

SECTORAL ANNUAL IMPLEMENTATION REPORT

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

Prepared by

Ministry for EU Affairs

Date

30 June 2013

Identification

SECTORAL ANNUAL IMPLEMENTATION REPORT	Reporting year (from 1 January until 31 December 2012)
On-going IPA – national programmes under component I covered under this report: - IPA 2007 Component I - IPA 2008 Component I - IPA 2009 Component I - IPA 2010 Component I -IPA 2011 Component I -IPA 2012 Component I	<ul style="list-style-type: none">● Final date for contracting: 24/12/2010● Final date for execution of contracts: 24/12/2012● Final date for contracting: 31/03/2011● Final date for execution of contracts: 31/03/2013● Final date for contracting: 14/12/2011 - 29/12/2012● Final date for execution of contracts: 14/12/2013 - 29/12/2014● Final date for contracting: 29/12/2012 – 19/09/2013 - 05/09/2013● Final date for execution of contracts: 29/12/2014 – 19/09/2015 – 05/09/2015● Final date for contracting: 26/12/2013 – 26/12/2014● Final date for execution of contracts: 26/12/2015 – 26/12/2016● Final date for contracting: 21/12/2015● Final date for execution of contracts: 21/12/2017
This Report was examined by the TAIB Monitoring Committee on	Date : 07/11/2013

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

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

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

1.1. Information should be provided about the following:

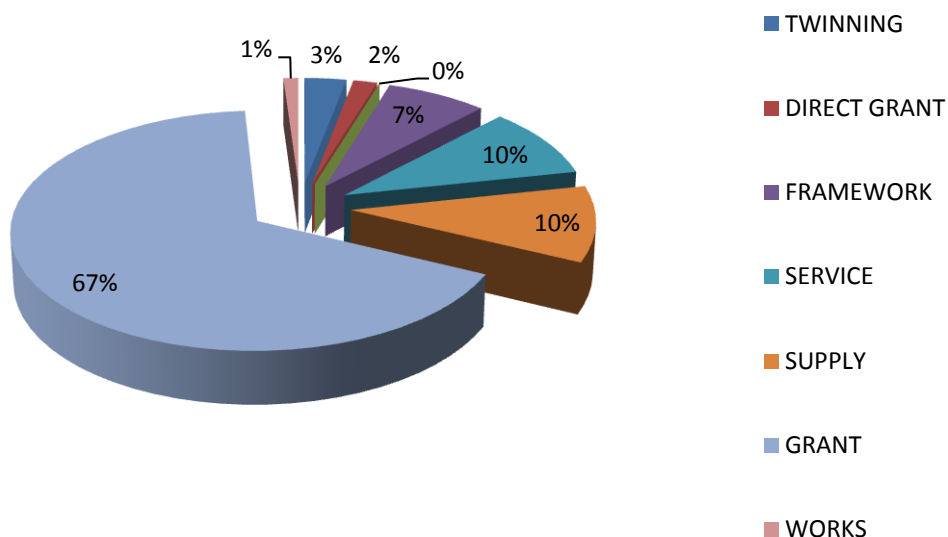
- The quantitative elements of the progress made in implementing the programme, priority axes or operations in relation to specific, verifiable targets, with a quantification, when possible using the operational verifiable indicators (OVIs);

334 contracts were signed within IPA 2008 Component I, 317 contracts were signed within IPA 2009 Component I and 118 contracts were signed within IPA 2009 Component I, 48 contracts were signed within IPA 2010 Component I as of 31/12/2012. Distribution of the signed contracts by type and nationality were indicated as the following.

IPA 2007 Component I

2007 IPA I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
TWINNING	14
DIRECT GRANT	8
DIRECT AGREEMENT	0
FRAMEWORK	34
SERVICE	44
SUPPLY	48
GRANT	308
WORKS	5
TOTAL	461

2007 IPA I TYPE OF SIGNED CONTRACTS

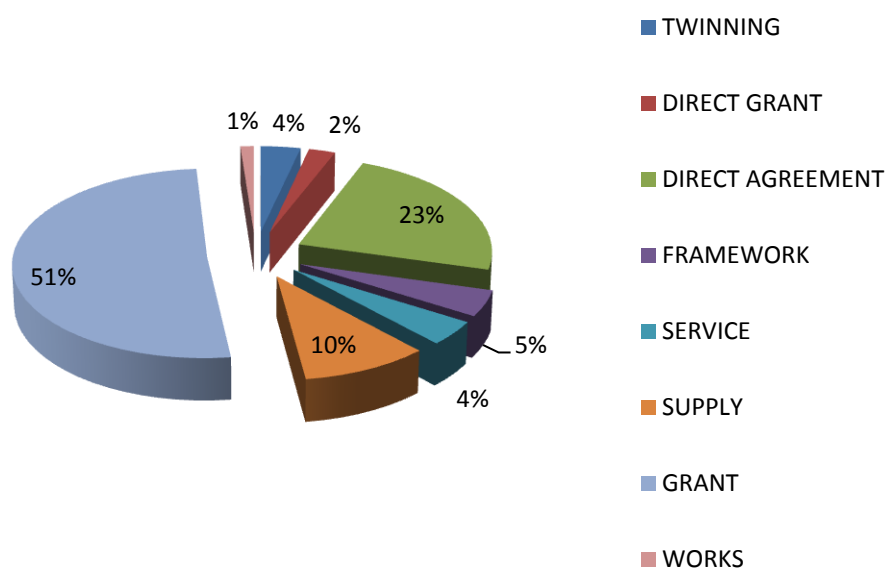


2007 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
AUSTRIA	4
BELGIUM	19
DENMARK	3
FRANCE	6
GERMANY	13
GREAT BRITAIN	14
GREECE	5
HUNGARY	4
IRISH REPUBLIC	2
ITALY	6
LUXEMBOURG	1
NETHERLANDS	4
SPAIN	1
TURKEY	379
TOTAL	461

IPA 2008 Component I

2008 IPA I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
TWINNING	12
DIRECT GRANT	8
DIRECT AGREEMENT	78
FRAMEWORK	15
SERVICE	14
SUPPLY	33
GRANT	170
WORKS	4
TOTAL	334

2008 IPA I TYPE OF SIGNED CONTRACTS

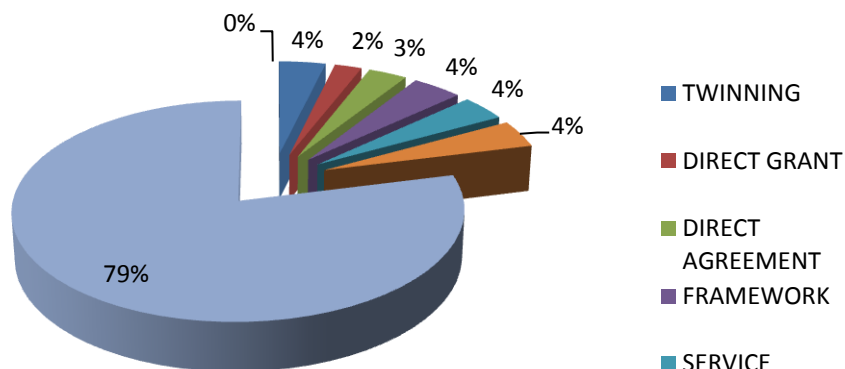


2008 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
AUSTRIA	1
BELGIUM	7
CZECH REPUBLIC	2
DENMARK	2
FINLAND	2
FRANCE	9
GERMANY	6
GREAT BRITAIN	3
GREECE	2
HUNGARY	1
IRISH REPUBLIC	2
ITALY	7
MULTI COUNTRY	3
NETHERLANDS	5
POLAND	1
ROMANIA	1
SPAIN	4
TURKEY	276
TOTAL	334

IPA 2009 Component I

2009 IPA I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
TWINNING	12
DIRECT GRANT	7
DIRECT AGREEMENT	10
FRAMEWORK	13
SERVICE	12
SUPPLY	13
GRANT	250
WORKS	0
TOTAL	317

2009 IPA I TYPE OF SIGNED CONTRACT

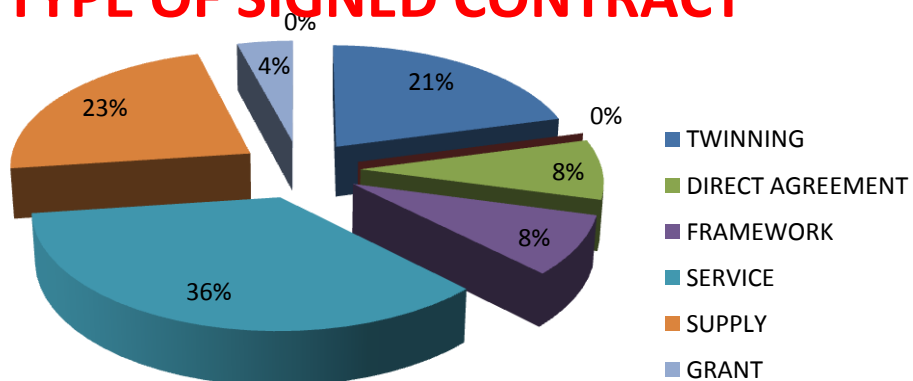


2009 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
AUSTRIA	1
BELGIUM	7
FRANCE	6
GERMANY	4
GREAT BRITAIN	5
GREECE	3
ITALY	4
NETHERLANDS	2
MACEDONIA	1
SPAIN	10
TURKEY	274
TOTAL	317

IPA 2010 Component I

2010 IPA I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
TWINNING	6
DIRECT GRANT	1
DIRECT AGREEMENT	30
FRAMEWORK	5
SERVICE	2
SUPPLY	4
GRANT	0
WORKS	0
TOTAL	48

2010 IPA I TYPE OF SIGNED CONTRACT



2010 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
BELGIUM	2
FRANCE	3
GERMANY	5
ITALY	1
MULTI-COUNTRY	1
NETHERLANDS	4
SPAIN	2
TURKEY	30
TOTAL	48

IPA 2011 COMPONENT I

2011 IPA I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
DIRECT GRANT	3
TOTAL	3



2011 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
TURKEY	3
TOTAL	3

The contracting rate of 2008 IPA-I was realized as 93.5%. Under this Programme with a total amount of 184,9 MEUR, 172,7 MEUR was committed by the CFCU through award of 334 contracts while 11,9 MEUR has remained unspent because of competition in tenders. Only one small- value supply tender (*TR0802.19- Improving Data Quality in Public Accounts*) with a total budget of 300.000 EUR could not be awarded due to the technical reasons although it was re-launched. As of 25th of February 2013, the disbursement rate in this Programme has reached 60,8%.

Under the 2009 IPA-I, 34 projects are being funded with a total amount of 128,4 MEUR. As of 25th of February 2013, 317 contracts were awarded with a total amount of 74,7 MEUR while 1,5 MEUR of EU contribution was saved from the tenders.

As agreed in the previous TAIB meeting, an extension to the contracting and execution deadlines have been granted for 13 projects and the Addendum for the extension has just entered into force on 5th of February.

With the introduction of the Addendum, three different contracting deadlines to the 2009 IPA-I have been established. The first contracting deadline, 29th of December 2012, passed and 20 projects were awarded with a total amount of 63,6 MEUR.

The second contracting deadline is 29th of June 2013 and although a 6-month extension has been granted to the deadlines, it seems they are still at risk. Our analyses reveal that 8 components are still in need of further 6-month extension to the contracting and execution deadlines while 2 contracts under implementation need extension to the execution deadline. 6-month further extension was requested for these projects.

