

SECTORAL ANNUAL IMPLEMENTATION REPORT

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

Prepared by

Ministry for EU Affairs

Date

08 July 2014

Identification

SECTORAL ANNUAL IMPLEMENTATION REPORT	Reporting year (from 1 January until 31 December 2013)
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 :08/07/2014

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:

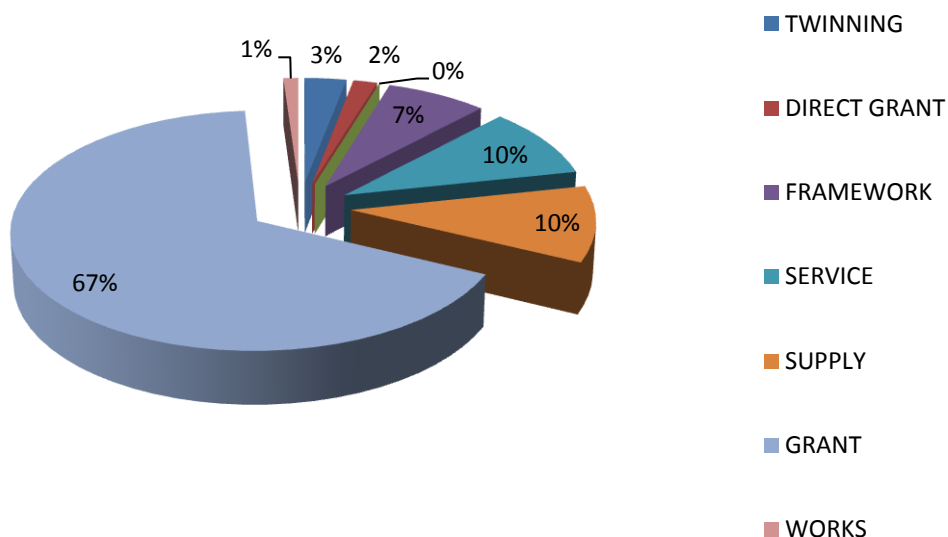
- The quantitative elements of the progress made in implementing the programme, priority axes or operations in relation to specific, verifiable targets, with a quantification, when possible using the operational verifiable indicators (OVIs);

461 contracts were signed within IPA 2007 Component I, 334 contracts were signed within IPA 2008 Component I, 416 contracts were signed within IPA 2009 Component I, 78 contracts were signed within IPA 2010 Component I, 4 contracts were signed within IPA 2011 Component I –Part I and 164 contracts were signed within IPA 2011 Component I –Part II as of 31/12/2013. 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

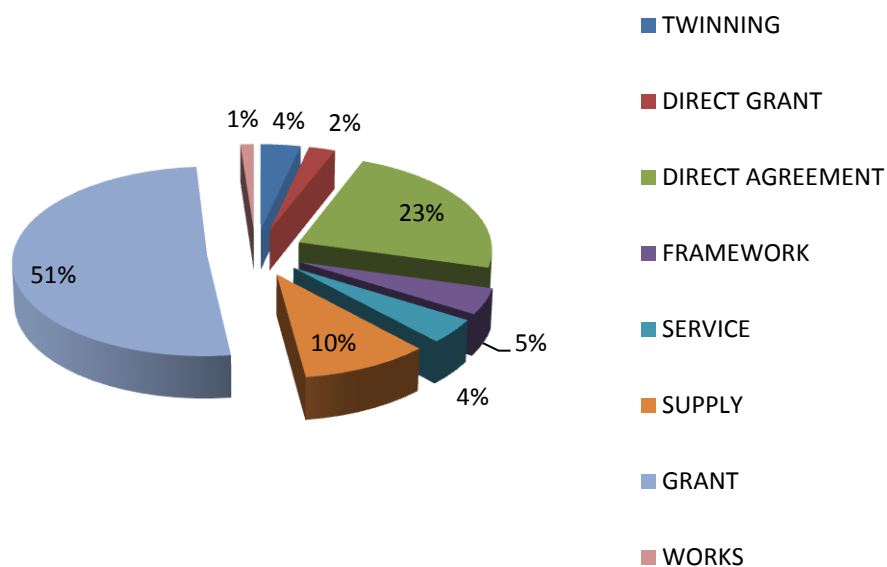


2007 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
AUSTRIA	4
BELGIUM	19
DENMARK	3
FRANCE	6
GERMANY	13
GREAT BRITAIN	14
GREECE	5
HUNGARY	4
IRISH REPUBLIC	2
ITALY	6
LUXEMBOURG	1
NETHERLANDS	4
SPAIN	1
TURKEY	379
TOTAL	461

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

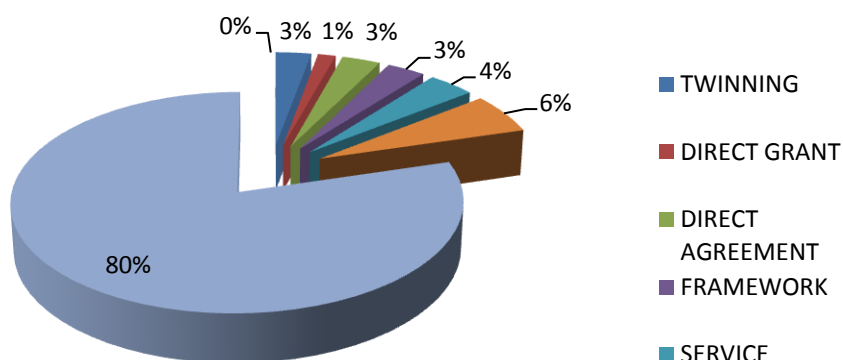


2008 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
AUSTRIA	1
BELGIUM	7
CZECH REPUBLIC	2
DENMARK	2
FINLAND	2
FRANCE	10
GERMANY	6
GREAT BRITAIN	3
GREECE	2
HUNGARY	1
IRISH REPUBLIC	2
ITALY	7
MULTI COUNTRY	3
NETHERLANDS	5
POLAND	1
ROMANIA	1
SPAIN	3
TURKEY	276
TOTAL	334

IPA 2009 Component I

2009 IPA I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
TWINNING	12
DIRECT GRANT	6
DIRECT AGREEMENT	13
FRAMEWORK	13
SERVICE	16
SUPPLY	25
GRANT	331
WORKS	0
TOTAL	416

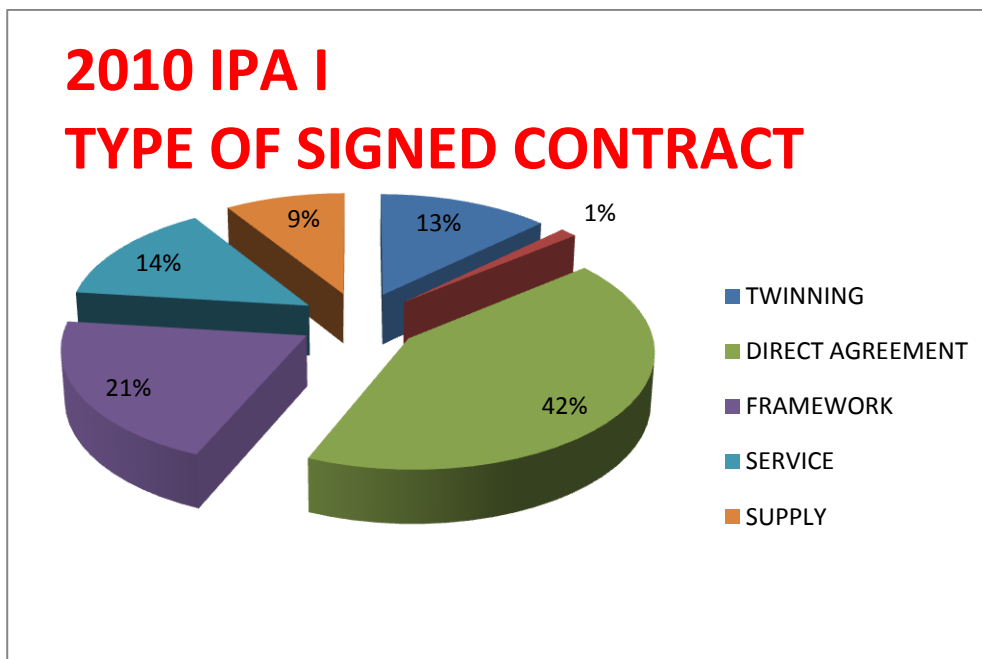
2009 IPA I TYPE OF SIGNED CONTRACT



2009 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
AUSTRIA	1
BELGIUM	7
BULGARIA	1
FRANCE	7
GERMANY	6
GREAT BRITAIN	5
GREECE	5
ITALY	8
NETHERLANDS	4
MACEDONIA	1
SPAIN	12
TURKEY	359
TOTAL	416

IPA 2010 Component I

2010 IPA I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
TWINNING	10
DIRECT GRANT	1
DIRECT AGREEMENT	33
FRAMEWORK	16
SERVICE	11
SUPPLY	7
GRANT	0
WORKS	0
TOTAL	78



2010 IPA I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
BELGIUM	7
DENMARK	2
FRANCE	4
GERMANY	10
GREAT BRITAIN	4
GREECE	1
ITALY	3
MULTI-COUNTRY	1
NETHERLANDS	4
POLAND	2
SPAIN	4
SWEDEN	1
TURKEY	35
TOTAL	78

IPA 2011 COMPONENT I-PART I

2011 IPA I-PART I	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
DIRECT GRANT	4
TOTAL	4



2011 IPA I-PART I	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
TURKEY	4
TOTAL	4

IPA 2011 COMPONENT I-PART II

2011 IPA I-PART II	
TYPE OF SIGNED CONTRACT	NUMBER OF CONTRACTS
GRANT	164
TOTAL	164



2011 IPA I-PART II	
NATIONALITY OF CONTRACTS	NUMBER OF CONTRACTS
TURKEY	164
TOTAL	164

The contracting rate of 2008 IPA-I was realized as 93.5%. Under this Programme with a total amount of 184,9 MEUR, 172,9 MEUR was committed by the CFCU through award of 335

contracts while 11,8 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 31 December 2013, the disbursement rate in this Programme has reached 76,8%.

With the Addendum to the contracting and execution deadlines of the 2009 IPA-I Programme, three different contracting and execution deadlines were set. All of the contracting deadlines has passed, the last one being on 29 December 2013. The contracting rate of 2009 IPA-I was realized as 90.3%. Under this Programme with a total amount of 128,4 MEUR, 115,9 MEUR was committed by the CFCU through award of 416 contracts while 7,3 MEUR has remained unspent. 5,16 MEUR in total (€300.000+€4.750.000+€110.000) could not be utilized, due to the cancellation of the projects “*TR2009/0136.09-01- Technical Assistance for Empowerment of Women and Women NGOs in the Least Developed Regions of Turkey*” , “*TR2009/0326.01- Aligning Higher Education with the European Higher Education Area (EHEA)*” and “*TR2009/0136.06-02- Supply of Equipment on Strengthening Coordination of Anti-corruption Policies and Practices*”. As of 31 December 2013, the disbursement rate in this Programme has reached 51,2%.

