



SCREENING CHAPTER 22 REGIONAL POLICY AND COORDINATION OF STRUCTURAL INSTRUMENTS

AGENDA ITEM II: INSTITUTIONAL FRAMEWORK

**Country Session: The Republic of TURKEY
9-10 October 2006**

CONTENT

- I. IPA Institutional Structure and Prospects for Structural Funds
- II. Implementation System
- III. Horizontal and Vertical Coordination
- IV. Partnership



I. IPA Institutional Structure and Prospects for Structural Funds



Current Situation

- IPA (particularly components II-III-IV) will progressively form the basis for establishment of institutional framework for Structural Funds
- Relevant structures for the management of the IPA are identified



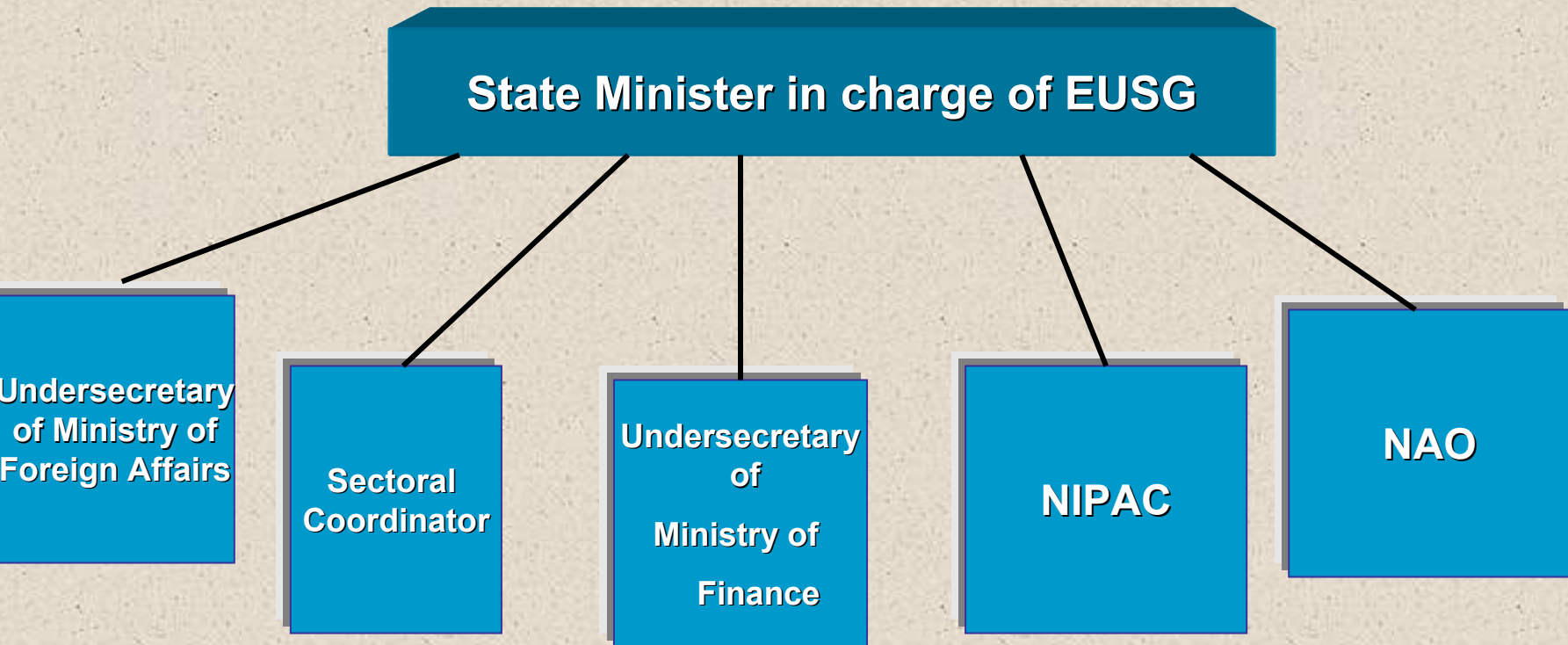
Political Ownership and Interministerial Coordination

Financial Cooperation Board (FCB) will be established to provide:

- ✓ Overall coherence for financial cooperation with EU as well as participation to Community Programmes and Agencies through political ownership and interministerial coordination
- ✓ Overall monitoring of Turkey – EU Financial Cooperation