The third contracting deadline for 2009 IPA-I is 29th of December 2013 and 3 projects with a total amount of 19 MEUR will have to be awarded within this deadline.

Under 2010 IPA-I, 29 projects with a total amount of 169,3 MEUR is planned to be implemented. As of 25th of February 2013, 52 contracts were signed with a total amount of 22,8 MEUR and €463.257,25 of EU contribution was saved from the tenders as of 25.02.2013.

As is known, the contracting deadline for 2010 IPA-I Programme is 19.09.2013. However, in the recent DIS meetings, CFCU has been informed by the EU Delegation that a 12-month extension would be granted to both deadlines to whole of 2010 IPA-I programmes.

As regards the “reallocation of funds”, 25,3 MEUR of EU contribution remained unspent as the contract for the biggest part of the project, “*TR2010/0312.02- Control Foot and Mouth Disease- Phase 2 (vaccination campaign in Anatolia region)*” was not endorsed by the EUD on the basis of the project condition which has not been met.

Following a series of consultations, EUD suggested list of project proposals to the NIPAC for re-allocation of the amount in question on 14.12.2012. Based on these

proposals, CFCU made analysis and shared our opinion with the NIPAC services on 04.01.2013 with a copy to the NAO and EUD.

Please see Annexes 1, 2 and 3 for the list of projects under 2009 IPA-I, 2010 IPA-I and 2011 IPA-I NPs.

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

The IPA I programme was executed with projects under implementation from 2007, 2008, 2009 and 2010 programming years. A few examples of the successful projects are listed below. The assessment made in relation with the below listed projects has been based on outputs of the ROM tool that was still under implementation in 2012.

Examples of Successfully Finalized Projects:

TR 0802.29 - IMPROVING CHEMICAL AND IONIZING RADIATIONS METROLOGY

The project, which was executed under the 2008 National Programme, started in January 2009 and was finalized in December 2012. Having a total budget of 3,93 MEUR, the Project was implemented through a technical assistance (TA) contract with the Institute for Reference Materials and Measurements (IRMM), one of the seven institutes of the Joint Research Centre (JRC), a Directorate-General of the European Commission (EC). TÜBİTAK UME – (National Metrology Institute) is the main project beneficiary and TAEK (Turkish Atomic Energy Authority) the co-beneficiary.

The overall objective of the Project is to contribute to better functioning of the EU-Turkey Customs Union regarding the free movement of goods as well as to facilitate the implementation of Acquis Communautaire in quality of life related areas such as environmental health, consumer protection and food safety.

The purpose of the Project is to enhance institutional and measurement capacity in chemical and ionizing radiation metrology to ensure that Turkish laboratories are able to produce traceable and comparable measurement results, leading to improvements in quality of life, and facilitating the adoption of Acquis related to free movement of goods.

The expected results from the project can be summarized as follows:

- 1) Institutional capacity building for TÜBİTAK-UME.
- 2) Institutional capacity building for TAEK.
- 3) Knowledge transfer and human resources development.
- 4) Networking and raising awareness.

As for the results 1 and 2, the assistance and training provided through the project activities supports the achievement of results. Trained staff is being utilized well in the ongoing development of capability both within the beneficiary organizations and with stakeholders. In general, the OVIs to be met by the project are met, although factors outside the projects control make it likely that further work will be necessary once the project has completed.

Both beneficiaries are engaged in the submission of further Calibration and Measurement Capabilities (CMCs). The experience gained in the presentation of CMCs makes it highly likely that the process will be completed.

TÜBİTAK UME plans to develop the capability to produce Certified Reference Materials (CRMs) in key economic sectors of food production/processing. Initial plans are for the production of 3 CRMs, however this will ultimately be extended to the order of 20 CRMs.

For result 3, success of activities is evident through the accreditation of methods, presentation of CMCs and the range scientific papers etc. produced.

Finally for result 4, both TAEK and TÜBİTAK UME reported an increase of interest from universities (TÜBİTAK) and from Healthcare Stakeholders (TAEK). The PP is very broad, and provides a very specific role in the ongoing improvement of the capacity of Turkish labs related to the removal of technical barriers to trade and effective market surveillance.

Both beneficiaries have accumulated expertise and started know-how transfer to the following countries; TÜBİTAK UME with Ethiopia's Measurement Institute and TAEK ÇNAEM with Jordan/Azerbaijan for internships.

TR 0703.01 - PROMOTION OF THE CIVIL SOCIETY DIALOGUE BETWEEN EU AND TURKEY-CSD II

The project which was executed under the 2007 National Programme started in October 2010 and ended in October 2012. The beneficiary of the project is the Ministry for EU Affairs (MEU). The total budget of the project, 6,228 MEUR, is distributed between a technical assistance (TA) contract and a Grant Scheme.

The "Promotion of the Civil Society Dialogue between EU and Turkey (CSD-II) programme builds on an earlier phase (CSD-I) and has identified two sectors for Grant Schemes on "Culture and Arts", and "Fisheries and Agriculture" to focus on, as well as a Micro-grant Scheme for small scale joint events.

The overall objectives (OO) of the Project are:

- Ensure a better knowledge and understanding of Republic of Turkey within the European Union, including Turkish history and culture, thus allowing for a better awareness of the opportunities and challenges of future enlargement.
- Ensure a better knowledge and understanding of the European Union within Turkey, including the values on which it is founded, its functioning and its policies.

The Project Purpose (PP) is to establish a framework for cooperation, support the establishment of partnerships, and promote dialogue between civil societies of Turkish and EU counterparts on Culture and Arts and Fisheries and Agriculture.

The expected results of the project are:

1. Capacity of Grant Beneficiaries in project management and implementation developed, respecting EU procurement and visibility rules ensured.
2. Expertise and know-how within the MEU and relevant authorities developed and strengthened.
3. Awareness and publicity of the project increased.

The expected Results for Grant Schemes are:

COMPONENT A: Culture and Arts

1. Enhanced capacity of the actors for dialogue, networking and cooperation with their counterparts in Turkey, the EU and Candidate countries.
2. Diversified and improved dialogue, collaboration and joint actions through projects with counterparts in the EU
3. Participation of Turkish actors in European Networks in the field of culture and arts
4. Improved knowledge and access of actors to funding opportunities at all levels.

COMPONENT B: Fisheries and Agriculture

1. Enhanced capacity of the actors for dialogue, networking and cooperation with their counterparts in Turkey, the EU and Candidate countries.
2. Diversified and improved dialogue, collaboration and joint actions through projects with counterparts in the EU.
3. Participation of Turkish actors in European Networks in the field of fisheries and agriculture.
4. Improved knowledge and access of actors to funding opportunities at all level.

COMPONENT C: Micro Grant Schemes for Participation NGO events:

Increased joint actions and any projects or activities implemented on the local or international level by the NGOs.

The project activities were finalized to achieve project results addressing capacity building for Grant Beneficiaries (GB) and MEU in managing, implementing and monitoring EU funded projects (R1 and R2). The ROM reports confirm that capacity at GBs for dialogue, networking, partnership building, Project management and monitoring, visibility and EU procurement requirements and MIS usage has improved. GBs have realized numerous and widely diversified joint activities with EU partners with enhanced capacity for future cooperation opportunities. Some GBs are already included in European networks, many have established contacts with local administrations both in Turkey and partner countries. TAT and Project Implementation Unit (PIU) report improvement with the expertise and know-how within MEU PIU through formal and on the- job training with active participation in 2 rounds of monitoring visits to the grant projects. MEU will definitely benefit from this capacity for the upcoming intervention (CSD-III).

Increased awareness and publicity of the project (R3) has been achieved through a considerable number of activities carried both by TAT and by the GBs as well as some extensions financed by MEU. Regular media reports confirm the wide media coverage. Contribution of this result is also likely to be reflected in the increased number of applications/partnerships for the CSD-III. Consequently, given the smooth project progress for the above results throughout the Project implementation period, the PP has been largely achieved. The joint activities of 96 Turkish and EU partners involving some 50,000 final beneficiaries have led to the “establishment of a framework for cooperation”, and “promotion of dialogue between civil societies of Turkish and EU counterparts on Culture and Arts and Fisheries and Agriculture” (PP), despite the limited budget allocations when compared with the previous (CSD-I 19,3 MEUR) and upcoming (CSD-III 10,7 MEUR) programmes.

The project has strong direct impact prospects including the already established partnerships for future projects and mutual understanding with mitigated prejudices. The project also had indirect positive and negative impacts related to increased cooperation between MEU and other relevant institutions; improved internal communication/cooperation of MEU PID with other departments and active cooperation of GBs with local public institutions. GBs have become aware of their further needs; some have disseminated their training activities using own resources. Synergies are reported among Turkish GBs for future cooperation and some have established Project Teams/EU Units for other opportunities and for guiding others.

TR 0802.13 – TRAINING OF BORDER POLICE

The project was executed under the 2008 National Programme started in December 2010 and ended in June 2012. The beneficiary of the project is Turkish National Police (TNP), Training Department and Department for Foreigners, Borders and Asylum. The total budget of the project is 1,2 MEUR and it is implemented through a Twinning (TW) contract with the German Federal Police Academy.

The Overall Objective (OO) of the Project is to achieve the EU overall strategic goal of open and secure borders by developing and strengthening in service training system of Turkish Police working in the field of securing borders in alignment with the EU's integrated border management policy.

The Project Purpose (PP) was improving the in-service training capacity of the Turkish National Police working at border gates and further development of IBM best practices in line with EU's IBM policies and strategies.

The Expected results of the Project are:

1. To create a programme including curriculum development methodology based on learning objects model, a curriculum management system and an e-learning system.
2. To improve the efficiency of the practices in compliance with EU best practices in training.

Main activities address capacity building for the TNP trainers to cascade the training to TNP staff serving at the border gates.

At the end of the project implementation period, the results have been achieved and targets were exceeded through additional activities conducted in the extension period. As for Result 1, the mandatory result to create a programme encompassing curriculum development methodology based on learning objects model, a curriculum management system and an e-learning system was fully achieved. During the initial phase of the project, the current TNP training provision was analysed, needs assessment studies were conducted and preparations for delivering the trainings were undertaken.

During the second quarter of the project, the "Training" component commenced which aimed to implement ten-day training measures in each of seven technical modules in specific fields. Although the project was only foreseen to develop an in-service training curriculum, a pre-service curriculum was also prepared. One of the modules, Module 7 - Situation Training has proved to be a highly important point of the project and was

incorporated into the TNP training delivery during project implementation. The Police Academy and Police Schools revised their curricula and training methodology accordingly. Moreover, the outputs of the other modules are also being used by different parties and applied as part of the daily routine.

As for result 2, the mandatory result for improving the efficiency of the practices in compliance with EU best practices in training was also achieved and even exceeded. In meeting the objectives, a total number of five workshops, eight training sessions, 16 multipliers' seminars/courses and four study visits to EU member state were conducted.

The PP has two parts and has been partly achieved. The first part; *"improving the in-service training capacity of the Turkish National Police working at border gates"* has already been achieved and the results exceeded those foreseen. The second part; *"... and further development of integrated border management best practices in line with EU's IBM policies and strategies"* is largely beyond the scope of the project, and since the new structure is not yet in place and the legislation has not yet been adopted, it should be disregarded as an indicator of the project's success. However, the concept of establishing the integrated border management and related structures together with adoption of relevant Acquis and improving the administrative and enforcement capacity has been further addressed in the subsequent programming years notably 2013. The key criterion of the project is that the quality of training, and therefore the performance of the officers, is enhanced.