A 12-month extension was granted for the 2010 IPA-I Programme and the contracting deadline was set as 19.09.2014. Under 2010 IPA-I, 34 projects with a total amount of 156,8 MEUR is planned to be implemented by the CFCU after Commission Implementing Decision of 17.07.2013. 9,98 MEUR which was formerly allocated for the use of DIS was transferred for the use of joint management of the Syrian project. As of 31 December 2013, 78 contracts were signed with a total amount of 50,7 MEUR 1 MEUR of EU contribution was saved from the tenders as of 31.12.2013

Under the **2011 part-1 of IPA-I**, there are 9 projects, 7 of which are under the responsibility of the CFCU with a total amount of 23,7 MEUR and the contracting deadline with the 1-year granted extension is 26.12.2014. As of 31 December 2013, 4 contracts were awarded with a total amount of 5,97 MEUR. The contracting and disbursement rates in this Programme has reached 25,2% and 58,6% respectively.

Regarding **2011 part-2 of IPA-I**, there are 23 projects 22 of which are under the responsibility of the CFCU with a total amount of 163,5 MEUR and the contracting deadline with the 1-year granted extension will be 26.12.2015. As of 31 December 2013, 164 contracts were awarded with a total amount of 6,4 MEUR. The contracting and disbursement rates in this Programme has reached 3,9% and 90,0% respectively.

As for the **2012 IPA-I**, the FA with a total amount of 173,3 MEUR has entered into force on 21.12.2012. 13 projects 12 of which are under the responsibility of the CFCU will be implemented under this Programme, while additional 13 projects are planned to be funded under ESEI. No contracts have been signed yet.

2013 IPA-I will be a new period where the programming has been made according to the sectoral approach. This programme consists of 4 sectors, 4 projects, ESEI, CSF and Union Programmes with a total budget of 269,3 MEUR. The FA for this programme has not been signed as of 31 December 2013. The tender documents of the projects are being prepared by the Beneficiary Institutions.

Please see Annexes 1, 2, 3 and 4 for the list of projects under 2009 IPA-I, 2010 IPA-I, 2011 and 2012 IPA-I NPs.

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

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 2013.

Examples of Successfully Finalized Projects:

TR 0802.16 - SURVEILLANCE AND CONTROL OF COMMUNICABLE DISEASES (SCCD)

The project, which was executed under the 2008 National Programme, started in October 2010. The original end date of the project was October 2013; however it was extended for 6 months until April 2014. The beneficiary of the project is Ministry of Health. The project with a total budget of 4,5 MEUR, is implemented by World Health Organisation (WHO) through a Direct Grant agreement.

The Overall Objective is to support the Turkish government in its efforts to develop an “Early Warning and Response System” (EWRS) to detect, assess, report and respond to health events and public health risks (hazards of infectious, chemical, radio-nuclear or unknown origin) in line with the “International Health Regulations” (IHR) and the EU communicable disease surveillance system acquis.

The Project purpose is to develop a more efficient Early Warning and Response System (EWRS) for Turkey to comply with acquis communautaire and to operate under the IHR.

The expected results from the project are:

- 1) The EWRS is strengthened by finely tuning technical functions and communications.
- 2) Turkish Field Epidemiology Training Programme (FETP) is institutionalized.
- 3) Improvement of present capacity in microbiology laboratories, support for Turkish EWRS, is extended.
- 4) A National Microbiological Laboratory Training Programme (MLTP) including laboratory management and specific laboratory training programme is institutionalized.

As of September 2013, the project was almost likely to achieve its expected results. All of the result indicators are achieved and even exceeded.

The Project has very high impact prospects and will contribute to Turkey in realising its obligations against IHR of 2005 and the EC Directives. The immediate impact of the Project has already become visible at the central and provincial levels. The EWRS meetings are held every day by managing real cases, backed up with field visits and laboratory surveys. The Project started to enable protecting the public health by means of the EWRS to detect, assess, report and response risks particularly that of the communicable diseases. Upon the recently started stakeholder meetings, the impact will widen through multi-sectoral functioning. Some evidences have already been reported on food safety as a result of close cooperation and coordination with Ministry of Food Agriculture and Livestock (MoFAL). The EWRS piloting in 15 provinces has been progressing quite successful by the efforts of the central and local Ministry staff and the WHO team. The impact will be much higher when structured mechanisms and standardised procedures are established at the provinces.

The EWRS Unit of Izmir Provincial Directorate established through the Project has already prevented a number of communicable diseases and has taken the necessary measures to protect the public health. Strikingly, coordination achieved with stakeholders

such as municipalities, schools, other ministries, public institutions and even civil society have resulted in both expected and several unexpected results such as new regulations and new infrastructure investments.

As to the sustainability of the project, the Beneficiary has the financial and human resources capacity to maintain the outputs/results such as the FETP and Microbiology training curriculum, EWRS operations and event-based management. The Project continues to have significant role in enhancing the institutional capacity of the newly established departments for EWRS, FETP and relevant laboratories, as well as the provincial directorates. The Five year Action Plans for each component will serve for sustaining the results. The IHR National Action Plan will ensure the sustainability of the results in line with the IHR 2005 and EC Directives. The NFP Office for both IHR as well as the EWRS is fully functional. The focal points established at the line Ministries and relevant institutions will also contribute to enhancing their institutional capacity.

TR2009/0329.02 - MODERNISATION OF TURKISH CUSTOMS ADMINISTRATION - VI (RISK MANAGEMENT)

The project, which was executed under the 2009 National Programme, started in January 2012 and was finalized in February 2013. The project was composed of a single Twinning component with a budget of 1 MEUR. It is the sixth part of a series of twinning projects aiming to modernise the Ministry of Customs and Trade (MoCT), formerly the Turkish Customs Administration (TCA), and is mainly focusing on the capacity building of the Risk Management and Strategic Evaluation Unit (RMSEU). The Beneficiary is the Directorate General (DG) Risk Management and Control.

The Overall Objective is strengthening the evaluation, information and risk assessment abilities of Turkish Customs Administration (TCA) so as to hinder illegal trading of commercial goods as well as narcotics, explosive in the process of proper protection of the potential future external borders of the EU and to ensure that TCA is in a position to fulfil the tasks and obligations of an EU compatible Customs Administration. (The TCA latterly became part of the Ministry of Customs and Trade).

The purpose of this project is to upgrade the capacity of TCA through “implementing more effective monitoring and evaluating systems for Risk Analysis, thus augmenting the capacity of monitoring of international trade and preventing fraud”; and “better compliance with EC Customs Blueprints on trade facilitation based on risk management”.

The expected project results are:

- 1) To further strengthen TCAs’ administrative, organisational and operational capacity in the area of Risk Management in accordance with the benchmarks given by the business Change Management Plan (BCMP) and National Action Plan (NAP).
- 2) Continuous professional development (CPD).
- 3) Internships and study visits on risk analysis/assessment especially on pre/post control/activities in Member States (MS).

At the end of the implementation period of the project, all results have been achieved and even exceeded. The three components in the Twinning contract correspond to the Project Fiche (PF) Results. The risk management system was restructured during project

implementation; notably the creation of regional risk management units and the development of upgraded profiling technology. Under Component 1, the initial Needs and Gap Analysis was completed which included legislation, personnel requirements and training needs. Thereafter the Business Strategy and National Action Plan were developed for the period until 2016. The activities within Component 2 which was concerned primarily with training have greatly been exceeded. The target number of 150 trained personnel was exceeded with 727 participants at training and associated events. Additionally, 22 trainers were trained. Guidelines for risk management were also developed, published and distributed. Under Component 3 5 internships and 6 study visits were undertaken; - 3 to Germany and 2 to the UK with an additional study visit to Germany organised in the extension period. The primary activities concerned Authorised Economic Operator (AEO) and associated simplified procedures, determining risk and data mining.

The project has contributed to trade facilitation through the reduction of physical inspections and the consequent increase in traffic flow. The PP has been achieved in respect of the decreased physical inspection rates; the inspection rate for imports has declined from 25% to 15% and 8% to 5% for exports. Through the efforts of the highly committed Beneficiary, particularly with the establishment of the strengthened central unit and the local units, it's now very visible that the systems for Risk Analysis are more effective.

The Overall Objective of the project concerns both security and trade facilitation issues. Although it was not directly in scope of the project, the activities have contributed to several positive developments like AEO and the simplified procedures, New Computerised Transit System (NCTS), affiliation to the Common Transit Convention (CTC) and Fast Parcel Operations. In addition to these direct impacts, the most apparent indirect impacts will stem from improved transit of goods thereby reducing costs and facilitating trade with benefits to the consumer. It is difficult to disentangle the project's contribution to the developments over the past two years from the Beneficiary's own initiatives. However, all the evidence suggests that the contribution was timely and positive – the Twinning was assisting with systems and structures being put in place by providing exposure to EU practice and experience of working systems and not simply providing guidance for future developments. There is now a considerable degree of alignment with the EU in respect of customs union and important progress in respect of Chapter 29.

TR 0702.04 - INTRODUCTION OF QUALITY MANAGEMENT IN THE REVENUE ADMINISTRATION

The project was executed under the 2007 National Programme. It was implemented between January 2011 and October 2012. It was composed of a single service component with a total budget of 1.183 MEUR. The beneficiary of the project is Turkish Revenue Administration (TRA)

The overall objective of the Project is to improve the administrative capacity and efficiency of the tax administration in line with the Fiscal Blueprints. This project constitutes a considerable element in the efforts of the TRA to align the Turkish Tax System with that of the EU directives.

The project purpose is to educate human resources of TRA in order to improve the quality of taxpayer services. So, the voluntary compliance with the tax system and an increase in the tax revenues will be maintained.

Results intended to be achieved during the project can be summarized as follows:

- 1) The infrastructure for the implementation of the European Foundation for Quality Management (EFQM) model is established through its basic tools and frameworks such as self assessment, RADAR benchmarking and other new tools.
- 2) Establishment of a Complaint Management system.
- 3) Creation of a Suggestion Improvement System for suggestions of employees.
- 4) Creation and application of polls for taxpayers and employee satisfaction.
- 5) Creation of process maps, redrafted work process manual and redeveloped work processes of the TRA with view to process optimization and the establishment of a process-based management system.
- 6) Enhanced level of administrative capacity of the TRA for the National Quality Movement.

The project activities may be divided into two groups. The first group of activities mainly aims to provide on Total Quality Management to the staff of TRA. The second group, on the other hand, aims to deliver support for the application of EFQM Excellence Model in TRA and the local offices.

Moreover, the project is linked to the IPA 2007, “Tax Administration Capacity Building Project” which aims to enhance the effectiveness of the tax administration and tax audit as well as the capacity of tax collection through the establishment of a “Call Centre” and the implementation of a Computerized Audit System.

As of July 2013, the evidences indicate that project results have been achieved, while the Beneficiary institution has gained capacity to progress in implementing the EFQM excellence model. It should be noted that the introduction of the overall EFQM quality management is a long-term process with 5 certification stages, which certainly exceeds the duration of the project. The TRA has fulfilled the requirements of the first step of EFQM certification by the project end and on 12/11/2012 has received the validation for the “Commitment to Excellence” upon participating in the Turkish Society for Quality (KalDer) event. This is a significant indication of the TRA’s continued quality development performance.