Financial Cooperation Board





IPA Institutional Structure in Turkey

Official decision on the key responsible institutions acting as;

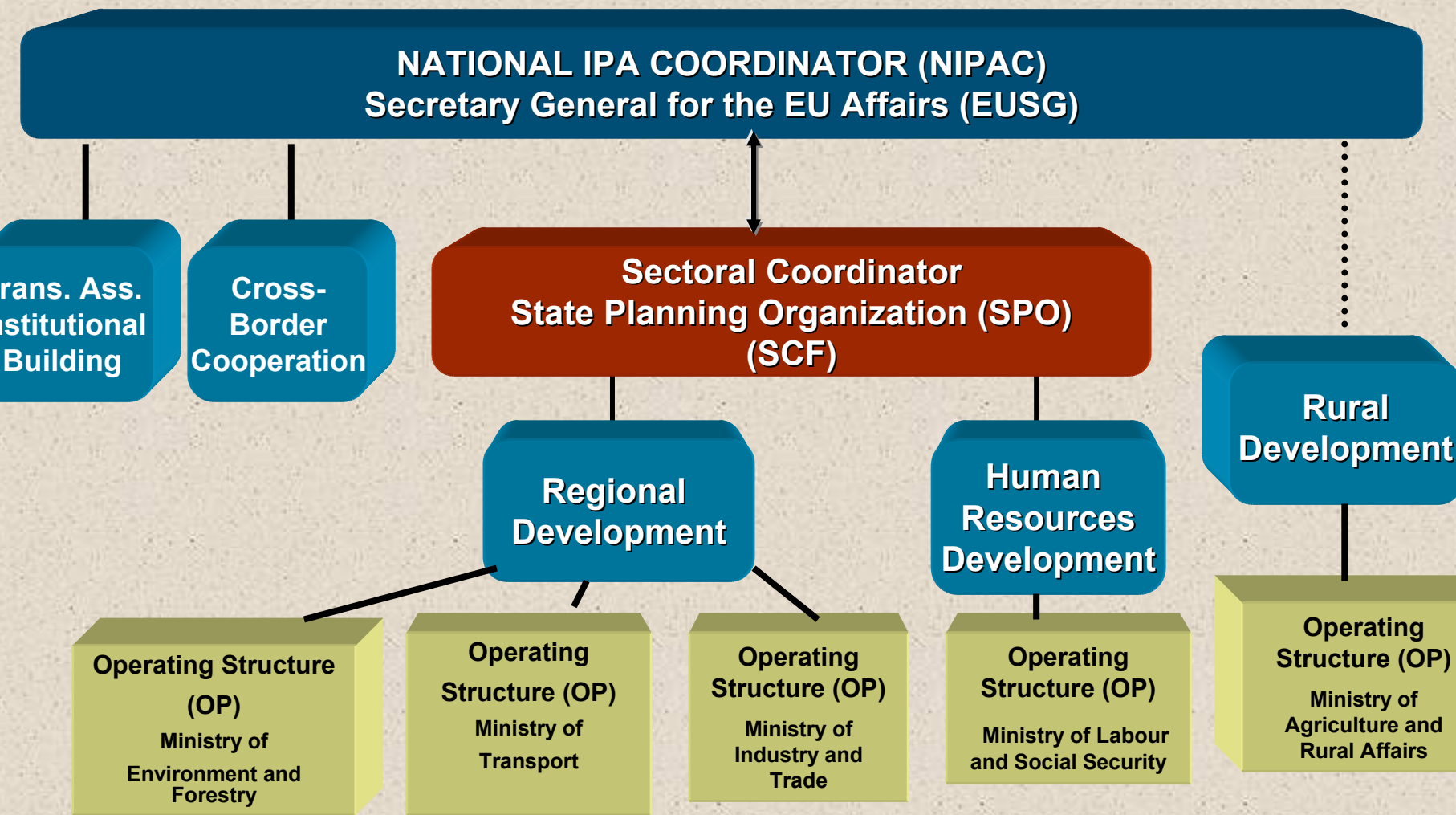
- NIPAC
- Sectoral Coordinator
- Operating Structures

was taken and sent to the Commission through the letter dated 2 February 2006.