The project has made a positive contribution to further developing the quality of in-service training and training capacity of the TNP. The direct impacts are visible after the project's completion. Although the draft Law on the Establishment of a new Border Guard has not yet been adopted and a new Border Guard Organisation is not yet established, the improvement of police officers' capacities in terms of both their knowledge and skills would assist and facilitate border security related issues. The TNP had already started using project outcomes before the project was concluded. Relevant departments of the TNP; i.e. the Foreigners, Borders and Asylum Department, the Criminalistics Department, the Police Academy Border Security Faculty and Police Vocational Schools have been using the handbooks and other training materials developed under the project. The Academy and Police Schools have also revised their existing curricula in line with that prepared within the scope of the project. The most significant and evident direct impact of the project stems from Module 7 – Situation Training. This Module has been combined with the Module 6 – Police Training (Training of Intervention Tactics and Techniques) and already being used as a universal learning methodology by the Beneficiary and end users. The TNP is planning to train 250,000 police officers with this methodology within five years. 7 of the 34 Police Schools from 34 have directly benefited from the project results.

Cooperation between beneficiary and Twinning team was very beneficial and continued to be so after the end of the project. As an indirect positive impact, an Agreement of Intent for bilateral cooperation was signed between Turkish and German parties on 6 February 2013. The agreement contains measures in respect of education and equipment for Police training.

TR 0701.03 - TRAINING OF MILITARY JUDGES AND PROSECUTORS ON HUMAN RIGHTS ISSUES

The project was executed under the 2007 National Programme started in November 2011 and ended in January 2013. The beneficiary of the project is Ministry of National Defence (MoND). The total budget of the project is 2 MEUR and it is implemented through a Direct Grant (TA) contract with Council of Europe (CoE).

The Overall Objective (OO) is to support the interpretation and application of legal provisions related to human rights and fundamental freedoms in line with European Convention on Human Rights (ECHR) and its related case law.

Project Purpose (PP), is to improve the knowledge and implementation capacity of military judges and prosecutors and legal counsellors at the MoND on the ECHR, and the case law of the European Court of Human Rights (ECtHR) by the end of 2012.

The expected results of the project are:

1. Development of future training capacities of military judges and prosecutors, legal counsellors and other TAF personnel.
2. Easy access of all military judges, prosecutors and legal counselors to the translations of European Convention on Human Rights (ECHR), related agreements and judgments of ECtHR.
3. Military judges and prosecutors and legal counsellors increase their awareness on the identified problematic areas in the military judiciary.

At the end of the project, all results according to project documentation were achieved and indeed in some cases exceeded:

Result 1: Development of future training capacities of military judges and prosecutors, legal counsellors and other TAF personnel: Official training curriculum and training materials have been developed and adopted by the MoND. 50 national trainers were certified as trainers on the ECHR, the main legal instruments of the CoE and other relevant international instruments. 15 out of total 50 certified trainers conducted 14 cascade seminars covering 370 judges, prosecutors and legal counsellors. The MoND still has the idea to assign those 15 (25 in total with their backups) national trainers as a core team in the future. an international seminar was held for High Military Judiciary members. 48 members of the High Military Administrative Court and Military Court of Cassation including the presidents of both courts participated in the seminar. 8 study visits were organized for almost 100 participants to Strasbourg and EU countries. Result 2: Easy access of all military judges, prosecutors and legal counsellors to the translations of European Convention on Human Rights (ECHR), related agreements and judgments of ECtHR: All translated judgements have already been published online. The page is accessible via intranet of the Ministry. For a more common access, a link is also available on CoE's website in the "Help" page. A full set of the training materials elaborated in the life span of the project have been published and distributed to the participants of the Training of Trainers (ToT) and Cascade seminars and also a CD-ROM has been provided. Result 3: Military judges and prosecutors and legal counsellors increase their awareness on the identified problematic areas in the military judiciary: Reportedly this is the most challenging result among the others depending heavily on the scope and success of the international conference. The working group on Analysing Military Justice Systems have met 8 times and with the consultation of the long term consultant, two reports - 1) Comparative Analysis of Military Justice Systems in other CoE Member States, 2) Assessment of Compatibility of the Turkish Military Justice System with the Requirements of European Human Rights standards- were produced.

This project was designed to contribute to this objective in a specific segment of the state structure –namely the Turkish Armed Forces. Having regard to the fact that the military service is compulsory, training of the military judges and prosecutors in terms of human rights, therefore, improving their competence in the area will have positive implications over a great majority of the population. In addition to the magnitude of this target group, the chance of this objective being realised over the coming years is high due to the fact that concrete recommendations for addressing the obstacles have been made and agreed at the technical level, it is in the interest of the Beneficiary to address these issues and the statements and actions at the policy level indicate clear political support. The project has undoubtedly and demonstrably created and / or developed relationships with the CoE, the ECtHR and CoE member states' military justice bodies, including through the invitation of Members of Parliament and Parliamentary Committee members to the final conference contributed to informing the political debate on the issue and at the technical level, extending the training to trainee judges has also impacted the pre-service training.

TR 0702.27 - REFORM OF THE TURKISH RAILWAYS

The project was executed under the 2007 National Programme started in January 2011 and ended in January 2013. The beneficiary of the project is Ministry of Transport, Maritime Affairs and Communication (MoTMAC). The total budget of the project is 3,6 MEUR and it is implemented through a Technical Assistance (TA) contract.

The Overall Objective (OO) is to restructure and reform Turkish railways for opening up the sector for competition in line with the EU Acquis.

The Project Purpose (PP) is to establish framework conditions for restructuring and reforming the rail sector for competition, including systems for infrastructure allocation, charging, safety and interoperability at TCDD (General Directorate of Railroads).

There are 3 results to be achieved through the Technical Assistance contract:

1. An approved strategy and action plan for establishing framework conditions of restructuring and strengthening of Turkish rail sector are outlined.
2. A system for infrastructure capacity allocation and charging is established.
3. Implementation of a Safety Management System (SMS) in current organisation for conventional lines and conventional operations.

The overall project progress has been positive with the delivery of the assigned outputs, including the “approved strategy and action plan for establishing framework conditions of restructuring and strengthening of Turkish rail sector”(R1). To speed up the process and to provide a base for stakeholder contribution prior to the revision of the Strategy, TAT has worked on Action Plans also to incorporate the needs and comments of the Directorate General for Railway Regulation (DGRR), since the DGRR will be one of the main bodies to utilise most of the project outputs. As for “a system for infrastructure capacity allocation & charging is established” (R2), process is completed. Systems for capacity allocation and access charging are needed for DGRR when Infrastructure and Operations are separated and especially following opening to competition.

As for R3, “Implementation of a Safety Management System (SMS) in current organization for conventional lines and operations”, the progress is well as the main

outputs are delivered and approved as well as the necessary institutional capacity built at TCDD with the newly appointed safety managers.

Project results do target impact to lead to “restructure and reform of Turkish railways for opening up the sector for competition in line with EU Acquis”. The latest developments with the restructured MoTMAC and the expected enactment of the Draft Law are likely to support the project’s impacts which intend to serve as the first steps contributing to alignment with the EU. The Strategy and the Action Plans accompanied by the other outputs, all targeting to provide the grounds for restructuring TCDD, are strong impact prospects supporting the Overall Objective. Completion of appointments particularly at the DGRR is likely to support impact if fulfilled timely.

TAIEX Activities

During the year 2012, Turkey has continued to use TAIEX tool efficiently. There were 133 workshops, multi country workshops, study visits, RTP and expert missions held through TAIEX mechanism. Via these events, institution building support to assist the process of transposition, implementation and enforcement of EU legislation and policies was provided for Turkish public institutions and their officials.

Moreover, Political Criteria Seminars in cooperation with European Commission via TAIEX mechanism proceeded. On 13-14 November 2012, 14th of these seminars on “Anti-Discrimination and Equality Board” was conducted in Ankara with the participation of 110 representatives from public institutions, universities, NGOs, international institutions, European Commission and EU countries. Through this seminar, an experience and information exchange platform was provided regarding draft law on Anti-Discrimination and Equality Board.

On the purpose of providing efficient implementation of EU Acquis adapted in the framework of 23rd and 24th chapters in local administrations, a new initiative under the name of “Regional Seminars” has been commenced in 2012. In this regard, 4 regional seminars in several provinces of Turkey are planned to be conducted within the scope of TAIEX mechanism in 2013.

Finally, TAIEX Local Administration Facility (LAF), which was originally addressing the Western Balkans, has been opened to participants from Turkey. This initiative will both enhance the dialogue between local administrations in all parts and improve the capacity and awareness of the Turkish local administration about EU accession process and its requirements. In this regard, 15-20 multi-country work-shops mainly on the following themes are planned to be held:

1. Rule of Law at the Center of Enlargement Policy:
2. Economic and social challenges
3. EU Acquis for the benefit of the citizens

Participation of Turkey to Union Programmes*

Turkey has been participating 9 Union Programmes namely, FP7 for Research and Technological Development, Lifelong Learning Programme, Youth in Action Programme, Competitiveness and Innovation Programme, Progress Programme, Culture Programme, Customs 2013 Programme, Fiscalis and European Capitals of Culture. Turkey is also a member of European Environment Agency.

Turkey made a total financial contribution of 172,496 MEUR to budgets of foregoing programmes and agencies. 56,180 MEUR of this contribution was received from IPA funds through the projects numbered TR2011/0465.09 and TR2011/0465.19.

Under the Lifelong Programme, 3.596 projects out of 15.911 submissions received 113 MEUR of funding and mobility of 60.483 people was achieved. Within the scope of Erasmus, mobility of 11.654 students and 2.204 staffs was achieved.

Youth in Action Programme supported 948 projects out of 6418 submissions with 62,5 MEUR of funding and mobility of 5948 people was achieved.

There are 386 project applications made by Turkish coordinators or have been a Turkish partner under FP7. By March 2013, 58 of these applications have been granted. Turkish partners received 12,3 MEUR funding with total project budget of 148,5 MEUR. Mobility of 6500 Turkish researchers was supported under the Programme.

Projects including 11 Turkish cultural actors received 2 MEUR under the Culture Programme.

7 projects with Turkish partners were accepted under the CIP/ICT-PS Programme. Budget of Turkish partners under these projects is 1,7 MEUR.

Under the Customs Programme 73 Turkish officials had the chance to participate 41 working visits, workshops and other events.

*Results of the some calls opened in 2012 are still not announced. Numbers provided under this section is valid by 2013 March.

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

⁽¹⁾ See Annex 1.

