

No

If yes, give details (and enclose summary):

TEXT BOX

If no, indicate whether it is proposed to produce a master plan.

TEXT BOX

B.4.10. Is the envisaged project of a preventive or curative nature?

Preventive Curative

B.5 Detailed project description

B.5.1 Project description:

a) Provide a description of the project.

TEXT BOX

b) Where the project is considered as a stage of an overall project, provide a description of all 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 stages?

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 & monitoring indicators (tabular form) to be used:

TEXT BOX

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

TEXT BOX

d) End users of the infrastructure (i.e. target population served, quantified where possible):

TEXT BOX

- e) Is the construction of the infrastructure to be delivered through a public contract or any other form of public procurement {i.e. concession, other form of public-private partnership (PPP)}?

Yes

No

If yes, describe the form of the contract (i.e., legal framework enforced, selection process of the operator and when applicable, structure of PPP, infrastructure ownership arrangements, risks allocation arrangements, etc.):

TEXT BOX

- f) If the infrastructure is to be managed in a different way after the project is completed, give details of how (i.e., public management, new concession, or other form of arrangement)

TEXT BOX

- g) 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 IPA 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 (including financial analysis):	dd/mm/yyyy	dd/mm/yyyy
3. Environmental impact assessment:	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 works (e.g., a Gantt chart).

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, 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, loans requested or granted, etc. - give references):

TEXT BOX

D.2.4. If the project has already started, indicate the current state of works:

TEXT BOX

E. COST-BENEFIT ANALYSIS

Cost Benefit Analysis is required in Art. 157 §3 and 157 §4 of the IPA implementing regulation. In addition to the summary elements to be provided, the full cost-benefit analysis document shall be provided in support of this application as Annex II. Guidance on the Methodology for Carrying out Cost-Benefit Analysis could be found at the following website http://ec.europa.eu/regional_policy/sources/docoffic/2007/working/wd4_cost_en.pdf.

E.1 Financial analysis

The key elements from the financial analysis of the CBA 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 (%) ¹ (Specify real or nominal)		
3	Total investment cost (in euro, not discounted)		
4	Total investment cost (in euro, discounted)		
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	Funding gap rate (%) = $\{(4)-(9)/(4)\}$		

¹ 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.

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

E.1.3 Main results of the financial analysis

	Without IPA assistance (FRR/C) A		With IPA 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
- To the use of the project/real consumption?

TEXT BOX

- To the pollution generated by users?

TEXT BOX

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

TEXT BOX

E.2 Socio-economic analysis

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:

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

E.2.3 Main indicators of the economic analysis

Main parameters and indicators	Values
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))

Number of jobs directly created:	No (FTE) (A)	Average duration of these jobs (months) (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 List of the benefits and costs which can not be quantified or assessed:

TEXT BOX

E.3 Risk and sensitivity analysis

E.3.1 Short description of methodology and summary results

TEXT BOX

E.3.2 Sensitivity analysis

State the percentage change applied to the variables tested:

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

Which variables were identified as critical variables? Indicate which criterion has been applied.

TEXT BOX

Which are the switching values of the critical variables?

TEXT BOX

E.3.3 Risk analysis

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

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

F.3.1 DEVELOPMENT CONSENT¹

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

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

DD/MM/YYYY

¹ 'development consent' means the decision of the competent (national) authority or authorities which entitles the developer to proceed with the project.

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)¹

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 summary² 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 concerned³.
- 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.

¹ 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.

² - 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.

³ 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 enquiry, etc.)

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

- e) Evidence that the decision to grant or refuse development consent has been available to the public by the competent authority¹.

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 by the competent environmental authorities testifying that all obligation as described in the items above have been followed and describing how.

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 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);
- 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;

¹ 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.

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/EEC¹"

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/EEC²".

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

%

Explain briefly:

TEXT BOX

F.7 In case of projects in the areas of water, waste water and solid waste:

Explain whether the project is consistent with a sectoral/integrated plan and programme associated with the implementation of European Union policy or legislation in those areas, http://ec.europa.eu/regional_policy/funds/ispa/howto_en.htm, see project sheets in annexes;

1 OJ L 206 of 22.07.92.

2 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.