**The Structure and the role of actors will be reviewed, after finalisation of the IPA Implementing Regulation*



Foreseen IPA Structure





Foreseen IPA Structure (Cont'd)

NATIONAL AUTHORISING OFFICER (NAO) (UNDERSECRETARY OF TREASURY)

**UNDERSECRETARIAT OF
TREASURY**

**National Fund
(Financial Management)**

**IMPLEMENTING AGENCIES
(IA's)**

- Operating Structures
- CFCU
- IPARD Agency (Treated
-separately)

**THE BOARD OF TREASURY
CONTROLLERS**

Audit

Turkish Court of Accounts will continue to be responsible for external audit.



Committees for Components III and IV

SECTORAL COORDINATOR (SPO)

Regional Development and Human Resources Development Coordination Committee

**Component III:
Regional Development**

**Component IV:
Human Res. Devt.**

Environment OP
Ministry of
Environment
and Forestry

**Monitoring
Committee**

Transport OP
Ministry of
Transport

**Monitoring
Committee**

**Competitiveness
OP**
Ministry of
Industry
and Trade

**Monitoring
Committee**

**Human
Resources OP**
Ministry of
Labour and Social
Security

**Monitoring
Committee**



Regional Development and Human Resources Development Coordination Committee

- Under the chairmanship of Sectoral Coordinator, Undersecretaries of Ministry of Foreign Affairs, Treasury, Ministry of Finance Operating Structures responsible for each OP and General Secretary of EUSG
- Main Tasks and responsibilities
 - ✓ Steering the management of SCF
 - ✓ Securing OP's compliance with SCF



OP Monitoring Committees

- Under the presidency of the operating structure, relevant institutions and NGOs

- Main Tasks and responsibilities
 - ✓ To steer the preparation of OP
 - ✓ To monitor OP
 - ✓ To propose amendments for the OP depending on current developments



Accreditation

- Already accredited and functioning DIS in Turkey since 2003
- Capacity of CFCU being increased
- Preparations for IPA accreditation underway by NAO
- Studies with operating structures initiated
- Technical assistance to be financed from EU funds expected to start by early 2007
- Practical experience (SPO/ISKUR) to be transferred to relevant institutions



Prospects for Structural and Cohesion Funds

- Certifying Authority : National fund within Treasury
- Audit Authority: Board of Controllers within Treasury

- Overall coordination: State Planning Organisation
- MAs for Sectoral OPs: Line Ministries
- Potential MAs for Regional OPs: Development Agencies

Within 2009-10, an interim evaluation planned to;

- Review current structure
- Conduct a gap analysis
- Determine measures for further improvements
- Take necessary measures for adjustment to final Structural Funds institutions



II. Implementation System



Allocation of Responsibilities and Division of Tasks

Formation, abolition, functions, powers and organisation of ministries regulated by laws

Central Level

- Prime Ministry
- 7 State Ministries
- 15 Line Ministries
- Affiliated and related public bodies at central level



Allocation of Responsibilities and Division of Tasks (Cont'd)

- Ministry of Justice
- Ministry of National Defence
- Ministry of Interior
- Ministry of Foreign Affairs
- Ministry of Finance
- Ministry of National Education
- Ministry of Public Works and Settlement
- Ministry of Health
- Ministry of Transport
- Ministry of Agriculture and Rural Affairs
- Ministry of Labour and Social Security
- Ministry of Industry and Trade
- Ministry of Energy and Natural Resources
- Ministry of Culture and Tourism
- Ministry of Environment and Forestry



Main Tasks of Ministries in Strategy Development and Implementation

Ministries:

- Prepare strategic documents related to their competences (assessed by the SPO, adopted by the HPC)
- Envisaged to prepare own strategic plans
- Flexible in financial management and control according to new PFMC Law
- Propose investment programme (Negotiation process with the SPO, final decision by the Council of Ministers)