The absorption capacity of the beneficiary institution is quite high at the headquarters, whereas, the provincial offices at different areas might need more specific capacity development. Thus, a detailed capacity development plan is in place. Evidently, quality improvement is a priority for the top management, which, however needs to be transferred into a widespread realisation of improvements covering all of the provincial offices. The recent Strategic Plan for 2014-2018 directly supports the project results. Meanwhile, the project web-site continues to serve after the completion of the project, which is planned to be linked to the TRA web-site. Similarly, the visibility materials for awareness raising continue to be in use. As long as the top management continues its high ownership and commitment, the project purpose is in track of being achieved.

The project has already started to contribute the following structural changes, some of which are related to enhanced institutional understanding of a long term process of quality management (a process-based management system), an efficient and effective infrastructure for the implementation of the EFQM model through its basic tools and frameworks (TFMS and ESIS; polls for taxpayers and employee satisfaction; creation of process maps, redrafted work process manual and redeveloped work processes); enhanced expertise and capacity for the National Quality Movement. Additionally, a well

developed Strategic Plan (2014-2018) of TRA with the following main features 1.strong relation with the working processes; 2.design of compatible performance indicators; 3.Introducing the concepts of “employee satisfaction” and “quality management” will contribute to the medium term impact.

Meanwhile, the EFQM’s first stage award of “Commitment to Excellence” received will serve for the achievement of the following certification stages widening the impact on the employees and the taxpayers. The new Quality Assurance Unit will ensure systematic TQM improvements widespread at the provincial levels. Quality management assessments have started to be introduced at other provinces, which will indeed improve services and voluntary tax payments. Being the first central government institution conducting the certification process in EFQM model, TRA could be a good example for other public institutions with reference to “continuous improvement culture” and “self assessment” for improvements. The lessons learned could even be disseminated to other public institutions and replicated on a national basis.

TR 0702.26 - SAFER SEAS: UPGRADING OF TURKISH COASTAL RADIO

The project, which was executed under the 2007 National Programme, started in May 2010 and ended in November 2011. It was composed of a supply component with a budget of 2.8 MEUR and a twinning light component with a budget of 0,25 MEUR. The beneficiary of the project is Ministry of Transport, Maritime Affairs and Communications - Directorate General of Coastal Safety (DGCS - former Under secretariat for Maritime Affairs).

The Overall Objective of the Project is to increase safety of life, goods, navigation and environment in Turkish coastal areas.

The Project Purpose is to increase the efficiency of communication in case of maritime emergency operations and service area of the Turkish Coastal Radio.

The expected Results are:

- 1) Legal arrangements regarding implementation and enforcement of maritime safety acquis that has been transposed by administrative bodies.
- 2) Administrative and technical capacity of the Turkish Coastal Radio improved.
- 3) Turkish Coastal Radio digitalized.

An ex-post monitoring mission conducted to the project in 2013 confirm the project documents stating that the two Twinning mandatory results were achieved and this has led to the achievement of Project Purpose. The beneficiary is currently able to serve with a much powerful system responding to calls from vessels sailing all around the world as well as with relevant staff of improved competence and knowledge. Activities for one result addressed transposing of legal arrangements as well as improved knowledge and qualifications of DGCS on EU maritime legislation. The report prepared with recommendations following the analysis of the EU legislation and of the existing national legal procedures has been beneficial particularly for DGCS staff to gain knowledge on EU maritime legislation and technical issues. As for transposed legislation and adoption, twinning activities concluded that there was no need for new legislation but only amendments for certain traffic rules and use of VHF Channels. The drafted legislation to serve this purpose is currently with DGCS to be referred whenever the Ministry initiates these amendments. The other result addressed increased administrative and technical

capacity of DGCS staff to be achieved through intensive training on relevant topics for a total of 265 staff from various departments. However, no structured assessment was made to test the improved capacity. Nonetheless, MS Twinning partner states that improved capacity particularly with the technical experts was clearly apparent during the interactive sessions. Capacity building was also well supported by the study visits and scholarships held in Germany with 16 related staff who confirmed that visiting important centres has enabled them to learn about MS practices of maritime safety systems. These contacts have also strengthened the already established cooperation between two countries.

The supply component has also well contributed to this result. Continuity of these new technical conditions is crucial, yet dependent on the maintenance support to be provided by the supplier company.

Direct impact is already apparent, contributing to “increase the safety of life, goods, navigation and environment in Turkish coastal areas’ (OO). The Twinning outputs, complemented by the supply, have updated the administrative and technical capacity at DGCS, enabling EU-standard services for national/international maritime safety with uninterrupted broadcasting system and higher speed in reaching all the radio frequencies for response. Technical and institutional capacity of DGCS and of Turkish Coastal Radio are improved to reach international standards, evidently serving better for maritime safety at the 8,330 kilometres coastline of Turkey and also worldwide. As for legislative alignment for the minor gaps identified, it is early for the indented impact since the regulatory body to issue relevant legislation is the Ministry.

MS Twinning partner expresses readiness to provide further support to enhance project impact and sustainability especially for the implementation of their recommendations. Project activities already had considerable unplanned positive impacts including the ongoing construction of the emergency/multipurpose vessel, the opportunity for DGCS staff to join Search and Rescue (SAR) training in 2013 in Germany, the improved cooperation stimulated between Turkey and its neighbouring sea countries and the encouragement for DGCS to apply for other EU- funded interventions.

TR 0802.11- IMPROVING THE SKILLS OF FORENSIC EXPERTS

The project, which was executed under the 2008 National Programme, started in March 2011 and ended in March 2013. It was composed of a single Twinning component with a total budget of 2,11MEUR. The beneficiary of the project is The Council of Forensic Medicine (ATK), Ministry of Justice and the co-beneficiaries are Criminal Laboratory of Gendarmerie (JKPD) and Criminal Police Laboratory (KPL).

The Overall Objective of the project is to contribute to the functioning of the judicial system through improving the standards of forensic services in Turkey.

The project purpose is to improve the capacity of the forensic experts in the Council of Forensic Medicine, Criminal Laboratories of Police and Gendarmerie by training and to bring the forensic analysis methods in line with the EU standards.

The expected results of the project are:

- 1) Improved forensic capacity of the Council of Forensic Medicine, Criminal Laboratories of Police and Gendarmerie.
- 2) Improved quality and credibility of expert reports in these institutions.

At the end of the project, the two results were achieved.

Result 1: There is not a uniform EU standard which has been set for all methods of forensic investigation. However in December 2011 the EC endorsed the creation of a European Forensic Science Area 2020. The project could be better described as working towards best practice. The beneficiaries, owing to the nature of their work, have a culture of pursuing scientific and technological developments and attest to the benefits of the know-how exchange and the merits of knowledge of alternative approaches.

Result 2: Accreditation will be achieved on more methods. The quality and the credibility of expert reports in these institutions will improve. In the event the KPL had five areas prepared for accreditation and the JKDB and ATK four each. The accreditation process is underway and has already been awarded in some areas. The remainder will be audited by TÜRKAK (the accrediting institution) within the coming months. The Best Practice Manual was prepared with “ISO 17020” accreditation for CSI in view. Although there is no institution in Europe with this accreditation, the JKDB have consistently stated that this is an aim for all of their CSI units.

The quality and robustness of forensic evidence is an important element in the execution of justice within the national courts. As far more cases are brought before national courts this is where the impact will be more manifest. All three beneficiary institutions have been actively engaged in developing their services and the project is additional to those efforts. The institutions are also active members of the international forensic community and are likely to pursue the aims of the European Forensic Science Area 2020 initiative. The project has brought together experts from the three institutions responsible for forensic investigation in Turkey. Each has its own responsibilities and the final arbiter of the allocation of tasks in any particular case is the prosecutor. Although the CSI best practice manual is basic, it stands as a symbol of cooperation between the KPL and JKDB. While the breadth versus the depth of the project content can be debated, but the coverage of so many areas of forensic science and medicine did draw attention to areas of strength and where comparative weaknesses lay. From this basis it is possible to ensure further development.

TAIEX Activities

During the year 2013, Turkey has continued to use TAIEX tool efficiently. There were 159 workshops, study visits and expert missions held through TAIEX mechanism. Besides, Turkish officials attended 71 multi-country events. In total, 6661 Turkish officials participated to TAIEX activities held in Turkey or other countries. 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.

TAIEX Regional Seminars on justice, freedom and security field (chapter 23 and 24) has been commenced in 2013 under TAIEX Mechanism on the purpose of providing efficient implementation of EU Acquis. The main purpose of these seminars is to assure the effective implementation of the EU Acquis in the provincial organisation of Line Ministries.

Seminar topics are determined by Ministry of Interior and Ministry of Justice. They have decided on the subject “Domestic Violence and Violence Against Women” to be the seminar topic in the year 2013. The content of the seminar programmes has been

designed in corporation with Ministry of Interior, Ministry of Justice and Ministry of Family and Social Policies.

First seminar took place in Gaziantep on 31 January - 1 February, the second one in Antalya on 20 – 21 March, the third one in İzmir on 14 – 15 June and the fourth seminar took place in Trabzon on 20 - 21 September 2013. The relevant staffs of Ministry of Justice, Ministry of Interior and Ministry of Family and Social Policies -both from central and regional administration- were invited to the seminar programmes. In addition to that, academicians, representatives of NGOs and international organizations in Turkey, representatives from EU Delegation to Turkey and EU Member States were also invited to the seminar programmes. Around 150 participants attended to each seminar programme from above mentioned institutions and organizations.

Finally, TAIEX Local Administration Facility (LAF), which was originally addressing the Western Balkans, has been opened to participants from Turkey in 2012. It is envisaged that this initiative both enhances the dialogue between local administrations in all parts and improves the capacity and awareness of the Turkish local administration about EU accession process and its requirements. In this regard, 7 multi-country workshops were carried out on the following themes in 2013:

- Protection and management of water resources,
- EU entrepreneurship and SME policies at local level,
- Anticorruption and conflict of interest,
- Good governance at a local level,
- Urban mobility,
- Decentralization,
- Municipal Services for Children.

Turkey was represented by approximately 100 participants in these workshops.

Participation of Turkey to Union Programmes¹

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 2013 Programmes and European Capitals of Culture. Turkey is also a member of European Environment Agency.

Turkey made a total financial contribution of 185.933.180 Euros to budgets of foregoing programmes and agencies. 67.939.161 Euros of this contribution was received from IPA funds through the project *“TR2012/0465.11 Participation to Union Programmes and Agencies.”*

Turkey made a total financial contribution of 134 MEUR to budgets of foregoing programmes and agencies. 74 MEUR of this contribution was received from IPA funds.

Under the Lifelong Programme, 2597 projects out of 8932 submissions received 105.7 MEUR of funding and mobility of 59,300 people was achieved. Erasmus supported the mobility of 18673 students and 4491 staffs.

¹ Results of some calls opened in 2013 are still not announced. Numbers provided under this section is valid by 2014 May.