TEXT BOX

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 IPA 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 Aid? Answer if possible

Yes No

G.2 Impact of IPA assistance on project implementation

For each affirmative answer, give details:

Will IPA 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 (eligible expenditure) for the co-financing rate of the priority axis. As private expenditure is not eligible for financing under the priority axis it shall be excluded from these 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 ¹			
10. TOTAL			
11. VAT			

H.2 Total planned resources and planned contribution from IPA

The funding gap rate was already presented under Section E.1.2. This should be applied to the eligible public cost to calculate the “amount to which the co-financing rate for the priority axis applies”. This amount is then multiplied by the co-financing rate of the priority axis to determine the IPA contribution.

¹ 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.

H.2.1 IPA 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 IPA Implementing Regulation)= (1)*(2)	
4.	Co-financing rate of the priority axis (%)	
5.	IPA 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:

Sources of co-financing (€)					Of which (for Information)
	Eligible expenditure = H.2.1.3				
Total investment cost [H.1.10.(A)]	IPA assistance [H.2.1.5]	National public (or equivalent)	National private	Other sources (specify)	EIB/ other European Union and other external funding
a)= b)+c)+d)+e)	b)	c)	d)	e)	f)

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

Loan financing, where it is used, is attributed to the body liable to repay the loan, national public or national private. Only in the case of EIB loans is it requested to identify the sum of loan financing for information purposes.

H.3 Annual financing plan of IPA contribution

The IPA 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

I. COMPATIBILITY WITH EUROPEAN UNION 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 European Union financing sources

Has an application been made for assistance from any other European Union source (including ISPA, IPA, PHARE, CARDS, Turkey Financing Mechanism, ...)

a) *For this project?*

Yes No

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

TEXT BOX

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

Yes No

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

TEXT BOX

c) *For a complementary project?*

Yes No

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

TEXT BOX

I.2 IFI financing

Has an application been made for a financial support from EIB / other IFI's...

a) *For this project?*

Yes No

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

TEXT BOX

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

Yes No

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

TEXT BOX

c) *For a complementary project?*

Yes No

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

TEXT BOX

I.3. is the project subject to a legal procedure for compliance with European Union legislation?

Yes No

If yes, please give details:

TEXT BOX

I.4. Publicity measures

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

TEXT BOX

I.5 Public procurement

In cases where contracts have been already advertised in the Official Journal of the European Union, give reference. Provide indicative procurement plan (services, supplies, works - design & build or measured works) with values of contracts envisaged and start and completion dates.

Contract N°.	Contract type	Estimated commencement date	Estimated completion date	Estimated value
...		

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

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 site of nature conservation importance on the following grounds:

text box

Therefore an appropriate assessment required by Article 6 (3) 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: _____

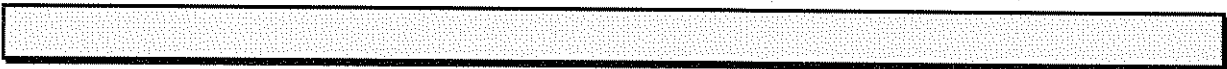
Name: _____

Position: _____

Organisation: _____

(Authority responsible for monitoring sites of *Nature Conservation Importance*)

Official Seal:



ANNEX II Technical sheets

1. Drinking Water Project:

Yes No

Combined drinking – wastewater project:

Reference year

Yes No

year of data:

			<i>Situation today</i>	<i>Situation after realisation of projecture</i>
			<i>Indicators</i>	
(1)	Total population in agglomeration or area covered	persons 1000		
(2)	Population connected	% of 1		
(a)	real number of people connected to the system	persons 1000		
(3)	Network	km		
(a)	length of network	km		
	part of network to be rehabilitated	km		
(b)	number of connections	number		
(c)	number of pumping stations	number		
(4)	Total production capacity (design capacity)	m ³		