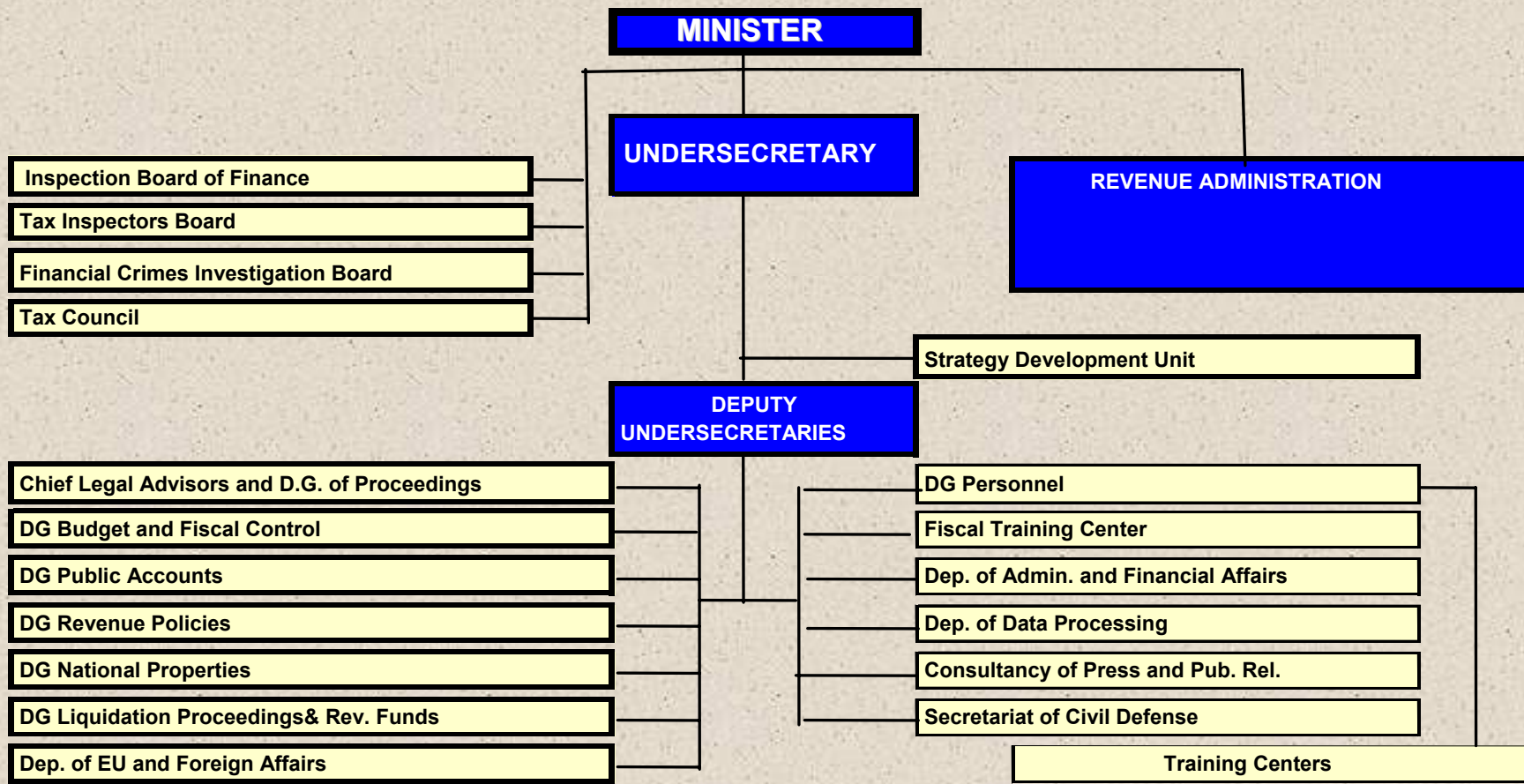


Main Actors in Budgeting, planning and implementation

- Ministry of Finance
- State Planning Organisation (SPO)
- Treasury



Institutional Structure of Ministry of Finance



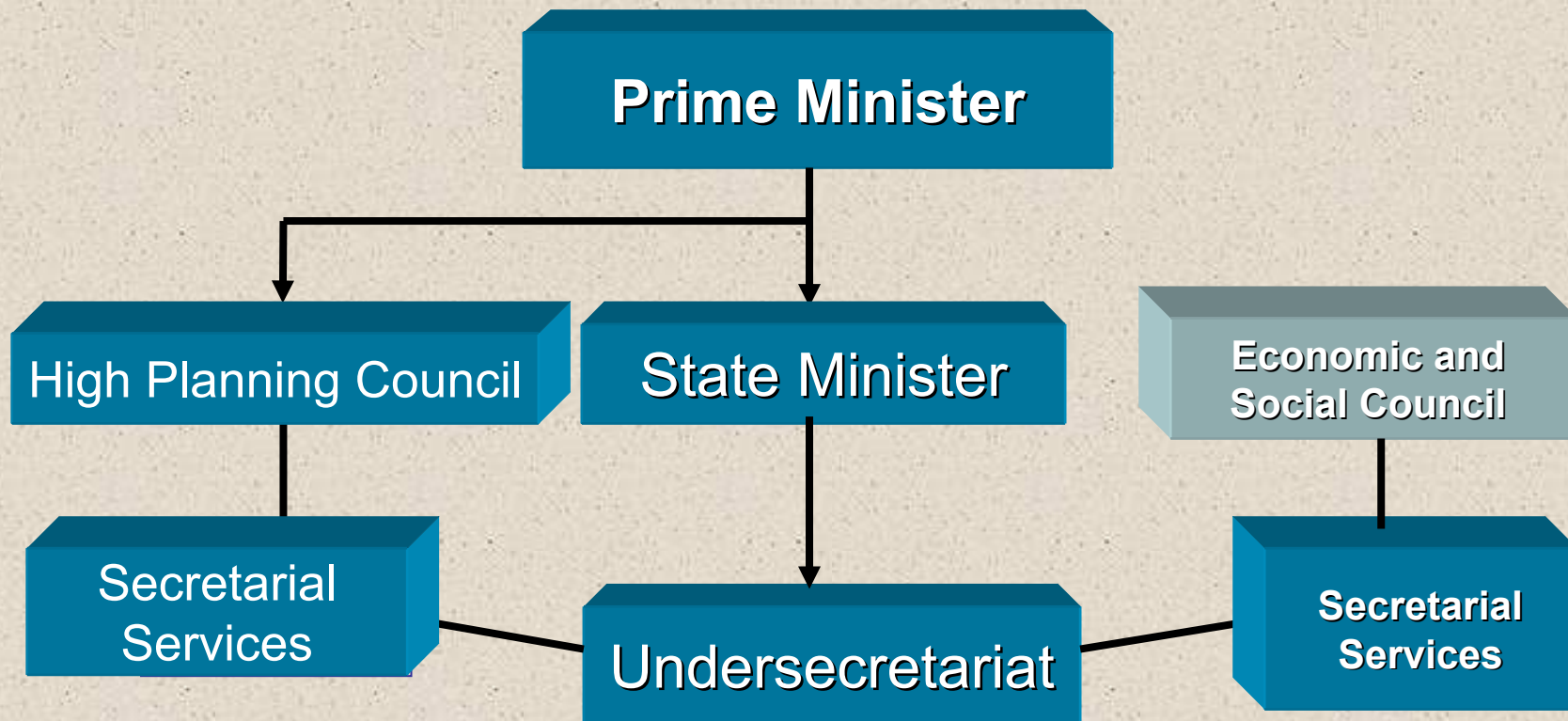


Ministry of Finance

- Coordinates implementation of PIFC system
- Responsible for preparation of central government budget draft law and ensures coordination between relevant public administrations
- Manages central government budget
- Preparation and implementation of fiscal policy
- Defines accounting standards and provides accountancy services to administrations within the scope of general budget,
- Compiles and issues the financial statistics of general government
- Determines revenue policy
- Around 5400 auditors and career staff