Youth in Action Programme supported 783 projects out of 2.713 submissions with 15 MEUR of funding and supported the mobility of 23.950 people.

There are 602 project applications under FP7 in 2013. 83 of these applications have been retained for funding. Turkish partners received 17,4 MEUR funding with total project budget of 141,3 Billion Euros. Mobility of 23 Turkish researchers was supported under the Programme.

Projects including Turkish cultural actors received 200.000 Euros under the Culture Programme.

Under the Customs 2013 Programme, 68 Turkish officials participated in 42 meetings, working visits, workshops and other events and Turkey organized 1 Project Group Meeting as well as hosting 18 customs officers in 6 working visits.

Fiscalis Programme supported 66 officials to take part in 58 events.

Under the Progress Programme, there were 2 project submissions with Turkish partners that were not retained.

- The indicators of the progress in contracting and implementation ⁽²⁾ since the last TAIB Monitoring Committee and reference to the main upcoming tenders and contracts with a realistic procurement plan ⁽³⁾;

⁽²⁾ See Annex 1.

⁽³⁾ Detailed Procurement plan to be attached to the report

	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	128.504.305,68	66.185.644,32	66,00
IPA 2008	156.075.310,00	146.805.053,19	9.270.256,81	94,06	113.262.295,20	42.813.014,80	72,57
IPA 2009	116.334.589,00	105.290.213,59	11.044.375,41	90,05	54.321.204,72	62.013.384,28	46,69
IPA 2010	138.113.880,25	45.863.028,00	92.250.852,25	33,21	22.817.979,02	115.295.901,23	16,52
IPA 2011-Part I	21.308.500,00	5.368.500,00	15.940.000,00	25,19	3.147.365,98	18.161.134,02	14,77
IPA 2011-Part II	138.589.523,00	6.410.529,05	132.178.993,95	4,63	5.769.476,27	132.820.046,73	4,16

Only IPA Community Contribution*

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	142.487.230,00	83.161.904,00	63,15
IPA 2008	184.912.204,00	172.863.790,29	12.048.413,71	93,48	132.822.781,75	52.089.422,25	71,83
IPA 2009	128.352.377,53	115.894.534,96	12.457.842,57	90,29	59.295.292,23	69.057.085,30	46,20
IPA 2010	156.836.759,00	50.731.392,86	106.105.366,14	32,35	25.388.141,18	131.448.617,82	16,19
IPA 2011-Part I	23.665.000,00	5.965.000,00	17.700.000,00	25,21	3.497.073,31	20.167.926,69	14,78
IPA 2011-Part II	163.525.749,00	6.410.529,05	157.115.219,95	3,92	5.769.476,27	157.756.272,73	3,53

*Cut off date 31.12.2013

**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;

MATRA (Social Transformation) and G2G (Government to Government) Programs, which were previously coordinated by the Ministry for EU Affairs, enabled the implementation of joint projects with counterparts in the Netherlands. However, for the last 3 years, due to a policy change made by the Dutch authorities, MATRA Program has been directly managed through the Dutch Embassies in the beneficiary countries. Additionally, in 2012, the G2G Program went through a structural change and is currently a program facilitating the economic relations between the beneficiary countries' companies and their Dutch counterparts. The coordination is done by the Dutch authorities, as well.

Concerning the stakeholders' involvement in the programming and implementation processes, the year 2013 is featured with the intense participation of stakeholders to the programming process of 2013 programming package and also they contributed to the concerted actions of the working groups established for each key sector within the context of preparations for IPA-II period. In that vein, depending on the sub-categories of each key sector the coverage of the working group concerned was stretched out in a way that would include those institutions/NGO's which have comparatively little relevance with the sector.

Stakeholder involvement in the implementation process has also been further ensured with the advent of Project Level Steering Committees of which the scope covers the whole project. As per the implementation principles of these committees; the composition of the committee is not only confined to the NIPAC, NAO, CFCU, the beneficiaries and the EUD but also the committee is advised to call on other institutions, NGOs or similar entities to the meeting if the agenda requires their involvement.

- 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.

According to records from taken CFCU and Legal Consultancy Department of Undersecretariat of Treasury as of 17.01.2014, the information about Lawsuits on Recovery Process are as follows; In Total 124 Cases have been considered. 6 cases have been lost, 65 cases are still ongoing. For 39 cases, the recovery decision has been given by court but the recovery has not been realised yet. For 14 cases, the recovery has been completed.

INFORMATION ON THE CASES	Number	BALANCE OF RECEIVABLES (EURO) (not recovered yet)
1. Lawsuits Lost	6	4.897.420,55
2. Ongoing Lawsuits	65**	3.201.279,80
3. Courts ruled for recovery, yet not recovered	39	1.225.453,27
4. Recovered Cases	(14)	
a.Recovery received (with the waiver of interest)	3	0,00
b.Recovery received before the lawsuit started	2	0,00
c.Recovery amount paid during the lawsuit	3	0,00
d.Recovery including interest (received by lawsuit)	4	0,00
e.Recovery received via Law Nbr. 3533	2	0,00
TOTAL	124	9.324.153,62

According to Overview table which was sent to NAO by CFCU, the recovered amounts are given in the table below:

Contract Number and Title /Project fiche/Programme	Last Irregularity Report Issued	Financial status	Amount (€)recovered PHARE/IPA
TR0305.02/SME/025-REGIONAL DEVELOPMENT IN TR90 NUTS II REGION	16.08.2013	Amount has been fully recovered	4.688,00
TR0405.02/SME/568	25.03.2013	Amount has been fully recovered	26.079,00
TR0604.01-02/003-PROMOTION OF THE CIVIL SOCIETY DIALOGUE BETWEEN EUROPEAN UNION AND TURKEY: PROFESSIONAL ORGANIZATIONS GRANT SCHEME	08.07.2013	Amount has been fully recovered	2.376,00
TR0601.05-01/001-FM 2006 PART II-SHELTERS FOR WOMEN SUBJECT TO VIOLATION	19.07.2013	Amount has been fully recovered	33.779,00
TR08H1.01-01/783 Promoting Youth Employment	10.12.2013	Amount has been fully recovered	21.884,00
TR07H1.02-01/PWE/837	16.07.2013	Amount has been fully	13.623,68

Promoting Women's Employment "Kadınların Tarımda İstihdamı Projesi (KATİP)		recovered	
Establishment of a Reception, Screening and Accommodation System (Centres) for asylum seekers and refugees	30.10.2013	Amount has been fully recovered	450.000,00
Dissemination of Model Prison Practices and Promotion of the Prison Reform in Turkey (Ateliers)	02.04.2013	Amount has been fully recovered	79.805,30
TR0804.01-01/FWC/030 Support Activities to Strengthen the European Integration Process Providing Technical Assistance for Mental Health and Drug Addiction Treatment Services in Prisons	16.08.2013	Amount has been fully recovered	23.530,50

Recovered amounts from the contractors under IPA 2007-2008 Component I, IPA 2009 Component I were given in Annex 5. Moreover, the related information where the recovery process is resuming is also given as a Table in Annex 5.

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

Analysis of the following factors:

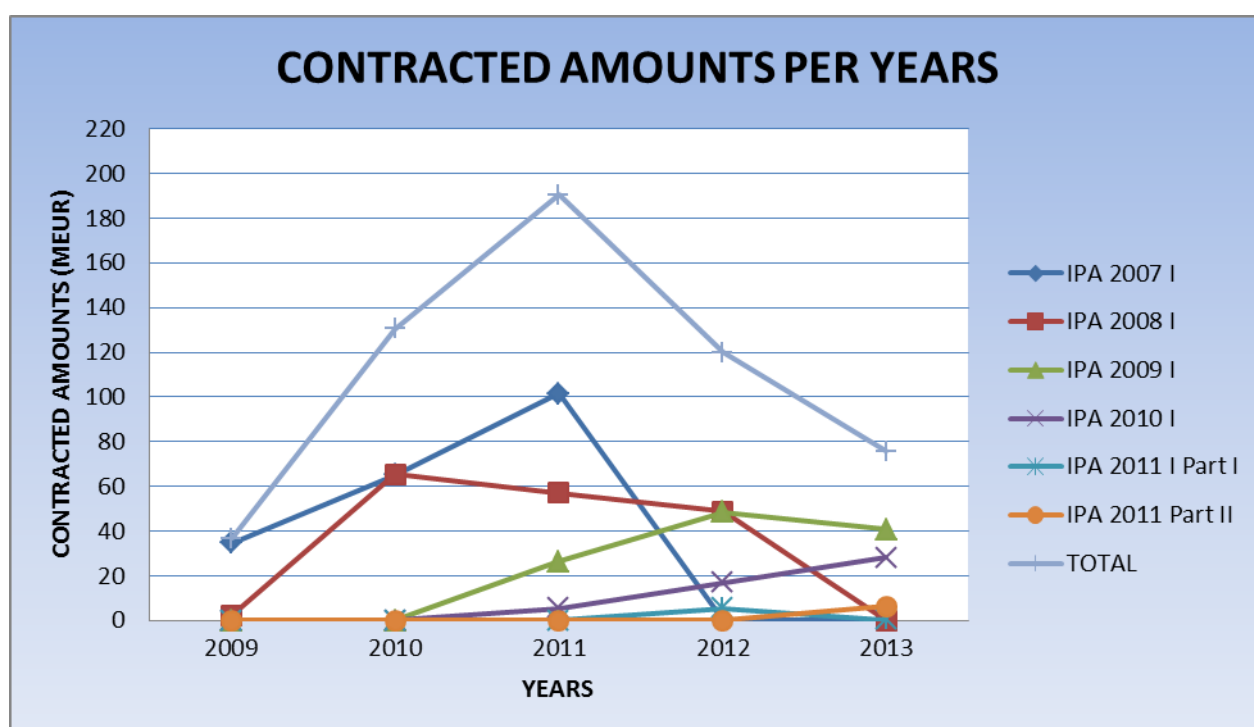
- Factors that impeded and/or delayed the financial implementation.
- Factors that had a positive impact on the financial implementation.

⁽⁴⁾ See Annex 1.