⁽²⁾ Detailed Procurement plan to be attached to the report

Only IPA Community Contribution*

	Committed amount with addendum/updated PFs	Contracted	RAC	%Contracted	Paid	RAL	%Paid
IPA 2007	194.689.950,00	174.736.688,80	19.953.261,20	89,75	107.215.165,41	87.474.784,59	55,07
IPA 2008	156.075.310,00	146.605.974,16	9.469.335,84	93,93	84.777.828,50	71.297.481,50	54,32
IPA 2009	116.334.589,00	68.603.522,23	47.731.066,77	58,97	27.871.241,77	88.463.347,23	23,96
IPA 2010	148.097.750,00	20.219.036,05	127.878.713,95	13,65	9.319.927,65	138.777.822,35	6,29
IPA 2011	21.308.500,00	5.008.500,00	16.300.000,00	23,50	1.384.086,81	19.924.413,19	6,50

Total Budget (IPA Community Contribution +National Contribution)*

	Committed amount with addendum/updated PFs	Contracted	RAC	%Contracted	Paid	RAL	%Paid
IPA 2007	225.649.134,00	201.152.102,50	24.497.031,50	89,14	116.329.399,54	109.319.734,46	51,55
IPA 2008	184.912.204,00	172.654.107,69	12.258.096,31	93,37	98.613.036,10	86.299.167,90	53,33
IPA 2009	128.352.377,53	74.757.338,98	53.595.038,55	58,24	29.585.055,82	98.767.321,71	23,05
IPA 2010	169.545.000,00	22.407.565,00	147.137.435,00	13,21	10.572.343,78	158.972.656,22	6,23
IPA 2011	23.665.000,00	5.565.000,00	18.100.000,00	23,52	1.537.874,23	22.127.125,77	6,50

***Cut off date 31.12.2012**

****Budget Amounts excludes the Community Programmes**

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

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

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

Following the adoption of the sectoral approach, with a view to create more comprehensive sectoral programmes, instead of individual project proposals, Sectoral Alignment Strategy Documents (i.e. ARDSAS) and Sector Identification Fiches (SIF) were prepared for the selected MIPD sectors and a donor coordination process was initiated. Several international financial institutions (IFIs) are active in Turkey and are engaged in various activities related to institutional and capacity building, which may also be funded under IPA. As part of the orientation towards the new programming approach and in view of the potential multiplying and complementary effects of cooperating with these institutions, a donor coordination meeting was held by the MEU on the 23rd of May 2012. Apart from the relevant IFI's operating in Turkey, members of the IPA TAIB Committee also participated in this meeting. The main purposes of the meeting were to inform these institutions on the sectoral alignment strategies and sector identification fiches (namely Judiciary and Fundamental Rights, Migration Management and Borders, Energy, Agriculture and Rural Development), to receive information on the activities of the IFIs operating in Turkey, and to discuss with the IFIs the possible areas of cooperation that would complement IPA assistance to Turkey.

In line with the sector approach adopted for the IPA II period (2014-2020), which envisages to increase the efficiency and effectiveness of the deployment of IPA assistance by increasing cooperation with other donors and international and other financial institutions at strategic level; the Ministry for EU Affairs has invited a wide range of stakeholders, including IFIs, non-governmental organisations, academicians and public institutions to the Sector Working Group Meetings, and has shared the SF documents with these stakeholders in writing for their detailed assessment and possible contributions.

Potential modalities to be possibly implemented in the upcoming period are being considered with relevant stakeholders in the context of IPA II preparations. Meanwhile an energy project has already been designed and initiated with the active cooperation between World Bank, EU and Turkey to be implemented under the 2012 programming package part II. This project can be assumed as a "model" for an implementation by the inclusion of another donor and following the successful implementation, replication could be possible in the upcoming period under various sectors. The potential donors are invited to propose innovative financing models that would co-exist with IPA.

Besides, the Direct Grant agreement method with the other international organizations which have special expertise in various areas has been broadly utilized for the implementation of the funds and will remain to be one of the donor coordination mechanisms in the second period of IPA.

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

The table below demonstrates the data about recovery cases comprising all IPA Components. The number of recoveries is limited to 10 out of 103 so far. 4 of the lawsuits related to recovery actions were lost; therefore recovery could not be made. On 24 cases courts took decisions in favour of the recovery yet no recovery has been made. Additional 65 lawsuits are on-going.

INFORMATION ON THE CASES	NBR	BALANCE OF RECEIVABLES (not recovered yet)
1. Lawsuits Lost	4	4.547.851,00
2. Ongoing Lawsuits	65	3.816.689,07
3. Courts ruled for recovery, yet not recovered	24	834.314,59
4. Recovered Cases	10	-
TOTAL	103	9.233.478,95

Upon request, recovery amounts of three irregularity cases were transferred to EC account within 2012.

Contract Nr./Name	Programme	Date of Transfer	Amount (€)
TR0503.06 Control of Rabies Disease	2005 NP	15.11.2012	423.943,35
TR0602.03-02 Active Labor Market Measures Grant Scheme	2006 NP Part II	12.03.2012	11.504,54
TR0703.01 Civil Society Dialogue II	2007 IPA I	28.06.2012-30.07.2012	81.041,78

2. Detailed information about the financial implementation of the programme (³), Art. 84, (4) (b) IPA Implementing Regulation).

Analysis of the following factors:

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

(³) See Annex 1.

Table 1: IPA Component I Yearly Disbursements (thousand €)

Programme	IPA Component I Yearly Disbursements (thousand €)				
	2009	2010	2011	2012	Total Disbursement
IPA Component I	136,036	128,720	148,729	199,890	613,375
<i>Projects</i>	14,313	39,917	81,212	95,126	230,568
<i>Union Programmes and Centralised Projects</i>	121,723	88,803	67,517	104,764	382,807

Table 2: IPA I Contracting and Disbursement Amounts (million €)

Programe	IPA I Contracting and Disbursement Amounts (million €)									
	EU Allocation (MFF) (1)	FA Budget (2)	end of 2011				end of 2012			
			Contracting Amount (3)	Disbursement Amount (4)	Contracting Rate (3/1)	Disbursement Rate (4/1)	Contracting Amount (5)	Disbursement Amount (6)	Contracting Rate (5/1)	Disbursement Rate (6/1)
IPA Component I	1,667.46	1,390.41	588.61	413.49	35.3%	24.8%	876.83	613.37	52.6%	36.8%
<i>Projects</i>	1,201.16	924.11	221.88	135.44	18.5%	11.3%	411.12	230.57	34.2%	19.2%
<i>Union Programmes and centralised projects⁴</i>	466.30	466.30	366.73	278.04	78.6%	59.6%	465.71	382.81	99.9%	82.1%

The implementation of programmes started in 2009. The contracting and disbursement amounts have substantially increased year by year.

As for component I, disbursement and contracting rate is 37% and 53% respectively and disbursement amount including union programs has reached 613 MEUR. It seems that there is a rising trend in the disbursement amounts year by year. In 2012, disbursement amount reached to 200 MEUR.

⁴ Union Programmes and centralised projects are assumed as contracted.

Contracted Amounts per Years

CONTRACTED AMOUNTS PER YEARS				
Programme*	2009 (MEUR)	2010 (MEUR)	2011 (MEUR)	2012 (MEUR)
IPA 2007 I	34,6	65,3	101,4	0,00
IPA 2008 I	2,2	64,6	56,6	48,73
IPA 2009 I	0,00	0,00	26,5	48,22
IPA 2010 I	0,00	0,00	5,52	16,88
IPA 2011 I	0,00	0,00	0,00	5,56

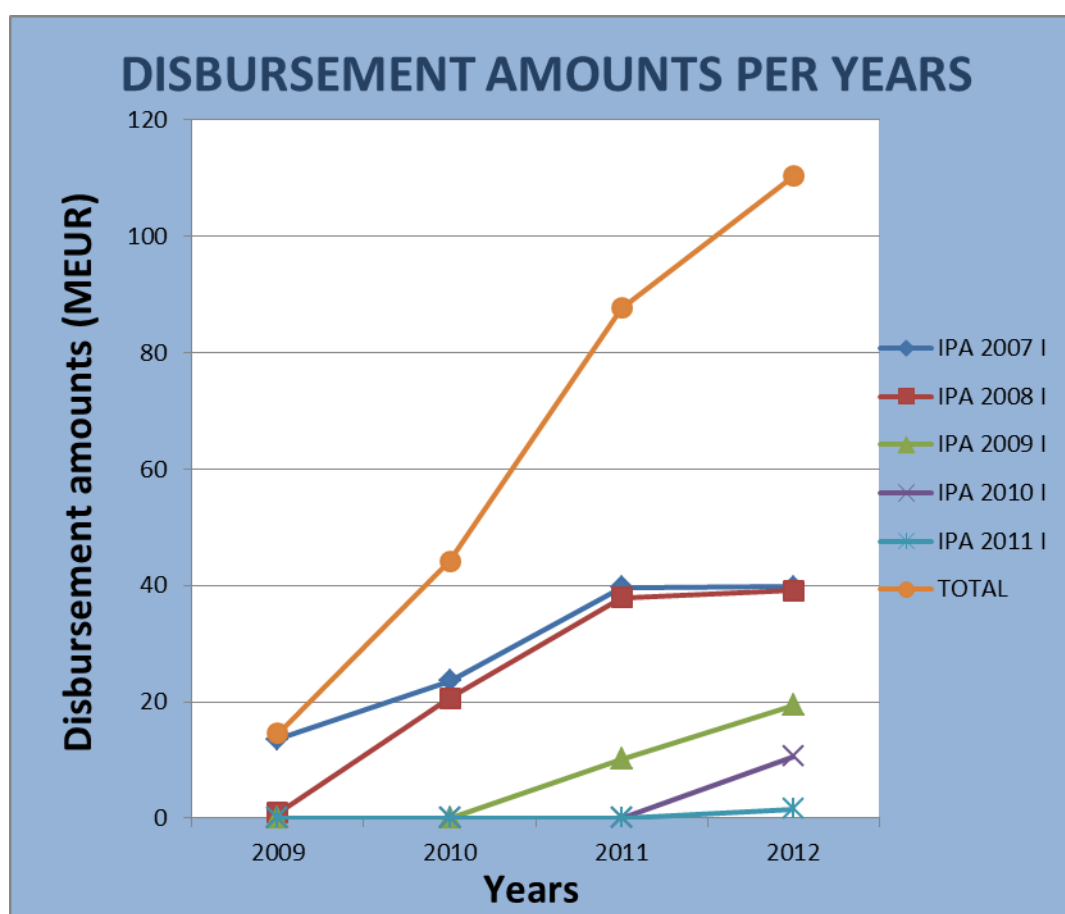
*Cut off date 31.12.2012



Disbursement Amounts per Years

DISBURSEMENT AMOUNTS PER YEARS

Programme	2009	2010	2011	2012
	(MEUR)	(MEUR)	(MEUR)	(MEUR)
IPA 2007 I	13,6	23,6	39,6	39,72
IPA 2008 I	0,9	20,6	37,9	39,15
IPA 2009 I	0	0	10,2	19,34
IPA 2010 I	0	0	0	10,57
IPA 2011 I	0	0	0	1,53



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

The contracting rates in 2006, 2007, 2008 National Programmes were 84% and 89.2% and 93,52 % respectively. In 2006 NP, the allocated amount was 462,042 MEUR while the contracted amount was 389,134 MEUR. In 2007 NP, the allocated amount was decreased to 225,649 MEUR while the contracted amount was 201,216 MEUR. In 2008 NP, the allocated amount was decreased to 184,91 MEUR while the contracted amount was 172,65 MEUR.

As it is well known, with the introduction of the Addendum, three different contracting deadlines to the 2009 IPA-I have been established. The first contracting deadline, 29th of December 2012, passed and 20 projects were awarded with a total amount of 63,6 MEUR.

The second contracting deadline is 29th of June 2013 and although a 6-month extension has been granted to the deadlines, further 6-month extension was requested.

The third contracting deadline for 2009 IPA-I is 29th of December 2013 and 3 projects with a total amount of 19 MEUR will have to be awarded within this deadline. The concrete figure will be determined when the contracting process is completed for the extended projects.

