

ANNEX: FINANCING PROPOSAL TURKEY IPA component I, 2011 part 2

1 IDENTIFICATION

Beneficiary	Turkey
CRIS decision number	2011/022-985
Year	2011
Cost	EUR 148 589 523
Implementing Authority	<p>The Implementing Agency responsible for the execution of the projects is the Central Finance and Contracts Unit (CFCU) at the Under-Secretariat of the Treasury except for:</p> <p>Project TR2011/0436.19 "Support to Turkey's participation in 7th Framework Programme", where implementation will consist in the payment of the IPA part of the financial contribution to the programme by the National Fund.</p>
Final date for concluding the Financing Agreements	At the latest by 31 December 2012
Final dates for contracting	<p>2 years following the date of conclusion of the Financing Agreement with the exception of projects TR2011/0136.17 "Jean Monnet Scholarship Programme", TR2011/0740.26 "Enhanced Support to Strengthen the European Integration Process", which will have a final date for contracting 3 years following the date of the conclusion of the Financing Agreement.</p> <p>No deadline for audit and evaluation projects covered by the Financing Agreements, as referred to in Article 166(2) of the Financial Regulation.</p> <p>These dates apply also to the national co-financing.</p>
Final dates for execution	<p>2 years following the end date for contracting, with the exception of projects TR2011/0136.17 "Jean Monnet Scholarship Programme", TR2011/0627.21 "Environment and climate change measure", which will have a final date for execution 3 years following the final date of contracting for these projects as defined above.</p> <p>These dates apply also to the national co-financing.</p>
Budget line(s) concerned	22.02.01: national programmes (component Transition Assistance and Institution Building) for Candidates
Programming Unit	DG ELARG Unit B3 (European Commission, Brussels)

Implementation Unit/ Section	Head of Operations section, EU Delegation to Turkey
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2. THE PROGRAMME

2.a Priorities selected under this programme

The Multi-annual Indicative Planning Document (MIPD) 2011-2013 for Turkey identifies the priorities (1) to make progress in the critical areas of rule of law in order to tackle key reforms of the judiciary and fundamental rights; (2) to adopt the EU *acquis* in areas where there is complex legislation or costly requirements to adopt EU standards in areas such as transport, agriculture, food safety, environment, climate change and energy; (3) and to support Turkey in its economic and social development and to enhance competitiveness; thereby contributing to the achievement of the Copenhagen criteria.

Based on the priorities of the MIPD, the current IPA component I national programme 2011 part 2 will support 16 projects in the sectors "Justice, Home Affairs and Fundamental Rights", "Private Sector Development", "Energy", "Social Development" and "Agriculture and Rural Development" as well as horizontal support activities. Projects under these sectors were selected as they were mature for implementation and are of high priority for Turkey. In addition in the sector "Environment and Climate Change", a sector measure has been included in the programme.

This national programme follows the earlier IPA 2011 part I programme, which has focussed mainly on projects concerning "Justice, Home Affairs and Fundamental Rights, "Transport" and "Social Development" and which has been adopted by the Commission on 25 July 2011.

As part of the programming process, only relevant and eligible projects proposed by the Turkish authorities that have achieved sufficient readiness for implementation have been accepted. A number of the projects included are follow-up actions to previous projects, which allow achieving the full impact in the concerned area over a multiannual basis, where an approach in stages was required due to the complexity of reforms. Efforts were made to better focus projects on the political priorities of the accession process as well as on aligning them with sector priorities. Under the objectives defined in the MIPD 2011-2013, this programme will support the objectives as outlined in the following section 2b.

2.b Sectors selected under this programme and donor coordination

Sector 2: Justice, Home Affairs and Fundamental Rights

In line with the renewed consensus on enlargement and taking into account experience from the fifth enlargement, democratisation and rule of law are key priorities which need to be addressed by candidate countries during the accession process. Despite important democratic reforms carried out in recent years further results are needed regarding the Justice, Home Affairs and Fundamental rights. To address them will be a decisive condition in the EU accession process under the

Copenhagen political criteria. This sector also affects public perceptions of the enlargement policy in general and Turkey's membership bid to the EU. Substantial efforts, including constitutional reforms, are under way in Turkey to address the remaining problems but further efforts are needed.