Contracted Amounts per Years

CONTRACTED AMOUNTS PER YEARS					
Programme*	2009 (MEUR)	2010 (MEUR)	2011 (MEUR)	2012 (MEUR)	2013 (MEUR)
IPA 2007 I	34,6	65,2	101,4	0,00	0,00
IPA 2008 I	2,2	65,3	57,1	48,7	0,00
IPA 2009 I	0,00	0,00	26,5	48,5	40,8
IPA 2010 I	0,00	0,00	5,5	17,0	28,2
IPA 2011 I- Part I	0,00	0,00	0,00	5,56	0,4
IPA 2011 I- Part II	0,00	0,00	0,00	0,00	6,4

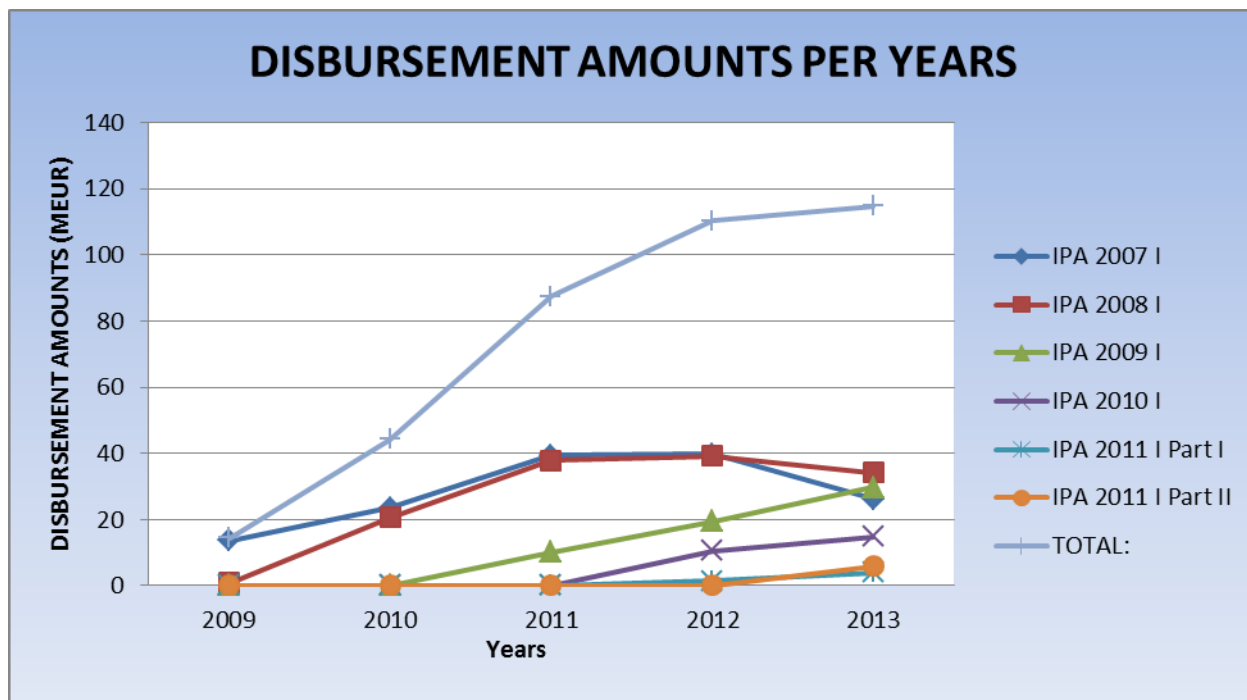
*Cut off date 31.12.2013



Disbursement Amounts per Years

DISBURSEMENT AMOUNTS PER YEARS

Programme	2009 (MEUR)	2010 (MEUR)	2011 (MEUR)	2012 (MEUR)	2013 (MEUR)
IPA 2007 I	13,6	23,6	39,4	39,7	26,2
IPA 2008 I	0,9	20,6	37,9	39,2	34,2
IPA 2009 I	0	0	10,2	19,4	29,7
IPA 2010 I	0	0	0	10,6	14,8
IPA 2011 I Part I	0	0	0	1,5	4,0
IPA 2011 I Part II	0	0	0	0	5,8



The contracting rates in 2006 and 2007 National Programmes were 84,2% and 89.1% respectively. In 2006 NP, the allocated amount was 451,433 MEUR while the contracted amount was 379,991 MEUR. In 2007 NP, the allocated amount was decreased to 225,649 MEUR while the contracted amount was 201,152 MEUR.

As it is well known, the original contracting deadline of 2008 NP was 31.10.2011 while there were some projects which the contracting deadlines were extended to 31.03.2012 due to their risky situations which were agreed with the relevant DIS actors previously. 2008 IPA-I budget of the CFCU was 184,912 MEUR and the contracted amount was 172,86 MEUR which means a 93,5% contracting rate as of 31.12.2013.

In 2009 NP, the allocated budget was 128,352 MEUR. The last deadline for contracting period for this program was 29.12.2013 and the contracted amount was 115,89 MEUR which means 90,3% contracting rate as of 31.12.2013.

For the 2010 NP the contracting rate was 32,35%, the allocated budget for the program was 156,84 MEUR and 50,7 MEUR was contracted as of 31.12.2013. The contracting rate for the 2011 NP (IPA-I Part Ia) was 25,21% while the commitment amount was 23,67 MEUR and the allocated budget amount was 5,97 MEUR. The contracting rate for the 2011 NP (IPA-I Part II) was 3,92% while the allocated budget amount was 163,53 MEUR and the contracted amount was 6,41 MEUR. The contracting deadlines for 2010 NP, 2011 part I and part II will be extended for an 12-month. The concrete figures will be determined when the contracting processes are completed for the extended programmes.

It can be concluded that the contracting rate for the programmes in IPA-I (2007, 2008 and 2009) that the commitment deadline was realized above 90% over the years and it shows a high ratio in the recent years due to the efforts and the gained experiences of all DIS actors.

IPA I - Disbursement amount on yearly basis (thousand €)

Programme	IPA I - Disbursement on yearly basis (million €)					
	2009	2010	2011	2012	2013	Total Disbursement
IPA I (a) + (b)	136,036	128,72	148,729	199,89	180,218	793,593
Projects (a)	14,313	39,917	81,212	95,126	97,255	327,823
Union Programmes and Centralised Projects (b)	121,723	88,803	67,517	104,764	82,963	465,77

IPA I - Contracting and Disbursement Amounts (million €)

Programme	IPA I - Contracting and Disbursement Amounts (million €)									
	EU Allocation (MIFP) (1)	FA Budget (2)	end of 2012				end of 2013			
			Contracting Amount (5)	Disbursement Amount (6)	Contracting Rate (5/1)	Disbursement Rate (6/1)	Contracting Amount (7)	Disbursement Amount (8)	Contracting Rate (7/1)	Disbursement Rate (8/1)
IPA I (a) + (b)	1.617,00	1.390,41	876,83	613,37	54,23%	37,93%	928,28	793,593	57,41%	49,08%
Projects (a)	1.150,70	924,11	411,12	230,57	35,73%	20,04%	462,57	327,823	40,20%	28,49%
Union Programmes and Centralised Projects (b)	466,3	466,3	465,71	382,81	99,87%	82,10%	465,71	465,77	99,87%	99,89%

The implementation of IPA I - Component started in 2009. The contracting and disbursement amounts have substantially increased year by year.

Regarding IPA Component I, disbursement and contracting rate is 49, 08% and 57, 41% respectively, and disbursement amount including union programmes have been reached 793,593 million Euros at the end of 2013. It seems that there is an upward trend in the disbursement amount year after year.

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 2014 without any reservation. Based on the outcomes of the supervision activities carried out by the NAO Office throughout the financial year 2013 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 systems 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 analysed.
- 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 both from 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. The number of staff has reached to a stable level. There has not been a change in the number of staff within 2013. 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.

There has been progress for the establishment of the Internal Control Unit in Ministry for EU Affairs. The long-awaited council of ministers decree was promulgated on 16th of May 2013. The relevant unit of the ministry is expected to take necessary steps for the recruitment of auditors.

The contribution of the “Technical Assistance for Result Oriented Monitoring in Turkey” (ROM) Project, which started in January 2011, has continued through 2013. 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. However, in order to better use the remaining limited budget in the protracted period by applying the ROM method as many projects as possible, the frequency of monitoring missions were reduced to once a year during 2013 which was twice a year in its initial scope. During 2013, 78 monitoring missions, 27 of which were ex-post monitoring, were held 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 in order to be considered for the future ROM activities. The general results and findings obtained by the ROM team were also presented to the relevant stakeholders during the SMSC meetings.

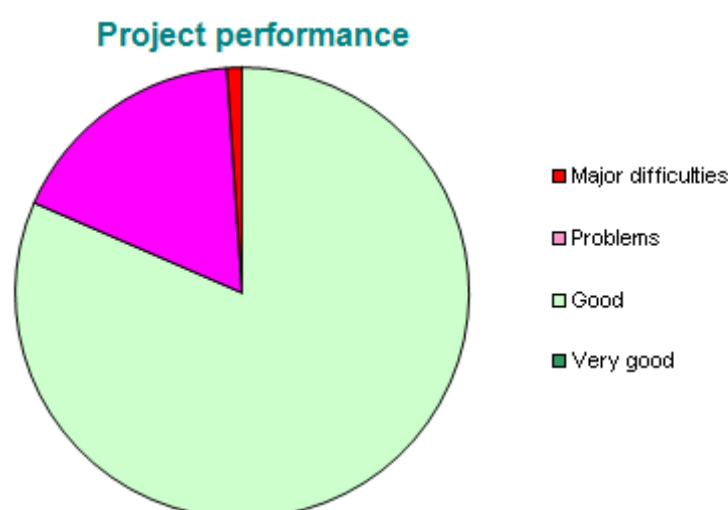
In terms of capacity building, ROM project has provided comprehensive and targeted training to the responsible MEU staff. Increased involvement of MEU monitors in the monitoring process has enhanced their role in project management meetings and strengthened MEU's monitoring activities. Acquired knowledge and skills led to increased competence of the FCD's monitoring staff. MEU monitors actively participated to more than half of the monitoring missions in 2013 (49 out of 78). The MEU monitors have taken an active role in almost all stages of the monitoring missions from participating the interviews to contributing to the monitoring report.

Measured by the widespread positive responses from stakeholders, it can be concluded that ROM has successfully been introduced in Turkey. This is evident from an increasing number of confirmations that ROM reports, especially the recommendations, are formally discussed in the project steering committee meetings. The project was finalised with a large scale closing event on 20 December 2013 with the participation of high level representatives of the beneficiary institutions.

The overall three-year findings of the ROM project reveal that the performance of 93 projects which were subjected to ROM is as follows:

Project Performance		
Very good	0	0%
Good	76	82%
Problems	16	17%
Major difficulties	1	1%
Total	93 Projects	100%

The above scores are the aggregated scores of all monitoring missions conducted for a project throughout the implementation period of the ROM-TR project.



Another very important element introduced in our monitoring system has been ex-post monitoring. The ex-post monitoring missions were first introduced in 2011 with the monitoring of five pilot projects. In 2013, the ex-post missions within the scope of the

ROM project were continued with the ex-post monitoring of 27 completed projects from the IPA period.

Additionally, following the request from EUD, MEU organised ex-post monitoring missions to four solid waste projects from 2005 and 2006 programming years. Three of these missions (Amasya, Çanakkale and Bitlis Regional Solid Waste Management Projects) were completed in 2013 whereas the mission for Kuşadası Solid Waste Management project was delayed to the beginning of 2014. All of these missions were programmed and organised by the MEU with the participation of monitoring staff from the IPA unit of Ministry of Environment and Urbanism. The findings of the missions were shared with all relevant institutions together with the EUD and follow-up of the corrective actions will be assured.