Under 2010 IPA-I, 29 projects with a total amount of 169,3 MEUR is planned to be implemented. As of 25th of February 2013, 52 contracts were signed with a total amount of 22,8 MEUR and €463.257,25 of EU contribution was saved from the tenders.

As it is known, the contracting deadline for 2010 IPA-I Programme is 19.09.2013. However, during DIS meeting, EU Delegation conveyed positive opinion on a 12-month blanket extension to be granted to deadlines of the 2010 IPA-I. The concrete figure will be determined when the contracting process is completed for the extended projects.

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

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

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

- Ensures reliable and timing management, monitoring, evaluation and audit;
- Reinforces full transparency and ethics to be followed by the management structures with delegated authority;
- Ensures reliability of information for reporting and decision making by addressing any aspects of the functioning of the management and control systems raised by the audit authority, the national authorising officer, the competent accrediting officer or any other body involved with the management and control of EU assistance;

Annual Statement of Assurance (ASA) for the IPA Component I was submitted to the EC by the National Authorizing Officer (NAO) on 28 February 2013 without any reservation. Based on the outcomes of the supervision activities carried out by the NAO Office throughout the financial year 2012 on the Management and Control System under the IPA Component I, it is concluded that;

- ***Management and control systems are functioning effectively.*** Despite some deficiencies in the management and control system which have been analysed in terms of the number, duration and specific factors for increasing the reputation risk for the NAO, their impact is assessed possible and manageable to be countered by a corrective action plan. Furthermore, irregularities and/or error rate calculated by EC audit or national audit are analyzed.
- ***Underlying transactions are legal and regular.***

- *Changes in the system are properly managed* as required by the relevant regulations.

During the establishment of the ASA, the relevant EC guideline and procedures in place have been applied. All necessary documents, reports, information (which is also gathered through desk reviews, on-the-spot controls and supervision visits), the management declarations submitted by the Ministry for EU Affairs (MEU) and the Central Finance and Contracts Unit (CFCU) have been received and analysed by the NAO Office to establish as the base for the NAO's ASA.

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

The number of staff in the units is in line with the workload analysis. Though the number of staff has reached to a stable level, there has also been limited degree of mobility among staff of different Working Groups of the FCD. Additionally, with the inclusion of the Result Oriented Monitoring (ROM) project to the existing monitoring tasks, it is envisaged that a need for one or two additional staff to be recruited might appear in the following years.

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

In the year 2012, the MEU has undergone two thematic audits on the monitoring. Conducted by the Audit Authority in June 2012, the first one has ended in few findings on the deficiencies in the NIPAC Manual regarding the procedures for certain monitoring functions and tools including PMR processing and execution of ROM project. The findings have immediately been addressed by the changes in the Manual. Days after the first audit, DG ELARG conducted a comprehensive thematic audit which has been ended in a detailed fact finding report that touches upon the whole structure of the monitoring system in Turkey especially with a view to better identify the institutional responsibilities to be undertaken by the competent authorities. In response to the fact finding report, the Turkish Authorities has launched a process under the coordination of NAO to take concerted measures among the relevant authorities, namely the MEU, the CFCU and the NAO, to better address the issues set out in the report. The process is expected to end in a Memorandum of Understanding (MoU) between the MEU and the CFCU and action plan of each relevant institution. Depending on the contents of the MoU and the Action Plan, the NIPAC Manual will need to be amended accordingly.

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

During 2012 the efforts within the scope of the ROM project contributed to a great extent already existing conventional monitoring. The project, as titled “Technical Assistance for Result Oriented Monitoring in Turkey” (ROM), started in January 2011. Though the original duration of the project was planned to be two years, due to the successful results and the availability of the budget, the project was extended for one more year until the end of 2013. Throughout the course of the reporting year, a total of 107 monitoring missions were held by the ROM team. Some projects have been monitored twice based on the criteria put forward in the ROM Handbook. All in all, 55 ongoing projects were monitored in the first quarter and 52 projects were monitored in the second quarter of 2012 by the ROM team. The monitoring reports produced from these monitoring missions were shared with all the relevant stakeholders and their feedbacks on the recommendations and findings of the reports were collected to be considered for the future ROM activities. The general results and findings of the ROM team were also presented to the relevant stakeholders during the SMSC meetings. The active participation of the MEU monitors to the ROM missions continued with an increased rate during 2012. The assessments of the MEU monitors on the on-the-job trainings were all positive.

The findings of the monitoring activities together with the findings of the ROM experts reveal the following facts according to the five ROM criteria; relevance, efficiency, effectiveness, impact and sustainability:

- Although there are some problematic projects, it can be stated that majority of projects are performing well.
- **Relevance** of the projects are usually at a good, sometimes excellent, level. However, all stakeholders do not regard the projects equally relevant, which often has a bearing on their active support and ownership
- **Sustainability of the projects** is assessed as fairly positive. Still, in about one-third of all monitored projects problems have been identified with regard to ownership and the project contribution to institutional and management capacity.
- Shortcomings are mainly observed in the areas of **efficiency** and **particularly effectiveness** of project implementation. In half the projects (50.9%) the expected results have not yet been achieved at the time of monitoring. And in 34.5% there is a risk that the Project Purpose will not be fully achieved. The major possible causes for this problem are identified as:
 - More activity-oriented implementation rather than result-oriented.
 - Especially at provincial level the absorption capacity is lower than expected. The project management teams take the necessary steps to mitigate this issue but it causes unexpected delays in achievement of the results.

The results of the monitoring activities also show that there is considerable improvement in all of the monitoring criteria over time. Except a few exceptional cases, the overall scores of the projects have been gradually increasing since the first ROM monitoring missions in 2011. This is a clear indication that the project stakeholders are taking the recommendations of the monitoring activities seriously to improve the project performance.

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

1. Technical Assistance for Interim Evaluation of IPA I in Turkey for years 2007-2008-2009 (Final Report presented but not accepted yet.)
2. Thematic Evaluation on Judiciary and Fundamental Rights in Turkey (run by DG ELARG)
3. Thematic Evaluation on Environment in Turkey (started in October 2012.)

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

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

1. Increase prioritisation of sector-based assistance.

Follow up: It is expected that the 2013 will be the transition period which is meant to re-organize the traditional project approach towards sectoral approach.

Prioritization of sectors is being studied in line with MIPD priority areas as well as indicators based on gap analysis through established working group mechanism. Once the sector programmes become clear intervention design will also be specified. From the sectoral approach perspective, the MEU together with EU Commission will focus more intensively on strengthening the involvement of the stakeholders during the development of master documents and policy papers related to the sectoral approach. As commonly known but needs to be improved way, the donor coordination will be the alternative pathway in funding of IPA during the next period on sectoral basis.

2. Consider developing a concept of sectoral lead beneficiary institutions.

Follow up: Leading of the sectoral based projects is another issue which should be considered since the sectors to be identified will be quite complex and large. And therefore, it is quite obvious that the management of projects covering certain sectors will be ensured by several institutions involved in the sector. This issue will be specifically elaborated by NIPAC and EC in due time.

3. Strengthen the promotion and use of SEI as a strategic programming tool.

Follow up: In the context of a technical assistance project, guidelines on the usage of SEI funds and the preparation of Terms of Reference documents have been prepared and an online application system has been established. In order to enable a better utilization of SEI funds, The Directorate of Project Implementation organizes informative meetings addressing potential beneficiaries. In these meetings, the institutions receive assistance as to how to apply to SEI funds and its usage procedure.

In order to assist the CFCU’s contractor assessment, the Directorate of Project Implementation submits Contractor Assessment Forms, received by the CFCU for each project, to the beneficiary institutions and the filled and signed documents are resubmitted to the CFCU for subsequent evaluation.

4. Clearly prioritise the future use of DGAs.

Follow up: The DGAs are perceived as an alternative method for projects that are not appropriate to be launched to the open market in terms of their content by the NIPAC Services. The clarification of any specific project which would be realized by

facilitating of DGA method needs always the consensus of NIPAC Services and EU Commission in cooperation with related beneficiary.

5. The MEU together with relevant ministries and institutions should institutionalise the training for staff dealing with EU interventions.

Follow up: Substantial improvements have been made with the trainings received as a part of the ROM TR Project in terms of having a training capacity and further to the already given/initiated training programmes, one more project aimed at establishing a “trainers pool” within the FCD is also under discussion with the EUD.

Having been subject to continuous training on several topics including project cycle management, programming, monitoring, evaluation and Turkey’s accession process provided by several legal institutions from the EU and also with the national sources, they are also benefitting from “on the job training” during natural course of their daily work.

With the existing capacity established through the above listed training activities, FCD of the MEU is responding to the training requests of the DIS Institutions and the beneficiaries.

Trainings on result oriented monitoring approach for the sectoral directorates of the MEU was given on 27-29 March 2012 and 06-08 June 2012 within the scope of the ROM TR Project.

Evidences of the training activities are saved in a separate file.

6. Put more emphasis on results and performance in reporting.

Follow up: The quality of the Sectoral Annual Implementation Report (SAIR) has been increased gradually year by year. The progress on this area is also observed and noted by the EC in their comments given to the SAIR on a yearly basis. The reporting approach of SAIR has been changed to reflect the performance and results of the successful projects, indicators and their corresponding levels of achievement. The individual monitoring reports and Result Oriented Monitoring reports of projects are utilized during the preparation of the report as well.

Though ensuring the expected quality of the reports is a continuing process by nature, as it is evident from the explanation above, this finding is considered to be fulfilled to a certain extent.

7. Ensure that feedback from evaluation and monitoring is systematically integrated into programming and implementation.

Follow up: Information flows between the monitoring and programming units in order to feed the programming with the information obtained from the evaluation projects in the form of recommendations takes place through exchange of e-mail. Since all the monitoring committees at different levels consist of, inter-alia, representatives from the sector directorates and the programming unit, establishment of a different kind of monitoring unit in any form is not considered.

The project ‘Technical Assistance for Interim Evaluation of IPA I in Turkey for years 2007-2008-2009’ also included a ‘capacity building’ component. During the

implementation of the project a ‘learning by doing’ training and evaluation workshop was conducted as set out in the TOR.

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

Recommendations of “Thematic Evaluation on Judiciary and Fundamental Rights in Turkey”

- Provide specific and on-going capacity building relative to IPA procedures, and particularly to the specific requirements of EU funding and CFCU/MEUA expectations, procedures and monitoring. In particular, ensure the readiness of beneficiary institutions to develop project concepts and designs that are realistic and meet procedural requirements.
- Ensure that project fiches reflect programming priorities in the justice sector and in relation to human rights concerns. This should include, at the time of writing, addressing gaps such as the rights of defendants, minority rights, economic, social and cultural rights, as well as reinforcing the effectiveness and availability of complaints mechanisms for victims of human rights violations and abuses.
- Ensure that project fiches are based on a detailed identification of needs and capacities, and that needs are re-assessed during the project inception stage and at appropriate intervals throughout project implementation. In particular, institutions’ views of their own capacities and needs should be assessed against objective and external expert opinion.
- Ensure that project fiches systematically address cross-cutting issues, and in particular that gender issues are systematically mainstreamed.
- Ensure broad stakeholder involvement at all stages of project design and implementation. Use stakeholders to develop appropriate indicators of success for each project result or outcome, incorporating qualitative aspects in particular.
- Ensure that timeframes and project targets take into account institutional and stakeholder capacity, and political and other risks. In particular, project objectives should take account of the probable long time-lag between project design and implementation.