(a)	normal use of capacity	% of (4)		
(b)	from ground water	% of (4)		
(c)	from surface water sources	% of (4)		
(d)	from desalination	% of (4)		
(5)	Network losses	% of (4)		
(a)	losses measured	% of (4)		
(b)	losses estimated	% of (4)		
(c)	when was the last systematic water network audit made?	year		
(d)	total unaccounted for water	% of total drinking water production		
(6)	Industrial consumption (including services and public services)			
(a)	part of total production (industries only)	% of (4)		
(b)	number of industries (services) connected	number		
(7)	Average consumption per head of population	litre per capita per day		
(8)	Metering system	% of (4)		
	total coverage by metering of households, industry and services	% of (4)		
	of which households	% of (4)		
	of which industries (including services, commerce, administrations)	% of (4)		
	method of metering	% of (4)		
	per apartment	% of (4)		
	per apartment block	% of (4)		

	per individual house	% of (4)		
	per street block	% of (4)		
	per quarter	% of (4)		
	per industrial, commercial, administrative establishment	% of (4)		
	none	% of (4)		
(9)	Charging system			
(a)	households coverage			
	% of (4)	% of (4)		
	% of (2)	% of (2)		
	charges represent % of average household disposable income	%		
	has charging system a social component	yes/no		
	if yes			
	by income	yes/no		
	by family size	yes/no		
	or any other system to assist low income households (e.g. direct transfer by government, municipality etc)	explain		
(b)	industrial coverage	% of (4)		
	rates different from household rates	in % of household rate		
	are industrial rates decreasing with consumption	yes/no		
(c)	volume invoiced after metered consumption	m ³		
(d)	% of revenue of water company(ies) based on metered consumption	%		
(10)	Quantities invoiced			

		m ³		
(a)	volume invoiced to households	m ³		
(b)	volume invoiced to industry and commerce	m ³		
(c)	volume invoiced to public services and administration	m ³		
(11)	Monitoring system - quality compliance control			
(a)	where is the point at which quality parameters of drinking water are measured within premises at water taps at the outlet of the water works other point of control (please specify)	explain		
(b)	annual averages based on (daily, weekly monthly samples)	explain		
(c)	authority responsible for monitoring			
(12)	Treatment technology <i>(if more than one treatment plant specify for each plant individually)</i>			
<i>Planti</i>	rapid sands filter			
	flocculation			
	chlorination			
	flotation			
	sedimentation			
	desalination			
	ozonisation			
	other			
	total installed capacity of plant	m ³		
	normal degree of capacity use	%		

(13)	Water quality standards <i>(if more than one treatment plant specify for each plant individually)</i>	Parameters		
<i>(a)</i>	Microbiological parameters			
	Escherichia coli (A. coli)	(number/ 100 ml)		
	Enterococci	(number/ 100 ml)		
<i>(b)</i>	Chemical parameters			
	Acrylamide	µg/l		
	Antimony	µg/l		
	Arsenic	µg/l		
	Benzene	µg/l		
	Benzo(a)pyrene	µg/l		
	Boron	mg/l		
	Bromate	µg/l		
	Cadmium	µg/l		
	Chromium	µg/l		
	Copper	mg/l		
	Cyanide	µg/l		
	1,2-dichloroethane	µg/l		
	Epichlorohydrin	µg/l		
	Fluoride	mg/l		
	Lead	µg/l		
	Mercury	µg/l		
	Nickel	µg/l		
	Nitrate	mg/l		

	Nitrite	mg/l		
	Pesticides	µg/l		
	Pesticides –Total	µg/l		
	Polycyclic aromatic hydrocarbons	µg/l		
	Selenium	µg/l		
	Tetrachloroethene and Trichloroethene	µg/l		
	Trihalomethanes-Total	µg/l		
	Vinyl chloride	µg/l		
(c)	<i>Indicator parameters</i>			
	Aluminium	µg/l		
	Ammonium	mg/l		
	Chloride	mg/l		
	<i>Clostridium perfringens</i> (including spores)	number/ 100 ml		
	Colour			
	Conductivity	µS cm ⁻¹ at 20°C		
	Hydrogen ion concentration	PH units		
	Iron	µg/l		
	Manganese	µg/l		
	Odour			
	Oxidisability	mg/l O ₂		
	Sulphate	mg/l		
	Sodium	mg/l		
	Taste			
	Colony count 22°			