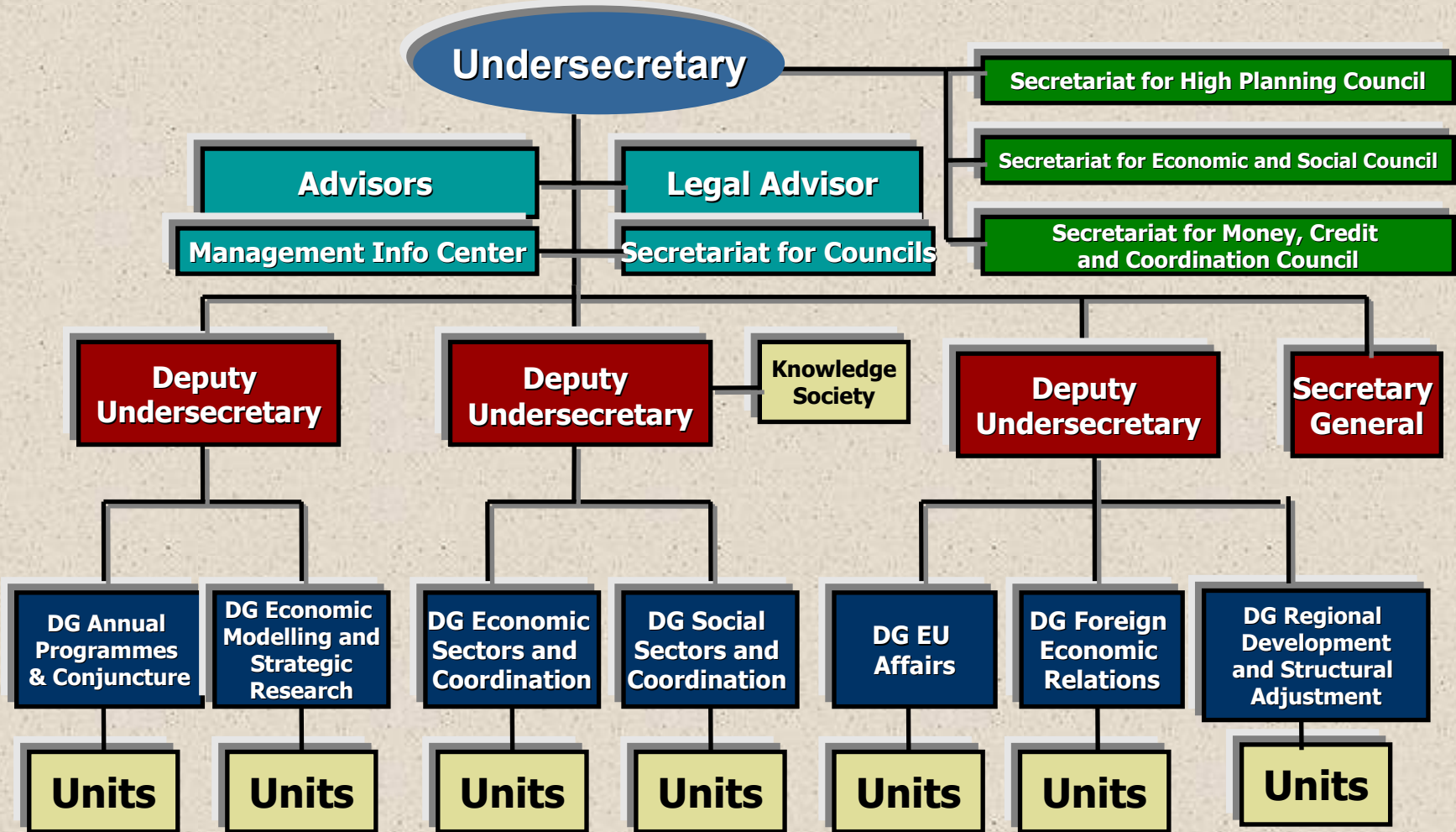


Institutional Structure of SPO





Organisational Chart of Undersecretariat of SPO





SPO

Composed of two main bodies:

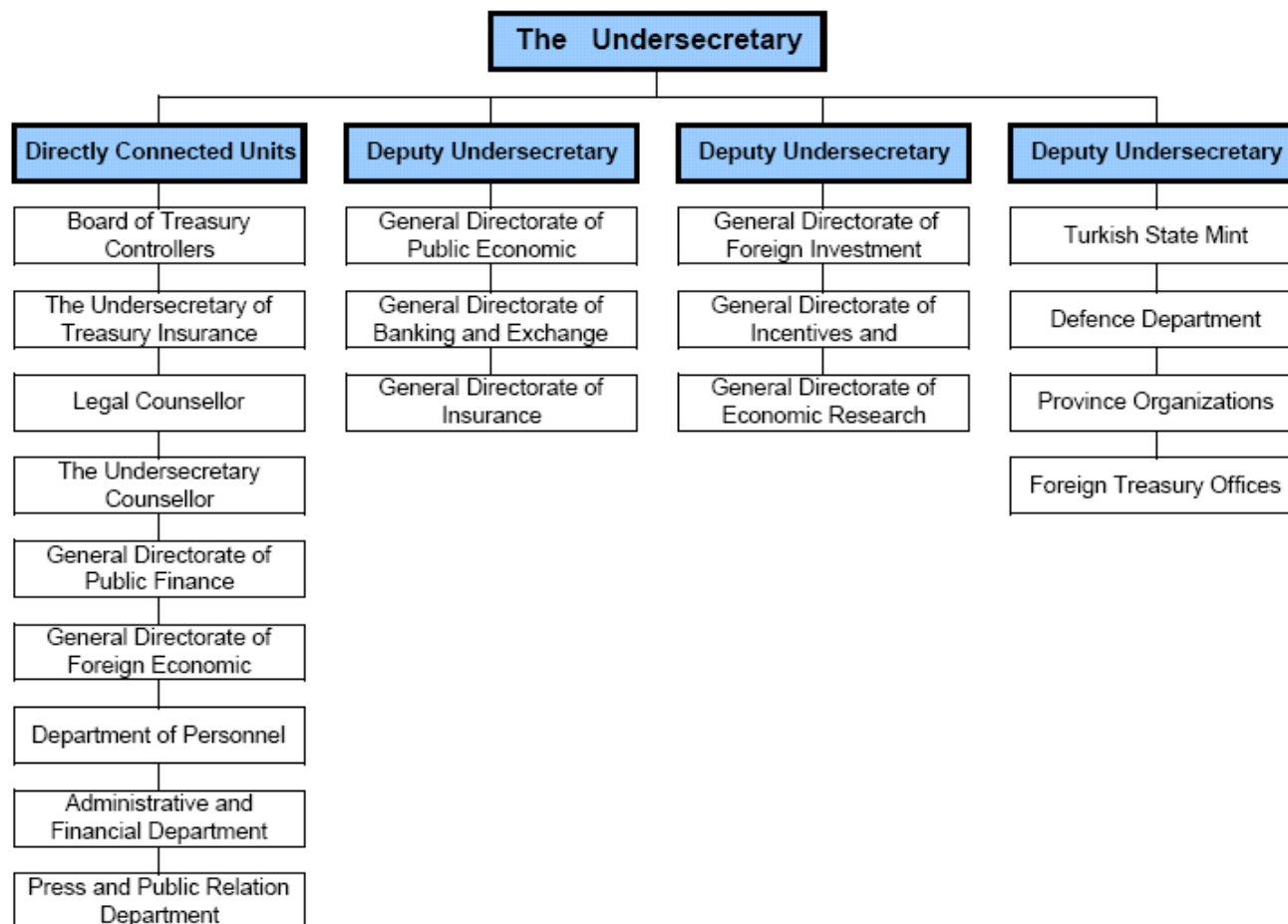
- High Planning Council (HPC) as a political commitment body
- Undersecretariat as technical body acting as secretariat of the HPC (around 400 career staff)

Regarding economic and social development policies, SPO;

- Advises the government
- Coordinates and monitors activities of public institutions
- Prepares public investment programmes



Institutional Structure of Undersecretariat of Treasury





Undersecretariat of Treasury

- Preparing and implementing the debt and cash management policies,
- Preparing and executing the policies regarding domestic and foreign investment incentives,
- Preparation of the investment and financing programmes of the SEEs in coordination with SPO.
- Units dealing with EU funded programmes;
 - ✓ National Fund, with 10 staff including NAO's Office, responsible for channelling EU funds to final beneficiaries and supervision of DIS on behalf of NAO
 - ✓ Board of Treasury Controllers, with 82 staff, responsible for audit
 - ✓ CFCU, responsible for procurement, payment etc.