- Clarify partner and stakeholder roles and responsibilities in the design of projects, and ensure this is reflected in partner selection.
- Ensure the introduction of an effective inception stage into projects – that is, ensure that the first few months following approval of a project are dedicated to a review of its design, with a view to addressing any challenges that have arisen in relation to the project's objectives since the original proposal was submitted, and to reducing emphasis on aspects that may already have been addressed. Such a stage should conclude with a formal restatement of Project objectives, incorporating any modifications that have been seen to be appropriate, and drawing any appropriate conclusions in relation to project funding.
- Direct project beneficiaries and their EU Member State partners towards wider sources of best practices and expertise, either in Europe itself or where pre-accession or development assistance has been provided elsewhere.
- Consider requesting project teams to negotiate with relevant EU Member State diplomatic missions the “fast-tracking” or “pre-approval” of visa applications for representatives of beneficiary organisations, when these involve study tours or attendance at meetings in EU countries. Representatives of civil society organisations involved in projects should be included by this process.
- Ensure that projects make the best possible use of existing expertise in Turkey and incorporate appropriate local expertise in the implementation of projects. In particular, consider inviting representatives of institutions that have benefited from IPA project support in recent years to contribute to subsequent projects.
- Incorporate the collection of baseline data in all project design and/or inception activities. Support data collection and statistical analysis activities within the justice sector, and in relation to human rights violations and abuses.

The recommendations have been delivered very recently (December 2012), so no follow up has been taken for these recommendations.

The project “Thematic Evaluation on Environment in Turkey” is envisaged to end in May 2013 therefore no recommendations are available yet.

COMPLETED AUDITS by AUDIT AUTHORITY (AA) in 2012

1. SYSTEMS AUDIT

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

Within this perspective;

- “Subsystem Report on Monitoring Activities in CFCU” was prepared on 18 June 2012.
- “Subsystem Report on Supervision Activities in NAO” was prepared on 18 July 2012
- “Subsystem Report on Monitoring Activities in NIPAC” was prepared on 24 July 2012.

All of these reports were sent to related parties (EC, CAO, NAO, EUD).

AA has identified 27 findings during our subsystem audit work. 2 of these findings are of major risk level, 11 of the findings are of intermediate risk level and the 14 of the findings are of minor risk level. Also 11 of the findings are related with the design of the system and remaining are related with the functioning of the system.

For NAOSD/NF, it has been determined that; (Major Finding)

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

For CFCU, it has been determined that; (Major Finding)

CFCU Manual contains a part which describes the “Supervision of the SPOs by the PAO”. In this part it is mentioned that the QACD prepares the list of SPO offices to be visited on programme basis in accordance with the procedures defined in the QACD Guidelines every year. After the visits;

- The results of the assessment performed during the visits (including general strengths and weakness) are shared with the respective SPOs.
- Regular debriefing meetings with the SPOs are organised to ensure a follow-up of the measures to be implemented to improve their performance and capacities.

Within this regard a “Self-Assessment Study” had been prepared by Project Implementation Units for the projects that are in the 2007 Financing Programme before our audit period in line with the request of CFCU. Following this, CFCU wrote “Self-Assessment Analysis Report” in June 2009 and within this framework CFCU carried out on the spot visits to the SPOs. In the following years this method was not used by CFCU for supervision. Instead round table meetings are organized for SPOs and checklist used during the monitoring visits (verification visits for supply contracts) contains some specific questions related with PAO Supervision. It is our opinion that supervision of the PAO-CFCU Director over the SPOs is an indispensable tool to; review the management capacities and related human resources at the level of the SPOs, follow-up the systems and ensure their sustainability, while improving the capacities of the SPOs during the implementation phase of the projects. However current activities by CFCU are limited for an efficient supervision.

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

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

2. AUDIT OF OPERATIONS

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

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

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

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

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

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

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

Project Number	Type of Tender	Project Title	Budget (Euro)
TR0701.04-01	Service-Grant	Empowerment of Women and Women NGOs in the Least Developed Regions of Turkey	5.724.500,00
TR0702.10-02	Supply	Establishment of an Accredited Calibration Laboratory	1.130.000,00
TR0702.01-02	Supply	Plant Passport System and Registration of Operators	1.140.000,00

TR0702.12-01	Service	Support to the Strengthening of Quality Infrastructure in Turkey	4.833.500,00
TR0702.15-04	Supply	Action Plan on Integrated Border Management	10.963.000,00
TR0702.13-01	Service-Grant	Strengthening Vocational Qualifications Authority and National Qualifications System in Turkey	10.900.000,00
TR0702.08	Direct Grant	Capacity Building in the Field of Environment	3.000.000,00

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

AA has identified 7 findings during the audit of operation work. 1 of these findings is of major risk level, 4 of these findings are of intermediate risk level and the 2 of the findings are of minor risk level. Also 3 of the findings are audit of operation findings while 4 of them are system findings.

Financial impact of the audit of operation finding was also assessed by AA. In the end a total number of 290,99 Euro was detected as ineligible expenditure. The AA recommended that CFCU should start a recovery process regarding subject amounts.

Major finding detected during audit of operations is as follows;

During the audit of operations, we have detected in at least 5 of the payment files verified by the Audit Team, CFCU executed the payment without (or before) having "Read and Approved" from SPOs. On the other side, CFCU Manual I.7.2. Timing of Payments reads as follows *"In case no comment is received by the CFCU within 15 calendar days concerning the documents (invoice, evaluation sheets, checklists etc.) from the Beneficiary they are considered **tacitly approved**."* This issue was also one of the previous year's audit findings and it was also mentioned in European Commission Directorate General Enlargement Auditors Payment Subsystem Report (Mission No ELARG E4/SUB/TR 2010-08, Payments Management System in Turkey). AA has made the following recommendation to CFCU;

"Before any payment is made to contractors (except advance / pre-financing payments), CFCU should request prior authorization on technical terms from the SPOs, send to the relevant SPO/OS a blank "Check list invoice control by SPO" and a copy of the invoice with the supporting documents for "Read and Approval" This procedure should be used without any exception. In addition as a result of the related provision of CFCU Manual which states a tacit certified correct after the 15-day deadline elapsed, there is a risk that payments are made without explicit approval by the SPOs. Therefore CFCU should revise the CFCU Manual as regards the 15 day deadline to SPOs for submission of the SPO approval. In addition for SPO's who do not reply CFCU's official letters regarding "Read and Approval", CFCU should bring the issue to NAO and/or NIPAC attention to take necessary additional actions on subject SPOs."

CFCU's response in year 2012 for the issue is given below;

"The "SPO Approval Letter" which is being sent to the SPOs for the "read and approved" procedure has been revised in accordance with the Auditors' previous

recommendation and the new format of the letter has been used since 06.01.2012, even the formal approval date by the PAO for the Version 3.0 of the MoP was October 2012.

Additionally, the sentence referring to “tacitly approval” was also removed from the MoP Version 3.0.

Since lack of “read and approved” by the SPO does not prevent the CFCU to make a final decision on the payments, we do not consider necessary to introduce any procedure for the SPOs who do not reply the CFCU’s request. In our viewpoint, such failures of the SPOs should be considered as a part of SPO supervision, rather than being handled in the CFCU MoP.

The Auditors’ recommendation regarding the NAO and/or NIPAC inclusion for the solution of problems in SPO approval process is also considered as inapplicable since it is the PAO to be responsible for the SPO Supervision. That is the norm in both CFCU’s Memorandum of Understanding and IPA Implementing Regulation. Moreover, the SPOs are notified about the matter on several occasions such as regular SPO meetings.”

AA’s final assessment is as follows; “There have been revisions in CFCU MoP regarding “Read and Approval” Procedure. Although the sentence referring to “tacitly approval” was removed from MoP Version 3.0., procedures for SPO’s who do not reply to CFCU’s request is still missing. On the other side, while CFCU considers the inclusion of NAO and NIPAC for the solution of the problem as inapplicable, it should be noted that it is the NAO who is overall responsible for the financial management of EU funds in the Republic of Turkey and for the legality and regularity of the underlying transactions and it is NIPAC who is overall responsible to ensure the overall coordination of assistance under IPA according to IPA regulations.”

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

3. FOLLOW-UP OF PREVIOUS YEARS’ AUDIT ACTIVITY

Audit work for the period of 01 October 2011 - 30 September 2012 was finalized with the follow-up of previous year’s audit findings. For that purpose an official letter was sent to NAOSD/NF, CFCU and NIPAC in December 2011 to understand the current status of previous year’s audit findings. After having official replies from auditees, AA reassessed the findings to understand the situation of those findings.

It has been understood that of the total 5 previous year’s audit findings for NAOSD/NF;

- 3 findings are addressed (One of the finding, regarding change management, were considered as addressed since it was also determined during reference year subsystem audit)
- 1 findings is partially addressed, (Intermediate)
- 1 findings is open, (Intermediate)

It has been understood that of the total 28 previous year’s audit findings (2010-2011 Audit of Operation 6 Findings, Tendering Sub-system in year 2011 16 Findings, Previous Year’s Audit Findings 6 Findings) for CFCU;

- 22 findings are addressed (Some of the findings were considered as addressed since they were also determined during reference year subsystem audits and audit of operations)
- 6 findings are open (1 of them is Major, 3 of them are Intermediate and 2 of them are Minor). 2 of the open findings are from 2010-2011 Audit of Operations, 3 of them are from Tendering Sub-system in year 2011, and 1 of them is from previous year's Audits

It has been understood that of the total 2 previous year's audit findings for NIPAC;

- 2 findings are open, (both of them are major)

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

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

- Staffing problems such as high staff turnover, lack of staff according to WLA of CFCU was noted as an audit finding in previous years. In its response on the staffing problem this year CFCU stated that although with the support of the NAO services, a draft Decree Law to establish its own cadre was prepared, it was not accepted at the political level. Moreover, it has been understood that the Decree Law No:666 introduced equal balance of the salary of the experts in all public institutions and minor advantageous position of higher salary level of the CFCU is largely lost. Therefore although the finding was considered as "Intermediate" in the previous AAAR, considering the significant risk explained in CFCU response in year 2011 (the possibility of the return of approximately 40 staff to their own institution since advantageous position of higher salary in CFCU doesn't exist.) priority level of the finding was raised from Intermediate to Major. High staff turnover still remains problematic for the CFCU in year 2012. According to Workload Analysis (WLA) of 2012, it revealed that the staff need in the CFCU is 20. 24 new expert staff recruited in 2012, but 20 (Four of them is just recruited in 2012) expert staff in total left the CFCU in the same year.

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

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

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

3.2. Analysis of the following factors:

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

The main factor that impeded the management and control systems was the staffing gap in CFCU, NIPAC and NAO Office. This problem was partially addressed through the adequate number of staff recruitment in those IPA bodies. With this action there is no staffing gap in NAO Office. After recruitment more additional staff in CFCU and NIPAC, staffing gap will be totally eliminated.

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

In order to monitor the outstanding issues in the management and control system properly, the comprehensive action plan (CAP) which contains all main findings set out in different audits reports, as well as the recommendations, has been established and updated biannually. After the revision of the outstanding issues in line with the letter of the Commission, the CAP has been sent to the Commission on 5 June and 26 December 2012 by the NAO Office. According to this plan, 17 out of 27 findings have been closed. In order to implement appropriate actions and timetables and address open findings, NAO Office will monitor them which are specified in the Comprehensive Action Plan related IPA I bodies.