	Coliform bacteria	Number/ 100 ml		
	Total organic carbon			
	Turbidity			
(d)	<i>Location of quality measurement</i>	location		
	At water tap	Yes/No		
	Number of samples	number		
	Frequency of sampling	frequency per year		
	Elsewhere <i>(specify location)</i>	location		
	Number of samples	number		
	Frequency of sampling	frequency per year		

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2. Waste management

Municipal Waste Management Project:

Yes No

Creation of new landfill

Yes No

Closure of landfill(s)

Yes No

Collection system:

Yes No

Combined project:

Yes No

			<i>Situation today</i>	<i>Situation after realisation of project</i>
			2.1.1.1.	Indicators
(1)	National / regional waste management plan			
	Has waste management plan been decided	month: year		
	Has waste management plan been published	month: year		
	Does the envisaged measure comply with the plan	yes/no		
(2)	Total population in municipality(ies) or area covered	persons 1000		
(3)	Population covered by the measure	% of (2)		

(4)	Existing landfill(s)			
(a)	number of landfills in municipality(ies) or area <i>If adequate and relevant specify the following for each existing landfill</i>	number		
(b)	total volume of waste stored of household origin of industrial/ commercial origin	m ³ m ³ m ³		
(c)	<i>A 2.1.2. composition of waste</i>			
	glass	%		
	plastics	%		
	paper / board	%		
	metal	%		
	wood	%		
	organic matters from kitchen, gardens etc.	%		
	inert material (construction waste)	%		
	hazardous substances <i>specify substances</i>	3. ESTI MA TED 4. MET RIC TO		
(d)	number of samples taken sampling date	number date		
(e)	leachate			
	5. TREATMENT OF LEACHATE			
	collection and transport to WWTP	yes/no		
	directly connected to WWTP	yes/no		

	no leachate collection and treatment	yes		
(f)	gas	m ³		
	collection in place	m ³		
	recuperation (reuse)	m ³		
	flaring	m ³		
	none	m ³		
(5)	Charging system (collection and disposal) in place	yes/no		
(a)	does charging system take into account other parameters than waste collection and disposal if yes: shortly describe	yes/no		
	charging separate for collection and disposal	yes/no		
(b)	households covered	% of (2)		
	charges represent % of average household disposable income for collection for disposal	%		
	has charging system a social component	yes/no		
	if yes			
	- by income	yes/no		
	- by family size	yes/no		
	or any other system to assist low income households (e.g. direct transfer by government, municipality etc)	explain		
(c)	industrial coverage			
	rates different from household rates	yes/no		
	are industrial rates decreasing with volumes discharged	yes/no		

	is for industrial charges PPP principle applied (full cost recovery - capital, operation and maintenance cost for industrial part)	yes/no		
(6)	Industrial waste (incl. Commerce, trade, tourism)	m ³		
	composition of industrial waste			
	glass	% of (6)		
	plastics	% of (6)		
	paper / board	% of (6)		
	metal	% of (6)		
	wood	% of (6)		
	organic matters from kitchen, gardens etc.	% of (6)		
	inert material (construction waste, etc.)	% of (6)		
	hazardous substances <i>specify substances</i>	6. ESTI MA TED 7. MET RIC TO		
(a)	number of industries disposing solid waste	number		
	via direct delivery	m ³		
	via the public collection system	m ³		
(b)	<i>industrial waste recuperation / recycling</i> number of industries with an active recuperation / recycling policy estimated volume	m ³ number m ³		
	<i>packaging directive applied</i>	yes/no		

(7)	Waste separation and recuperation			
(a)	<i>separation at origin (at waste producer before collection)</i> is there separate collection are there waste containers easily accessible for the public are there facilities for hazardous household waste (batteries, paint, liquids, medicine etc)	yes/no yes/no yes/no yes/no		
(b)	<i>separation on site (after collection)</i>	yes/no		
	<i>material separated</i>			
	<i>glass</i>	yes/no		
	<i>paper / board</i>	yes/no		
	<i>plastics</i>	yes/no		
	<i>metals</i>	yes/no		
	<i>wood</i>	yes/no		
	<i>other</i>	yes/no		
(c)	<i>composting facility on site</i> use of compost	yes/no		
(8)	Monitoring authority for existing landfills			
(a)	responsible authority	authority		
(b)	frequency of inspections	number per year		