There were four evaluation studies which were on-going or completed during the reporting year. Out of these four studies, one evaluation was initiated by MEU and the rest of them were run by EC. The evaluations can be listed as follows:

1. Thematic Evaluation on Environment in Turkey (Initiated by MEU, finalised on July 2013).
2. Ex Post Evaluation of the Assistance Provided by the EU's Turkish Pre-Accession Instrument, 2002-2006 (Initiated by EC, finalised on October 2013)
3. IPA - Interim Evaluation and Meta-evaluation of IPA Assistance (Initiated by EC, finalised on September 2013)
4. Evaluation of European Commission Support to Private Sector Development in Turkey (Initiated by EC, finalised on November 2013)

The recommendations of these evaluations can be briefly summarised as follows:

Thematic Evaluation on Environment in Turkey

- The National EU related environment strategy with well formulated and focused priorities should be launched as soon as possible. Its development should be consulted with Civil Society Organisations (CSOs) and receive national support.
- Priorities and objectives should be more precisely defined and better focused under IPA 2. Focus on climate change also should contribute in accordance with the EU priorities in order for Turkey to reach the best possible compliance with the EU standards.
- MIS should reply to project owners' needs/line ministries and allow proper access to data to facilitate effective monitoring and self-evaluation of projects, and initiation of corrective action.
- A project management group should be formed immediately after approval of the draft PF, thus helping to improve the coordination of project contracting, management and sustainability.

Ex Post Evaluation of the Assistance Provided by the EU's Turkish Pre-Accession Instrument, 2002-2006

- Budget allocated should be increased for IPA 2. There is a need to increase the allocated budget against the rather ambitious IPA objectives. Another solution to this issue could also be to consider IPA 2 as leverage to benefit from other donors such as WB, USAID etc.

- Pilot projects should be rolled out. Multi-phased projects can offer a good solution to this issue as they're implemented over a few years and can be interrupted or resumed (after refocusing) just as funding is provided and as new needs arise.
- The project intervention logic and its design need to be based on a specific needs assessment.
- Continuous delays in the ex-ante approvals and also changes to procedures and formats should be avoided. Ex-ante approvals during programming should be abolished.
- When appropriate, technical specifications for procurement projects should be prepared through FWCs with the active involvement of line beneficiaries.
- Design should include dissemination of results at the regional level and coordination between relevant public and social stakeholders, more particularly for enforcement purposes.
- The design phase should cover an exit strategy specifying what to do (what actions should be taken) after a project is over and the BAs should be made aware of the fact that they should follow up on their projects with concrete actions.
- Number and capacity of CFCU staff should be increased. High turnover at CFCU should ideally be decreased. This would help catch up with the deadlines effectively.
- Direct grant agreements should be preferred among the types of contracts.
- Logframes should include SMART OVI (objectively verifiable indicators), realistic assumptions, conditionality and monitoring, more particularly at the result level, to ensure smooth implementation of project activities.
- Ex-post monitoring mechanism should be enforced by the EUD and DIS players to better analyse and follow up on real impact and sustainability of project results.
- Follow-up projects should be required to provide evidence that previous project results and impacts generated have been sustained.
- To align with the EU Acquis, primary and secondary legislation drafted as a result of EU-funded projects should be adopted and capacity building on law enforcement should continue.

IPA - Interim Evaluation and Meta-evaluation of IPA Assistance

- The programming process should be abbreviated and limited to the establishment of sectoral objectives in line with the Accession agenda, conditionalities and performance criteria. Translation of these sectoral objectives into specific projects, entailing more detail, should take place after preparation of Financing Agreements.
- Programming should be results-based and less focused on the outputs.
- Programming should become more results based. Introduce the system of Implementation Completion Reports that are the responsibility of both the beneficiary country and the EC services and not the obligation of the contractor.
- Staff recruitment and turnover needs to be analysed by the national aid co-ordination structures on a national level and even on a beneficiary level before the development of mitigation strategies, again, either on a national or beneficiary level. Conditionalities, or beneficiary commitments, in terms of minimum staffing levels could be developed.
- Strategic planning for IPA 2 needs to base impact level indicators on the IPA Regulation to clearly link national policy with the IPA.
- Sectoral planning should include the analysis of data availability at the policy objective and project impact level. It should be acknowledged in the planning

stages that where data is missing funds have to be provided for data gathering or alternative proxy indicators have to be sought.

- Project and programme monitoring should orientate from the EUDs onto the National IPA Coordinators (NIPACs) via sectoral co-ordination committees at the earliest opportunity in those countries where it has not already been established. External evaluation contractors should be established at national level in beneficiary countries to provide a range of inputs to the programme management process.
- Where institutions supported by the IPA are to be closed, justification should be provided to the Commission Services on how the capacity developed will be retained.
- IPA management units should be absorbed into the operational structure of beneficiaries.
- There is a need for more robust capacity assessments prior to embarking on more sizeable support to new beneficiaries, to be able to scale the support appropriately to the beneficiaries' absorption capacity.
- Donor co-ordination should be increasingly managed primarily by the national authorities. The EUD should continuously stress the importance of donor coordination for the beneficiary authorities.
- Where needed, further guidance on the practical aspects of the implementation of the sector approach under IPA 2 should be provided to national authorities, inter alia to assist capacity building efforts.

Evaluation of European Commission Support to Private Sector Development in Turkey

- Improve the implementation of EU-funded projects through the flow of information collected from other EU programmes or from programmes funded by other donors.
- To assess a project's know-how transfer, absorption and replicability capacity in order to increase the general efficiency of EU-funded projects.
- Dedicate PSD support to the most dynamic SMEs all over the country.
- To assess the achievements of EU-funded PSD support projects and programmes more frequently, e.g. through Monitoring and Evaluation.
- Enforce the EU Acquis in Turkish SMEs by supporting the implementation of EU standards and best practice.
- Strengthen Donor Coordination in order to considerably enhance aid effectiveness.

COMPLETED AUDITS by AUDIT AUTHORITY (AA) in 2013

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 Accounting Activities in CFCU” was prepared on 16 August 2013.
- “Subsystem Report on Accounting Activities in NF” was prepared on 16 August 2013
- “Subsystem Report on Programming Activities in NIPAC” was prepared on 16 August 2013.

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

AA has identified 14 findings during the subsystem audit work. 1 of these findings is of major risk level, 8 of the findings are of intermediate risk level and 5 of the findings are of minor risk level. Also 3 of the findings are related with the design of the system and remaining is related with the functioning of the system.

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

According to the Memorandum of Understanding on the establishment of the National Fund, the NF shall operate a double entry or analytical accounting system covering all contractual and other financial operations pertaining to all programmes. However, the accounting software at the NF has not been used since last year because of collapse of accounting software PRESTO. As a result, commitments and payments for 2013 have not recorded because of the aforementioned reason. NF decided to purchase new accounting software and this procurement process is ongoing. The AA will perform a follow-up process whether audit concerns and commitments of auditee, regarding the procurement process for new accounting software is done and accounting system works again, and all transactions for the year 2013 are recorded to the programme.

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

Except for the effects of the weaknesses identified during subsystem audit, according to AA, the accounting systems established by Central Finance and Contract Unit and NF and programming activities established by NIPAC are effective and functioning, in all material respects based on the accreditation criteria and requirements of IPA Implementing Regulation 718/2007.

In conclusion, the level of assurance obtained from the effectiveness of the overall system can be classified as “**Category 2: Works but some improvements are needed**”.

Systems Audit has been conducted by the AA and no other body has been involved.

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, 2008, 2009 and 2010 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 Monnet 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: List of Projects Selected for On-the-spot Visit

Project Number	Type of Tender	Project Title	Budget (Euro)
TR0702.06-03	Supply	Supply of Equipment for the Implementation of Nitrate Directive Project	2.935.471
TR0702.07-02	Supply	Institution Building on Air Quality in the Marmara Region	3.031.518
TR0801.05-02	Supply	Strengthening Special Education (SSE)	545.805,00
TR0801.06-02	Supply	Supply of Equipment for Strengthening Pre-School Education	3.018.201
TR0802.12-02	Supply	Strengthening the Investigation Capacity of Turkish National Police and Gendarmerie Against Organised Crime	4.151.250
TR2010/0312.02	Supply	Supply of FMD Vaccines for Control of Foot and Mouth Disease (FMD) in Turkey	5.526.000
TR0702.17-03	Works	Establishment of a Reception, Screening and Accommodation System (Centres) for asylum seekers and refugees	88.616.667
TR0802.14-02	Works	Strengthening Forensic Capacity of Turkey	12.750.000
TR0702.13-03/003	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (Akdeniz Turistik Otelciler Ve İşletmeciler Birliği Derneği)	235.880,36
TR0702.13-03/ 006	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (TÜBİDER Bilişim Sektörü Derneği)	366.953,57
TR0702.13-03/010	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (Türkiye Kimya Petrol	237.452,29

		Lastik ve Plastik Sanayii İşverenleri Sendikası)	
TR0702.13-03/027	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (Ankara Sanayi Odası)	297.425,82
TR0702.13-03/056	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (Türkiye Liman İşletmecileri Derneği)	255.517,29
TR0702.13-03/069	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (Ankara Sanayi Odası 1. Organize Sanayi Bölgesi)	289.685,74
TR0702.13-03/087	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (Alanya Ticaret Ve Sanayi Odası)	280.650,30
TR0702.13-03/096	Grant	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey (Antalya Ticaret ve Sanayi Odası)	270.989,85
TR0703.01-02/246	Grant	Civil Society Dialogue-II: Fisheries and Agriculture (Alanya Muz Üreticileri Birliği)	113.680,01
TR0703.01-02/326	Grant	Civil Society Dialogue-II: Fisheries and Agriculture (Kocaeli Büyükşehir Belediyesi)	166.674,22
TR0703.01-01/236	Grant	Civil Society Dialogue-II: Culture and Arts (Femin & Art Kadın Sanatçılar Derneği)	112.488,03
TR0703.01-01/110	Grant	Civil Society Dialogue-II: Culture and Arts (ODTÜ Mezunları Derneği)	140.039,55
TR0801.06-03/188	Grant	Strengthening Pre-School Education (Zehra Kitapçioğlu Anaokulu Müdürlüğü)	77.172,89

Audit of Operations was carried out within this perspective. For audit of operation findings AA did not prepare an individual audit report, instead those findings are attached to the AAAR.

Audit of operations has been conducted by the AA and no other body has been involved.

AA has identified 18 findings during the audit of operation work. 6 of these findings are of intermediate risk level, 1 of these findings is of minor risk level and the remaining 11 findings are related with grant and not rated according to risk level.

Financial impact of the audit of operation finding was also assessed by AA. In the end a total number of 45.308,10 Euros was detected as ineligible expenditure. The AA recommended that CFCU should start a recovery process regarding subject amounts.