In order to enforce the NAO supervision capacity and perform effective monitoring over the system, a new department (Risk Management and Control) which is in charge of on-the-spot controls was established in the NAO Office. In 2012, 8 new experts with technical background have been recruited and induction training has been delivered. As of now, there is no staffing gap in the NAO Office. In 2012, two comprehensive training programs for the NAO Office staff have been organized on effective financial verification and on-the-spot control. Procedural and working arrangement of the NAO Office has also been updated in order for the further improvement of the effective supervision. All supervisory activities set out in the procedures have been put into place.

Internal Audit Unit of Treasury is fully committed to IPA related audits. Audit report for the year 2012 was issued. Internal auditor position of CFCU is still empty. There is no progress regarding establishment of the internal audit unit of NIPAC Secretariat. The progress will be monitored by the NAO Office closely.

Since 2011 with the introduction of ROM project to the monitoring system, the MEU has increased its monitoring activities in terms of not only ensuring an effective monitoring but also increasing its own capacity. The MEU staff has accompanied the ROM missions. The on-going ROM contract has been decided and agreed by the relevant parties to be extended for one year. The additional one year of the contract will enable the extension of support to the monitoring staff mainly “on the job” and the parties deploy more focus on relevant capacity building activities.

Another important element of the monitoring activities was the SMSC meetings. In order to increase the SPO representation at the SMSCs, SPOs has been encouraged for persistent presence. It is considered that in parallel to the progress in the negotiation process, SPOs’ interest will further be increased.

In order to ensure that Project Level Steering Committees are being held regularly, these were introduced by the MEU with an official letter dated 6 September 2012 to all beneficiaries. Some of the committee meetings have already been organised in conformity with the relevant outline determined within the scope of the mentioned study.

Related to address potential breaches of the Framework Agreement in the areas of taxes charged on IPA contracts, the Law that gives exceptional status to EU funds in terms of taxing has been prepared and adapted by the Parliament.

In order to facilitate the preparation and to prevent delays in submission of Progress and Monitoring Reports (PMRs) and to strengthen the quality and timeliness of the PMRs, necessary revision was made by the CFCU both in the PMR system and the PMR template, a meeting was organised among the CFCU, MEU, NAO Office, EUD and randomly selected beneficiaries in order to revise the PMR Template and fasten the submission of the reports.

With their letter dated 09.08.2012, the EUD recommended completing the PMRs in a consolidated manner due to backlog in the system. CFCU initiated an intensive work on 16.08.2012 in order to eliminate the backlog in the PMR system. In this vein, the CFCU staff sent e-mails, guided the beneficiaries via phone calls and organised face-to-face meetings in the CFCU and even visited their offices to accelerate the completion of PMRs. Finally, all the PMRs for Q4 - 2011 were completed on 02.10.2012 in a consolidated manner (covering not only Q4 but also the incomplete previous quarters) and Q3-2012 PMRs were completed in a consolidated manner covering also the 1st and 2nd quarters in due time. Therefore, the Q4 2012 was initiated on time and the backlog in the system was eliminated.

In the meantime, the PMR system has been updated according to the new PMR template and the CFCU and the Ministry for EU Affairs (with the contributions of EU Delegation) conducted the training to the SPOs at the CFCU premises on 16-17 May 2012 regarding the new PMR Template and the information to be filled to each field.

Moreover, the screens on the PMR system was amended by the CFCU in order to make the system more user-friendly in accordance with feedbacks received from the users (the work-flow and structure of the system remained same, whereas only visual amendments were made). Accordingly, the CFCU conducted training to all SPOs on 14.05.2013 to introduce the new screens.

Last but not least, in order to prevent any backlog in future, CFCU and MEU have been in contact with the SPOs regularly regarding the filling reports correctly and on time. Also, meetings among related institutions and also SPOs will continue to increase the awareness regarding the importance of these reports for the request for fund. Currently it seems that the system works efficiently and with the implementation of above – mentioned measures effective functioning of reporting system will be ensured.

The staffing capacity of the CFCU is seen as the main concern in audit reports. Although CFCU has been able to manage its staffing capacity so far, high staff turnover still stays as a problem. In order to close its staffing gap, CFCU has launched four recruitment processes in 2012 and will continue to recruit. It is seen that CFCU has been able to manage the sustainability of the staff level.

In order to strengthen and corrective actions need to be taken in case of non-performing SPOs, PAO-SPO meeting has been organised and the SPOs of all on going NPs were informed regarding the overall DIS structure at least once. Supervisory activities of the CFCU over SPOs are integrated into day-to-day project implementation. This way of SPO supervision is in the process of in place and this increase the capacity of the communication between CFCU and SPOs. On the other hand, roundtable meetings as well as the ad-hoc activities oriented to the SPOs continue to be complimentary to the

issue as part of SPO Supervision. Therefore, there are no difficulties on the communication with the SPOs by the CFCU.

The Roadmap under IPA Components I – II was revised which details the progress with regard to the targets foreseen in the document and has been finalized on 27 May 2011. In this context, rejection rate targets in the Roadmap were revised with a view of current trends. Rejection Rate Reports and annexes are received from the CFCU quarterly and after being analysed along with the system weaknesses leading to high rejection rates, these have been submitted to the EC. As it is stated in the reports, ‘Overall Rejection Rate’ decreased to 11% in the fourth quarter, while it was 25% in the first quarter, 35% in the second quarter and 21% in the third quarter. In other words, the rejection rates are in tendency to decrease. When comparing the rejection rates over the years for the service, supply and work contracts; rejection rate is 24% at the end of 2012 while it was 22% at the end of 2011 and for the grant contracts; rejection rate is 30% at the end of 2012 while it was 33% at the end of 2011. Regarding the management of the rejection rates, the CFCU has a continuous progress towards the achievement of targets. The rejection rate targets in the Roadmap were revised with more realistic targets with a view of the current trends and were approved accordingly. Therefore, in comparison to these applicable targets, the CFCU has already achieved considerable goals. Therefore, the CFCU has made a good progress in the management of rejection rates for a considerable number of ex-ante control areas while the rejection rate for the tender dossiers still remains high. On the other hand, trainings and workshops have been conducted and other actions are taken to decrease rejections in the problematic areas.

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

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

All projects /contract implemented under the programme comply with the **Visibility Guidelines for European Commission Projects in Turkey** also published by the EU Delegation to Turkey, at <http://www.avrupa.info.tr/eu-funding-in-turkey/visibility-guidelines.html>

The new supplement visibility guide dated October 2011 serves to complement the existing Communication and Visibility Manual for European Union External Actions in order to specify visibility modalities for projects under the DIS. To facilitate project visibility and the management of visibility-related activities, the supplement includes the roles of the CFCU and EUD, specification of visibility arrangements.

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

The provisions of the Communication and Visibility Manual for European Union External Actions and the complement are mandatory for all Beneficiary organisations/

institutions, contractors, public or private bodies and international organisations receiving EU financial support and any other entity carrying out an action funded or co-funded by the EU.

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

All of the projects assumed as an example of good visibility has been achieved since necessary measures are being taken during the contract management.

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

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

Two TAIB Monitoring Committee Meetings” were held in accordance with the related provisions of the IPA Implementing Regulation during the course of the year, the first of which was held on 15 February 2012 and the second one on 26 June 2012. The operational conclusions of both meetings are presented in **Annex 5** and **Annex 6**.

Two sets of SMSC meetings were organised in the reporting year. The first set of meetings was organised on 21-30 May 2012 and the second set of meetings took place on 12-20 November 2012.

As a reflection of the sector approach, since 2011 the structure of the SMSCs ensures more room to the sector related discussions and includes an agenda item assigned to state of play in the negotiations of the sectors concerned; while the project level discussions are mostly left to the Steering Committees. However, important issues related to projects are dealt with at the SMSCs. As a first application in the second round of SMSCs in 2012, MEU has made presentations on the overall status of the financial cooperation in each sector. The outline of MEU’s presentation mainly focuses on the general overview of the sector, the status of negotiations in the relevant chapter and a few examples of selected representative projects.

The progress and monitoring reports related to the projects have been submitted to the internet based system introduced by CFCU. Four quarterly reports have been submitted for each project. The PMR system and the main format of the reports was reviewed by CFCU in the third quarter of 2012. MEU, CFCU and EUD have spared efforts to increase the level of effective use of the system which would also lead to better reporting and monitoring accordingly.

SEI Projects

Contracting deadline for SEI 2009 programming was 29 December 2012. A total of 27 projects have been financed under the SEI 2009 and only one project was transferred to SEI 2010. Within 2012, the implementation and usage of SEI 2010, which has a total budget of € 7.450.000, continued.

A sum of 3.670.545 euro was allocated to the public institutions in the scope of SEI 2009 which had a total budget of € 3.889.944. The total utilization rate was about 95%.

Within the context of Support Activities to Strengthen the European Integration Process Project (SEI) training sessions for SEI Online Application System, evaluation meetings and workshops were held with the participation of the related public institutions between the dates of January 1- December 31, 2012. It has been decided to continue with these activities in 2013 which are regularly joined by beneficiary institutions.

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

On the other hand, as a result of above mentioned project, in order to ensure sustainability of the Online Application Tool, especially during the maintenance phase, “*Technical Assistance to Ministry for European Union Affairs for Online Application Tool (OLAT) for Submitting SEI Application*” project was launched in 2012.

The contracting deadline for SEI 2010 is September 2013 and will be extended by one year. With the new application system and a more effective handling, the overall usage of SEI 2010 is anticipated to be over 90%.

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

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

During 2012, the organizational structure of the NAOSD was reviewed. In order to enforce the NAO supervision capacity and perform effective monitoring over the system, a new department (Risk Management and Control) which is in charge of on-the-spot controls was established in the NAO Office.

6. Conclusions on:

- Design and implementation of the programme

Since the beginning of the implementation of IPA financial assistance in 2007, the quality of design and implementation of the programme has gradually improved. This is both resulting from the experience gained by the Turkish institutions since the inception

of financial assistance and the continuous efforts of the DIS institutions and EC on training and capacity building activities.

The sector approach in programming, which was introduced for the first time in 2011, has been a very important structural element of the new understanding of programming towards the IPA-II (2014-2020) period. The preparation of Sector Identification Fiches for the 2013 programming instead of classical individual project fiches was initiated within the reporting year. The said fiches have been based on sectoral alignment strategies of Turkey those derived from various national strategies. It can be deduced that the preparations in the course of 2012 in terms of programming developed as a transition towards IPA II of 2014-2020.

In relation to the linkage between monitoring and programming the monitoring reports produced in 2012 have provided valuable information as regards to the design of the projects to be taken into account in the subsequent programming years. The positive effects of the “Technical Assistance for Result Oriented Monitoring in Turkey” (ROM) project to the programming cycle are clearly visible. Interaction between programming and monitoring sub-units and the continuous qualitative exchanges taken place as reflection of the similar actions on the beneficiaries have led us to this conclusion. Throughout these process perception of project success with a view to achievement of results rather than outputs and precautionary approach based on lessons learned have been predominantly adopted. The project, which started in 2011 has clearly increased the monitoring capacity of MEU with both theoretical and on-the-job trainings. Moreover, the recommendations and findings of the ROM reports are taken seriously by most of the beneficiaries and the improvement in the performance of the projects which apply the ROM recommendations is visible in consecutive monitoring reports.

- Management and control systems

In order to ensure that the management and control systems work effectively, NAO Office continues to conduct on-desk reviews, on-the-spot controls and also supervision visits to the MEU and the CFCU. In addition to those, all outstanding issues will continue to be followed by the Comprehensive Action Plan regularly.