III. Horizontal and Vertical Coordination

Coordination and Arbitrage

General

- Council of Ministers
- Prime Ministry

Law on Establishment and Duties of the Ministries No. 3046:
Ministries are responsible for providing coordination with other
ministries and local authorities in their competent areas



Inter Ministerial Coordination Structures at National Level

High Planning Council:

- Inter-ministerial coordination body
- Chaired by Prime Minister
- Some ministers managing large investment portfolios appointed by Prime Minister
- Undersecretary of the SPO
- Depending on topics, chairman can invite ministers and bureaucrats
- Secretarial services by Undersecretariat of SPO



Inter Ministerial Coordination Structures at National Level (Cont'd)

Duties of the HPC:

- Provision of assistance to the Council of Ministers in determining policy targets and planning of economic, social and cultural development
- Examine development plans and annual programmes
- Taking high level decisions concerning domestic issues and foreign economic relations
- Adopt sectoral strategy documents



Inter Ministerial Coordination Structures at National Level (Cont'd)

Role of Undersecretariat of SPO:

- Responsibility in terms of planning, coordination, multi-annual and annual programming, regional development and EU assistance
- Harmonisation of sectoral and regional policies
- Horizontal coordination role among ministries and other institutions
- Coordination and guidance for strategic planning
- Coordination of public investment programme
- Appropriation of national co-financing of investments
- Sectoral coordination for IPA Components III and IV
- Vertical coordination between central institutions and development agencies



Inter Ministerial Coordination Structures at National Level (Cont'd)

Planned Mechanisms

- Regional Development and Human Resources Development Coordination Committee

- Technical studies underway for further development of inter ministerial coordination mechanisms related to regional development policy through twinning project initiated in June 2005



Coordination Structures at Regional Level

Development agencies will coordinate regional development activities at regional level

- Administrative Board of Agencies :
 - ✓ Governors, mayors, representatives of provincial council, chambers and private sector
 - ✓ Main coordination and decision making body for the Agency

- Development Councils: Mechanism to enhance coordination among public institutions, chambers, private sector, NGOs, universities and local authorities



Coordination Structures at Provincial Level

Governor:

- Coordinates deconcentrated units of ministries
- Supervises local authorities

Provincial Coordination Boards:

- Provincial directorates of line ministries and local authorities
- Coordination of public investments at provincial level
- Meet four times a year



IV. Partnership



Partnership at national, regional and local level

Partnership applied in:

- Macro planning documents
- Regional and sectoral strategies
- Institutional strategic plans
- Project preparation process



Main Regulations on Partnership

- 1) Decree-Law on the Establishment and Duties of the SPO No. 540, Undersecretariat of SPO works in close cooperation with public and private institutions in preparing macro plans and monitoring the implementation
- 2) Law on Establishment and Working Principles and Procedures of the Economic and Social Council No. 4641
- 3) Law on Establishment and Duties of Development Agencies, Development Councils No. 5449



Main Regulations on Partnership (Cont'd)

4) Law on Municipalities No. 5393, City Councils

5) Law on Public Financial Management and Control No. 5018, necessary basis for institutional strategic plans to include partnership

6) By-law on EIA, participation important in EIA process, takes various forms including public participation meetings



Main Mechanisms for Partnership and Participation of Socio-Economic Partners

- Ad Hoc Committees for preparation of development plans
- Economic and Social Council at national level
- Development Council of Development Agencies at regional level
- City Council at local level

Main Mechanisms for Partnership and Participation of Socio-Economic Partners (Cont'd)

Ad Hoc Committees for preparation of development plans:

- Basis for preparation of development plans
- For 9th Development Plan, 57 Ad Hoc Committees, representatives of all economic and social actors
- Public institutions, local authorities, unions, NGOs, private sector and universities



Main Mechanisms for Partnership and Participation of Socio-Economic Partners (Cont'd)

Economic and Social Council

- Consultative council for development of economic and social policies
- 39 representatives, 15 members representing the government, others from the private sector and civil society organisations



Main Mechanisms for Partnership and Participation of Socio-Economic Partners (Cont'd)

Development Agencies: Development Council

To enhance cooperation among public institutions, private sector, chambers, NGOs, universities and local authorities in the region

- Discuss and evaluate annual activity and internal audit reports
- Make recommendations to Administrative Board regarding problems, promotion, potential and priorities of the region



Main Mechanisms for Partnership and Participation of Socio-Economic Partners (Cont'd)

City Council:

- Municipal Level
- Renders opinion to Municipal Council in a wide range of issues

Composition

- Professional organisations
- Trade unions, universities
- Relevant NGOs
- Political parties, public institutions



Prospects for Partnership in Structural Funds

- ❑ Existing partnership practices will be improved and institutionalised for IPA and Structural Funds management
 - ✓ Monitoring and coordination committees in IPA implementation will provide a sound basis

Thank you for your attention