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, 2008, 2009 and 2010 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

The audit work of AA for the period of 01 October 2012 - 30 September 2013 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 November 2013 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 11 previous year's audit findings for NAOSD/NF;

- 9 findings are addressed
- 1 findings is partially addressed, (Major)
- 1 findings is open, (Minor)

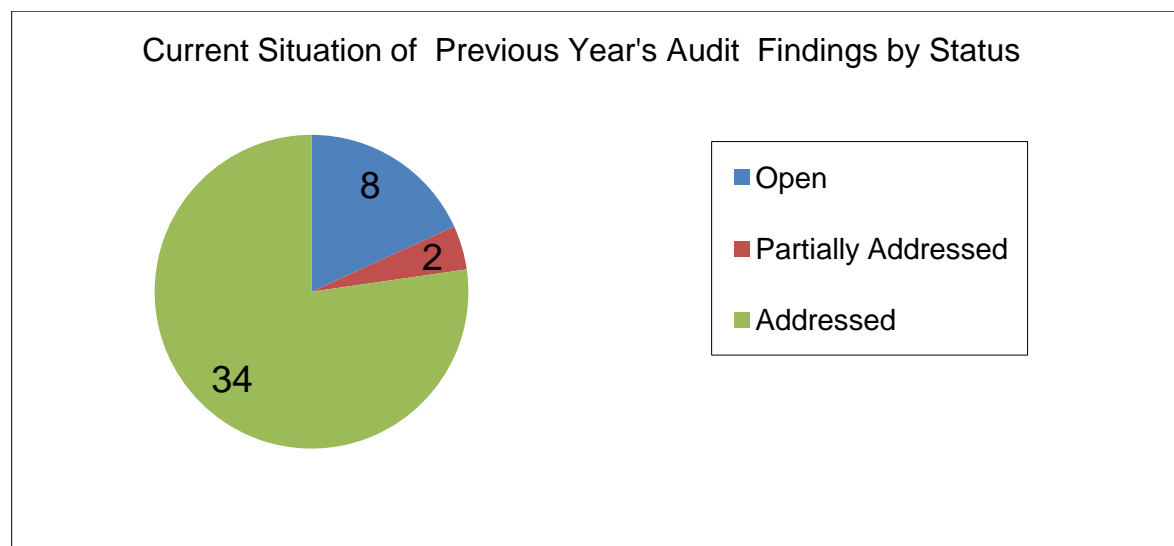
It has been understood that of the total 25 previous year's audit findings (2011-2012 Audit of Operation 7 findings, Monitoring Sub-system in year 2012 12 findings, 2010-2011 Audit of Operation 2 Findings, Tendering Sub-system in year 2011 3 Findings, Previous Year's Audit Findings 1 Finding) for CFCU;

- 20 findings are addressed
- 2 findings are partially addressed (1 of them is Major, 1 of them is intermediate)
- 3 findings are open (3 of them are Minor). 1 of the open findings is from 2011-2012 Audit of Operations, 1 of them is from Tendering Sub-system in year 2011, and 1 of them is from Monitoring Sub-system in year 2012.

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

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

Figure: Current Situation of Previous Year's Audit Findings by Status



Of the remaining open/partial addressed findings Major Finding is detailed briefly below;

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

- During the Audit of Operations in 2012, it was detected that some of the payments executed without "read and approved" from SPOs. Also, the issue was one of our audit findings in the previous years. 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.

- During the review of selected tender dossiers, related correspondences and documents the following issues were identified by Audit Team;
 - CFCU established a database for recording the outcome of the ex-ante controls performed by the EC Delegation over the tendering documentation and procedures managed by CFCU.
 - According to the targets for rejection rates determined in “Roadmap for Full Decentralization Without Ex-ante Controls of the EC for Full DIS“ only in the approval of the Evaluation Committee, rejection rate was realized below the target for 2010. (%6 vs. %10) On the other side, realized rejection rates for certain procedures which are subject to the ex-ante approval such as “Publication of Procurement Notice”, “Approval of Tender Dossier”, “Establishment of Shortlists” are over the targets.
 - CFCU officials informed AA that they made detailed analysis of the rejection rates during the preparation of updated version of the Roadmap which has led to conclusion that the main problems are related to the limited capacities of the beneficiary institutions in charge of technical input in the implementation process.
 - Furthermore we identified that late submission of TS, ToRs and other related documents from SPOs, getting EUD approval after several times of rejection due to various reasons emanated both from CFCU and EUD results further problems in project implementation e.g. need for Project Fiche modification, late contracting or non-contracting of tenders at all.
 - Based on the discussions and decisions taken in JMC meetings, projects which are in risky situation in terms of time, budget and extension or budget re-allocation were assessed by CFCU and though an addendum to the Financing Agreement, the contracting deadlines for some projects in 2007 and 2008 NP were extended. However after the extension, last minute contracting is still the case for some projects as it was experienced in the previous years.
 - We have further been informed by the QACD and Contracting Department that within the CFCU any rejection from EUD is communicated to related CMs immediately, and there is a constant communication between Contracting Department and QACD in order to decrease rejection rates to acceptable levels. CFCU officials also informed AA that in March 2010 and April 2011, 2 workshops were organized for staff in Procurement Section.
- AA has determined that “European Community Contribution Agreement with an International Organization“ template was used for all the Direct Grant Agreements signed in 2007 and 2008 NPs. However the related PRAG articles states some preliminary conditions for the use of Contribution Agreement Template by Contracting Authorities such as a “four-pillar assessment” before the contract signature. AA has been informed that CFCU did not perform such a four-pillar assessments in international organizations such as UNDP, Council of

Europe, WHO etc. In order to finalize their assessment, Audit Team needs some further explanation on the usage of Contribution Agreement template.

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

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 for the “usage of contract.net in CFCU”, NAOSD did not perform any assessment study as of our field work period. Regarding this issue, during the preparation of Annual Audit Activity Report for period October 2010-September 2011, AA had been informed that CFCU wrote an official letter on 15.09.2011 and informed NAO that they would proceed with the usage of contract.net within the CFCU for daily operations, for record keeping and reporting in order to ensure their works in the most proper and effective way. Last year NAOSD officials also informed AA that they would analyze the issue and for that purpose they had asked CFCU to provide NAOSD access right to contract.net. However it has been determined NAOSD doesn’t have access right to contract.net yet and did not perform any assessment on the system. Regarding the usage of contract.net in CFCU, NAOSD should start and finalize their assessment as soon as possible whether accreditation requirements are still met should inform the Commission and the Audit Authority about the results of their assessment.

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

The Comprehensive Action Plan (CAP) is sent to the EC semi-annually to follow-up the main issues of the IPA Component I. It consists of the all findings from different audit reports with the decision taken in the TAIB Monitoring Committee Meeting on 15 February 2012. Within 2013, the CAP was submitted to the EC on 31 May 2013. A fact-finding mission was performed by DG ELARG regarding the outstanding issues in the MCS under IPA I in relation to the NAO’s CAP and open conferral of management conditionalities on 20-21 June 2013. Following this audit, the detailed analysis and conclusions per finding in the CAP was received on 09 September 2013 and it was reported that most of the findings were addressed by the EC. Then, the updated version of the CAP including these remaining open findings was sent to the EC on 01 November 2013. The last status of the findings is as follows;

	Open	Partially Addressed	Addressed
NAO	1	2	1
NIPAC	1	-	3
CFCU	12	3	5
Total	14	5	9

The main findings in the CAP are as follows;

In order to enforce the **NAO supervision capacity** and perform effective monitoring over the system, a new department (Risk Management and Control - RMCD) which is in charge of on-the-spot controls was established in the NAO Office within 2012. 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. To ensure the verification of the existence and effectiveness of the management and control system, NAO RMCD conducts on the spot checks to IPA units to verify that they are still operating in line with the accreditation criteria. Within this scope, 84 On the Spot Checks were realized in 2013.

Regarding the **internal audit** issue, while CFCU has recruited an internal auditor, there is no progress regarding establishment of the internal audit unit of NIPAC Secretariat. The progress will be monitored by the NAO Office closely.

A good progress has been performed relating to implement the operational conclusions of the **monitoring** reform by the MEU. The staff capacity has strengthened tremendously in the Monitoring and Evaluation Unit which allows the MEU to perform any type of monitoring only with necessary minor adjustments and initial training. On the other hand, the MEU has launched the process for the second phase of the **ROM** Project, which is expected to start towards the end of 2014.

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 lots of recruitment processes in 2013 and will continue to recruit. It is seen that CFCU has been able to manage the sustainability of the staff level.

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. 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.

In order to strengthen SPOs and to take corrective actions in case of non-performing SPOs, PAO-SPO meeting was organised by CFCU on 27 March 2013 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 place and this increase the capacity of the communication between CFCU and SPOs. On the other hand, by the day-to-day correspondence with the SPOs/SPO Offices, information and guidance is provided according to the subject topic as well as monitoring visits to the project sites. Many guidance letters are sent to the SPOs by the CFCU during the life cycle of the project implementation. Therefore, there are no difficulties on the communication with the SPOs by the CFCU. The NAO Office will continue to follow-up the process.

Moreover, an audit mission had been performed by DG ELARG regarding ‘The Monitoring Arrangements for IPA I - II in Turkey’ in order to assess the design and functioning of the system set-up in Turkey within the framework of IPA I - II between 09 and 13 July 2012. Following this audit, the findings and conclusions regarding the audit was received on 21 January 2013. The responses to these findings were sent to the EC on 15 March 2013 and final conclusions of these findings have been received on 06 June

2013. Regarding this audit findings, the action plan and the draft Cooperation Protocol which is the annex of the action plan were submitted to the EC on 04 November 2013. Once the draft Cooperation Protocol becomes official with the final signatures, the findings in this report regarding monitoring arrangements are expected to be addressed.

3.3. Information on the activities of the <beneficiary country> 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.

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 6 March 2013 and the second one on 7 November 2013. The operational conclusions of both meetings are presented in **Annex 6** and **Annex 7**.

As a result of the decision taken at the TAIB Monitoring Committee Meeting on 6 March 2013, a single set of SMSC meetings were organised in the reporting year. The meetings took place between 30 September and 9 October 2013.

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. Following its first application in 2012, the meetings in 2013 were also planned in order to open room for sectoral level discussions. During the SMSC meetings, MEU sector monitors made presentations with a focus on selected projects contributing to opening/closing benchmarks of the related chapter(s) with each sector. Following the MEU’s presentation, the floor was open to broader discussion with the SPOs. Though this approach led to fruitful discussions in some meetings, the level of discussions at the SMSCs were observed to be less intense and open to further improvement.

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 was modified by CFCU in accordance with the revised PMR template of which the final shape was given by a working group composing of the representatives from NIPAC, NAO, CFCU and the EUD 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 2010 programming was September 2013, but it has been extended by one year (September 2014). To yield extra benefits for some beneficiary institutions, SEI 2010 project, which had a total budget of 7,450,000 euro originally, was converted to Enhanced SEI (ESEI) by allocating some 8,289,192 euro extra budget for its UNIBE component. During 2013, the implementation and usage of ESEI 2010, which has an extended total budget of 15,749,192 (3,725,000 euro PPF and 12,024,192 euro UNIBE components) continued.

A sum of 4,257,678 euro was allocated to the public institutions in the scope of ESEI 2010 and total utilization rate was about 57% in 2013. Taking into consideration the current status of SEI project applications, the overall usage of ESEI 2010 is expected to be over 95% in 2014.

In 2013, ESEI 2011 and ESEI 2012 projects, which have a total of 2,223,000 euro and 3,340,000 euro PPF components respectively, have been launched. Deadline for ESEI 2011 is December 2014.