- Impact of the programme

The direct impact of the current programme is evaluated through the ROM monitoring reports as well as completed and in progress evaluation studies. As far as the Result Oriented Monitoring missions carried out in 2012 are considered, around 75% of the projects received good or excellent points. This level, which is a very promising development for the impact of the program, is even higher than the previous year.

When it comes to the indirect impact, which entails the projects’ contribution to the sectoral or structural changes, prospects for the future would only be mentioned since wider assessment of the programme on a sector level requires more extensive evaluation studies. Nevertheless, analysis made based on the indirect impact prospects criteria of the Result Oriented Monitoring reports produced in 2012 shows that almost 85% of the projects have a positive prospect for indirect impact.

In addition to these, a couple of thematic evaluations have been conducted during the reporting year. The “Thematic Evaluation on Judiciary and Fundamental Rights in Turkey” which was initiated by DG ELARG, was finalized in July 2012. The conclusions of the evaluation study revealed that some areas relevant to the judiciary and human rights domains, such as conditions of detention and juvenile justice, have

demonstrably improved in the IPA period. However the direct attribution of the improvement to the specific projects in the portfolio is not possible the projects created tangible impacts in full consistency with their objectives.

Another thematic evaluation study, Thematic Evaluation on Environment in Turkey, which was initiated by MEU, started in October 2012 and its outputs are expected to be received by May 2013.

However, despite the positive scene in terms of impact created by the projects, there is still room to make progress so as to improve the overall impact. For this aim, enhanced communication between the institutions working in the same areas should be ensured.

- **Factors imposing risk of non-implementation or delayed implementation**

The factors negatively affecting the implementation stage exist for each DIS actor and need to be handled institutionally. In this regard, the most important points can be specified as:

- Although the Decree Law no:666, which introduced an equalizer to the salaries of the experts in all public institutions, decreased the staff turnover rate in the system considerably, there are still some minor issues related to the staffing in DIS institutions. Especially, CFCU has some risks in this respect since due to the new structure; the relatively advantageous position of the CFCU staff is lost.
- Considering the negative effect of the high staff turnover rate in the previous years and the high number of new recruits, the institutional know-how capacity of the DIS bodies still has space for improvement.
- Because of the long periods experienced in tendering stages in addition to the slow and complex exchange of comments and approval procedures resulting from ex-ante regime, the enthusiasm of the project beneficiaries at all levels seems to have been weakened. Due to the DIS system requirements together with national legislation on ratification necessary for Financial Agreements, time lapse may occur between programming and implementation of the projects. In most cases, because of these time lags the conditions in the programming period would vary during the implementation phase. Also it was experienced for some cases, that the beneficiaries seek different means other than the EU funds to implement their projects due to these factors.
- Though the new institutional structure of the Turkish Public Administration resulting from the restructuring in 2011 has been settled to a great extent, negative effects of the restructuring which are causing minor delays in project implementation have been observed in a very few institutions though in decreasing trend.

7. Recommendations and corrective actions

7.1. Recommendations aiming at:

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

- Strengthening the management and control systems.
- Any other recommendations.

Adequate number of human resources with experience and/or necessary training should be in place in the relevant DIS institutions for accelerating project preparation, tendering and contracting process. Furthermore, CFCU organizes regular PAO-SPO meetings to the relevant SPOs of the National Programmes regarding the PCM, PRAG, DIS structure, irregularities, etc.

In order to strengthen the management and control systems, the main recommendations are as follows;

- Further improvement of the financial management system by establishing tendering, contracting and payment units in the program authorities
- Institutional capacity improvement of the program authorities by recruiting adequate number of staff and receiving trainings regarding technical implementation
- Realistic financial forecast for flow of EU funds
- Planning of administrative and on-the-spot checks in an efficient manner
- Efficient communication of risk management activities within IPA actors
- Improvement of SPOs capacity in order to prepare Project Monitoring Reports
- Reduction and stabilisation of the rejection rates under IPA I-IV for achieving decentralized management without the ex-ante controls of the EC
- Enhancing communication between all IPA actors for more effective functioning of the IPA management and control system (ensuring all actors receive information necessary to fulfil their role)
- Enhancing to take recommendations in the letters and the audit reports of the EC into consideration by the OSs.

7.2. List of recommendations in previous annual implementation report.

Recommendation 1: In addition to the regular PAO-SPO meetings to the relevant SPOs of the National Programmes regarding the PCM, PRAG, DIS structure, irregularities, etc organized by CFCU, adequate number of human resources with experience and/or necessary training should be in place in the relevant DIS institutions for accelerating project preparation, tendering and contracting process.

Recommendation 2: In order to ensure the strengthening of the management and control systems, the findings in the Comprehensive Action Plan for each DIS Institutions in relation to IPA I should be closely monitored and reported periodically to the Commission by the NAO Services.

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

Actions Taken for Recommendation 1: Please see section 3.2

Actions Taken for Recommendation 2: Please see section 3.2

8. Overview of the upcoming period

- An indicative updated time table for tendering and contracting (broken down per quarter) per ongoing programme (⁵).

2009 National Programme	2010	2011(cumulative)	2012 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	1	2	21
Number of calls for proposals launched* * (twinning, grants)	3	3	8
Number of direct grants without call for proposals	-	3	4

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

** *11 twinning projects were launched in 2009.*

2010 National Programme	2011	2012 (cumulative)	2013 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	1	19	11
Number of calls for proposals launched (twinning, grants)	10	-	-
Number of direct grants without call for proposals	1	-	-

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

Please refer to the Procurement Plans for 2009, 2010 and 2011 IPA TAIB in **Annex 1, 2 and 3**. The related information is given in detail but not restricted with the number of tenders in terms of contract types as stated in the table above. Furthermore; the stages, status, number of projects and percentages as well as the budgets, tender types, tender type amounts, etc. are identified in the Procurement Plans.

- Summary of the next programming exercise

The Ministry for EU Affairs continued the project development activities regarding the second part of 2011 by various working group meetings during 2011 and in the first half of 2012 with active participation of potential beneficiaries. IPA-I 2011 National Programme Part 2 Financing Agreement which includes 17 projects with a total budget

(⁵) See Annex 2.

of € 234 million entered into force on 26 December 2012 following its publication in the Official Gazette.

In parallel with the 2010 and 2011 programming years mentioned above, 2012 programming process started in June 2010. As a result of intensive consultations and comprehensive assessments carried out with the European Commission, 14 projects were identified including the “Energy Sector Programme” which was approved for inclusion in the 2012 programming and to be executed under joint management procedures and principles with the World Bank. IPA-I 2012 National Programme Part 1-A Financing Agreement which includes 13 projects with a total budget of € 359 million entered into force on 21 December 2012 after its promulgation in the Official Gazette.

The year was a period of transition by giving up the conventional project approach and passing to a sectoral approach. During this period, the Ministry for EU Affairs as the National IPA Coordinator maintained its leading role with close cooperation with all financial cooperation actors and beneficiary entities.

In line with this new strategic sector approach, the Ministry for EU Affairs ensured that Sectoral Harmonisation Strategies were prepared through working group meetings in the second half of 2011 with the participation of all stakeholders for various sectors included in the 2011-2013 Multiannual Indicative Planning Document in order to identify the priorities and project areas where the resources should be devoted in 2012, 2013 and subsequent planning years under IPA-I.

Further, the Ministry worked with the relevant entities to prepare the Sector Identification Fiches instead of the project fiches in the context of 2013 programming year activities in accordance with the sectoral approach throughout 2012. Since 2013 programming year is regarded as a transitional and preparatory year for the second period of IPA covering 2014-2020 years, the use of sector fiches was implemented only in the following four sectors:

1. Judiciary and fundamental rights
2. Migration management and borders
3. Energy
4. Agriculture and rural development

The Sector Fiches which are, in a sense, a continuation of Sectoral Harmonisation Strategies, identify the areas for which projects may be designed. The Sector Fiches also allow the implementation of instruments that will allow performance assessment of the respective sector.

1-Justice and Fundamental rights,

There will be 7 potential measures to be put in place under Justice and Fundamental Rights sector fiche:

- Strengthening the Legal Aid Service in Turkey
- Performance Assessment and Management System for Judiciary
- Supporting the Individual Application to the Constitutional Court in Turkey
- Enhancement of Participatory Democracy in Turkey: Monitoring Gender Equality

- Strengthening the institutional capacity of Turkish National Police And Gendarmerie General Command regarding Public Order Management, Crowd Control
- Independent Police Complaints Commission & Complaints System for the Turkish National Police, Gendarmerie and Coast Guard
- Improving the Crime Scene Investigation Capacity of Turkey

2-Migration and Border Management,

There will be 4 potential measures to be put in place under Migration and Border Management sector:

- Reinforcement of TR National Asylum System and Supporting Turkey's Efforts to Manage Migration and Supporting Migration Policy Development in Turkey
- Strengthening the Border Check Capacity of Turkey
- Increasing Border Surveillance Capacity of Turkey
- Improving Cooperation Regarding Border Management

3-Energy

There will be 6 potential measures to be put in place under Energy sector fiche:

- Energy Efficiency
- Renewable Energy
- Electricity and Gas Market Development
- Long-term energy scenarios, capacity building and establishment of an Energy Electronic Data Centre
- Improvement of Nuclear Safety Regulatory Infrastructure
- Creation of Awareness in Industry, Private Sector, SMEs, EU and Turkish Public General and All Relevant Stakeholders

4-Agriculture and Rural Development

There will be 5 potential measures to be put in place under Agriculture and Rural Development sector fiche:

- Training of staff on the spot controls (OTSC), Risk Evaluation and IACS Software
- Harmonization of Cross Compliance Rules
- Capacity Building to foster Turkish agricultural system to the European greener agricultural rules and improving of the implementation of the EU's Nitrate Directive
- Capacity Building Regarding Official Controls, Risk Analysis, Animal Welfare, Zoonoses and Animal By-Product Management
- Reinforcement of Turkish Fisheries Management System,

Instrument for Pre-Accession Assistance (IPA II) (2014-2020)

The preparations for the second period of IPA covering 2014-2020 years continued intensively in 2011 and 2012.

Turkey contributed to this process by submitting a number of concrete proposals in the light of experience derived in years by entities that participated in the DIS. The European Commission made public the draft IPA II Regulation in December 2011. The mentioned draft was rigorously examined by the Ministry for EU Affairs and a broad-based consultative process was launched with the financial cooperation actors.

In this process, both broad-based meetings for information exchange and high level meetings for formulating the national policy were organised. At the end of the consultative process, a report including our proposals for the second period was submitted to the European Commission in August 2012. This report included both concrete results relating to the basic principles of IPA and certain problems confronted in the implementation since 2007. The European Commission indicated that for the upcoming period, it would take into account the opinion and proposals of Turkey as the biggest beneficiary of financial assistance. The discussion on the draft regulation is underway, and it is expected that certain points of importance will be laid down in the IPA Implementation Regulation.

ANNEXES

***Annex 1** Procurement Plan of 2009 IPA TAIB*

***Annex 2** Procurement Plan of 2010 IPA TAIB*

***Annex 3** Procurement Plan of 2011 IPA TAIB*

***Annex 4** Recovered amounts from the contractors for 2007&2008 & 2009 IPA I*

***Annex 5** Operational Conclusions of the TAIB Monitoring Committee Meeting on 15 February 2012*

***Annex 6** Operational Conclusions of the TAIB Monitoring Committee Meeting on 26 June 2012*