Within the context of Support Activities to Strengthen the European Integration Process Project (SEI) regulations, some training sessions, evaluation meetings and workshops

were held with the participation of the related public institutions between the dates of January 1- December 31, 2013. Besides, the potential beneficiary institutions from various sectors were informed about new PRAG rules introduced in 2013. During 2014, it has been foreseen to continue with these kinds of activities which are regularly joined by the beneficiary institutions.

In order to enable a more efficient and quick usage of SEI funds, the “Technical Assistance to Ministry for European Union Affairs for Online Application Tool (OLAT) for Submitting SEI Application” project was implemented in 2013.

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.).

There has not been any legislative and socio-economical development influencing the implementation of the programme during the reporting year.

6. Conclusions on:

- Design and implementation of the programme

As of the end of IPA period which lasted between 2007 and 2013, vast majority of entities in Turkish administrative structure and some NGOs have accumulated knowledge and experience in project cycle management thanks to their involvement in the projects financed under IPA. In this context, the line ministries and other public institutions have undertaken certain responsibilities and provided substantial contributions to the programming and design phases. This can also be seen from the quality and maturity of the projects within years. This improvement is both resulting from the experience gained by the Turkish institutions since the inception of financial assistance and also the continuous efforts of the DIS institutions and EC on training and capacity building activities.

This year also had significance as it was the last year of the IPA period covering 2007 – 2013 in terms of programming. Due to this, 2013 had been a transition period between the current IPA period and the IPA II period. IPA Component I 2013 programming exercise was conducted in the framework of “sectoral approach” as a preparation for the next IPA period. With this approach, the new period will focus on intervention at sector programme level rather than the interventions at project level. This approach has been gradually reflected to the implementation of IPA I during the past few years.

As to the monitoring activities, 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 ROM project, which was implemented between January 2011 – December 2013, has successfully introduced the ROM methodology to our monitoring system. The outputs of the project not only created solid and comparable outputs regarding the performance of the projects and sectors but also it has clearly increased the monitoring capacity of MEU with both theoretical and on-the-job trainings. 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. All the DIS actors acknowledge the importance of ROM, and it is expected to be definitely an integral part

of our monitoring activities in the future. In this vein, the preparations for a follow-up ROM project which will be implemented in 2014 onwards have already initiated.

Ex-post monitoring has also been further resorted as a complementary tool in the context of sectoral and result oriented approach. Engineered within the scope of monitoring reform study which is called also “mapping study” in 2011, ex-post monitoring was first applied to 27 projects through the ROM project in 2013. Additionally three environment projects from 2005 and 2006 programming years were subjected to ex-post monitoring initiated by the MEU. The results of these missions proved to be very valuable in order to assess the impact and sustainability of the program and to provide a detailed feedback to programming in order to see the possible positive and negative results of the decisions taken at the very beginning of the projects. It is expected that the ex-post monitoring will continue to be one of the essential elements of monitoring in the future.

- Management and control systems

In order to ensure that the management and control system works effectively, NAO Office will continue 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 continue to be followed by the Comprehensive Action Plan regularly.

- Impact of the programme

The main tools to measure the direct impact of the programme are the ROM reports and completed and ongoing evaluation studies. The ROM reports reveal that the impact prospects are promising in almost 75% of the monitored projects. Moreover, ex-post monitoring shows that projects are assessed higher at the time of the ex-post mission. In terms of direct impact of the projects, the following conclusions can be deduced from ROM reports:

- Almost 75% of all projects are expected to have a substantial direct impact.
- The main problems reducing the already high impact of the projects were identified as the centralisation of services, lack of transparency and lack of cooperation with other - equally relevant - Governmental Organizations.
- Full impact can in most cases only be verified after project end, i.e. after all components are duly delivered. Therefore ex-post monitoring appears most appropriate.
- Timely adoption of drafted legislation is often not ensured during the lifetime of a project.

As to the indirect impact, which requires prospects of the projects’ contribution to the sectoral or structural changes; an even higher amount of projects (approximately 85%) are considered to have positive prospects in ROM reports. According to the ROM results, the following conclusions can be deduced on indirect impact of the programme:

- It is often not possible to assess a wider (structural) impact on sector level.
- In many cases it is observed that a wider impact, particularly of pilot projects, is not ensured due to insufficient dissemination of results.
- Wider dissemination of project results on sector or SMSC levels is necessary in order to ensure structural impact.

- In most cases, donor coordination in the field does not exist, even though for the last years numerous projects funded by various donors targeted these issues. Several similar projects are on-going simultaneously.

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:

- Despite the significant improvement in the past few years, 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.

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 (PMRs)
- 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 fulfill 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.

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.*

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

The progress achieved in order to address the recommendations in the previous annual implementation report are explained in the various parts of this report. As these recommendations are open to continuous development, all DIS institutions are continuously working in order to strengthen the DIS system.

8. Overview of the upcoming period

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

2009 National Programme	2010	2011(cumulative)	2012 (cumulative)	2013 (cumulative)
	EU	EU	EU	EU
Number of tenders launched* (service, supply, works)	1	2	19	6
Number of calls for proposals launched* * (twinning, grants)	2	2	3	-
Number of direct grants without call for proposals	-	3	3	-

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

2010 National Programme	2011	2012 (cumulative)	2013 (cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	1	16	10
Number of calls for proposals launched (twinning, grants)**	-	-	2
Number of direct grants without call for proposals	-	1	-

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

** *10 twinning projects were launched in 2011.*

⁽⁵⁾ See Annex 2.

2011 National Programme	2011	2012(cumulative)	2013(cumulative)
	EU	EU	EU
Number of tenders launched* (service, supply, works)	-	-	7
Number of calls for proposals launched* * (twinning, grants)	-	1	2
Number of direct grants without call for proposals	-	3	1

** 4 Twinning projects were launched in 2012.

Please refer to the Procurement Plans for 2009, 2010, 2011 and 2012 IPA TAIB in **Annex 1, 2, 3** and **4**. 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

2013 Programming Process

Turkey completed the programming of funds amounting to 902 million 952 thousand 349 Euros throughout 2013 within the scope of financial cooperation with the EU.

IPA Component I 2013 programming exercise was conducted in the framework of “sectoral approach” as a preparation for the period covering 2014-2020 which is called the second period of IPA. In this vein, 2013 is considered as “transitional year” just before the new IPA period. In the framework of this approach aiming at increasing the effectiveness and efficiency of the funds to be used through switching from interventions at project level to interventions at sector programme level based on relevant strategies and bringing together with it a result oriented perspective based on performance indicators, programming of funds amounting to 236 MEUR was completed during the reporting period. The sector programmes in the areas of Judiciary and Fundamental Rights, Migration Management and Borders, Energy and Agriculture and Rural Development will be financed as part of the 2013 programming.

IPA Component I 2013 programming include *Enhanced Support Activities to Strengthen the European Integration Process* (ESEI) 2013 package with a budget of around 18.4 MEUR. ESEI mechanism entered into force as of 2011 as an unallocated envelope for meeting the needs in the areas outside the priority sectors of MIPD 2011-2013.

In this context, programming of the unallocated envelope under ESEI 2011 consisting of 9 projects with a total budget of 15 MEUR was completed and the implementation started in 2013. In this package, projects in the areas of migration management, freedom of expression, fight against organized crime, civil aviation, fisheries, financial services and capital markets and information technologies and communication will be financed.

In the same way, programming exercise of 2012 package with a total budget of 22 MEUR, continued in 2013. From this package, programming processes of 6 projects with a total budget of 11 MEUR in the areas of environment, transport, private sector development, justice and internal affairs were completed and their implementation processes started in 2013.

By means of addenda to the financing agreements of different years, the continuity and efficiency of implementation of the relevant programmes were ensured in the reporting period.

- Addendum No.4 to IPA Component I 2008 National Programme Financing Agreement concerning the extension of execution deadlines of 10 projects entered into force on 28 March 2013,
- Addendum No.2 to 2009 National Programme Financing Agreement, concerning extension of contracting deadlines of 13 projects, entered into force on 5 February 2013.

Furthermore;

- Addendum No.1 to 2010 National Programme Financing Agreement (Part 2), concerning the extension of contracting deadline for all the projects under the financing agreement and also reallocation for some projects was published in the Official Gazette on 9 November 2013,
- Addendum No.1 to 2010 National Programme Financing Agreement (Part 3), concerning the extension of contracting deadline for the whole package, was published in the Official Gazette on 4 December 2013.

Thus, reallocation of savings remaining from certain projects to other projects was ensured and the needs for additional implementation duration were addressed.

IPA II PERIOD (2014-2020)

The preparations for the second period of IPA covering 2014-2020 increasingly continued in 2013 under the coordination of the Ministry for EU Affairs in cooperation with the relevant institutions.

Turkey's expectations towards the new period and our country position were also presented by the Ministry for EU Affairs to all the parties at the IPA Conference which was organised by the European Commission concerning the second period of IPA with the participation of all relevant parties on 25 January 2013 in Brussels. Throughout 2013, identification of the financing priorities of the new period has also been carried out in close cooperation with the Commission in parallel with studies regarding the legal framework of the new period. To this end, priority sectors under 5 policy areas within the scope of the new Regulation have been identified in cooperation with the relevant institutions. With a view to constituting the basis for Country Strategy Paper which will set out the financing priorities of the following 7-year period.

Under the coordination of Ministry for EU Affairs, CSP sector priorities were discussed in details through the sector working groups set up with the participation of all related institutions during 2013 and following 9 priority sectors and lead institutions were identified:

1. Democracy and Governance (Ministry for EU Affairs)
(Alignment with EU acquis, Union Programmes and Civil Society)
2. Rule of Law and Fundamental Rights, (Ministry of Justice, Ministry of Interior and Ministry for EU Affairs)
3. Environment, (Ministry of Environment and Urbanization)
4. Transport, (Ministry of Transport, Maritime Affairs and Communications)
5. Energy, (Ministry of Energy and Natural Resources)
6. Competitiveness and Innovation (Ministry of Science, Industry and Technology)
7. Employment, Human Resources Development and Social Policies, (Ministry of Labor and Social Security)
8. Agriculture and Rural Development, (Ministry of Food, Agriculture and Livestock)
9. Territorial and Cross Border Cooperation

The first draft of the CSP which was designed in the light of the consultations held with the institutions above was revised in accordance with the comments of the Commission. Second draft was sent to the Commission on 25 March 2014

Furthermore, within the framework of preparations for IPA II period 2014 programming, sectoral working group meetings were held at the Ministry for EU Affairs with the participation of institutions responsible for sectors in October-December 2013. During the meetings, in which the EU Delegation also participated, the institutions were informed about the programming rules and procedures concerning the new period.

In the context of efficient and rapid functioning of the process in the preparations for the new period, a “Technical Assistance Project” was prepared whose beneficiary is the Ministry for EU Affairs and also with the objective of supporting the institutions having responsibilities in the priority sectors.

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 Procurement Plan of 2012 IPA TAIB

Annex 5 Recovered amounts from the contractors for 2007&2008 & 2009 IPA I

Annex 6 Operational Conclusions of the TAIB Monitoring Committee Meeting on 6 March 2013

Annex 7 Operational Conclusions of the TAIB Monitoring Committee Meeting on 7 November 2013