The programme will address the following MIPD objectives under this sector:

- Implement the necessary reforms to build an independent, impartial and efficient judiciary.
- Effective law enforcement, successful fight against crime and corruption and improved integrated border management and prevention of illegal migration.
- Establish a well functioning and effective civil service and to proceed with modernization of the public administration.
- Set up strong democratic institutions and civil society promoting pluralism and the values of European integration.

The programme will contain 8 projects in this sector and cover 54 % of the programme's budget.

Sector 3: Private Sector Development

Supporting private sector development and increasing competitiveness is one of the main objectives and development axes of Turkey's Development Plan. Turkey's GDP per capita (PPS) represents 46% of EU27 average¹. In addition, Turkey has to contend with regional disparities that are much more marked than in any country of the EU. Other social and economic indicators – life expectancy, literacy rates, education, access to health services, sanitation, industrial activity, FDI fluxes and employment – also underline the development gap among Turkish regions. These factors lead to mass migration of skilled people from the eastern regions to the more dynamic western regions, placing significant pressures on urban centres and further contributing to the accentuation of regional disparities.

The programme will address the following MIPD objectives under this sector: Increase employment, productivity and export of goods and services, particularly in the regions where employment and business stock is low.

The programme will contain 2 projects in this sector and cover 10 % of the programme's budget.

Sector 5: Energy

Turkey is one of the fastest growing energy economies of the world. Both primary energy and electricity demand are increasing rapidly in parallel with growing

¹ Eurostat news release 91/2010 – 21 June 2010

economy and rising social wealth. Turkey's strategies in the energy policy are especially outlined in the Institutional Strategic Plan for the Ministry of Energy and Natural Resources (2010-2014) as well as in the Development Plan. Compared to its growing energy demand, Turkey's primary energy sources are highly limited. As of 2009, around 24% of the total energy demand is met by domestic resources while the rest is supplied from a diversified portfolio of imports.

The sector objective supported by the programme is increased capacity and better alignment in the energy efficiency field.

The programme will contain 1 project in the energy sector and cover 2% of the programme's budget.

Sector 6: Environment and Climate Change

As for all candidate countries, adopting the environmental and climate change *acquis* is an enormous challenge for Turkey. Under the coordination of the Ministry of Environment and Forestry, an EU Integrated Environmental Approximation Strategy (UÇES) has been prepared. Currently, Turkey's infrastructure is insufficient in water, urban water waste treatment plants and controlled landfills. The institutional capacity remains low in many areas. To address these needs the implementation of projects necessitates an overall sustainable environmental investment strategic and integrated approach (including river basin management plans in the water sector) as well as waste water and solid waste management plans and local external emergency plans in the area of Industrial Pollution Control. The respect of general principles of environmental policy and conventions, the polluter pays principle, need for low-carbon development, and financial sustainability has to be taken into account.

The objective in this sector is for Turkey to fully comply with EU environmental and climate change legislation upon accession requiring adoption of all relevant Directives and legislation, including the necessary investments.

The Environment and Climate Change sector was assessed as most ready for a more sector based approach as a sector strategy is in place, namely the "Plan for Setting up Necessary Administrative Capacities at National, Regional and Local Level and Required Financial Resources for Implementing the Environmental *Acquis*" and priorities and needs are sufficiently defined on a multiannual basis. The current measure is a step towards a more comprehensive sector programme to be developed. This measure covers 17% of the programme's budget.

Sector 7: Social Development

Unemployment levels have remained quite high in Turkey, especially among young people in urban areas. Women's labour market participation remains below 30%. There is an incompatibility between the skills provided by the education system and those required in the labour market. In addition to an overall relatively low enrolment rate in education, girls and women attend school in significantly lower numbers than

men. Important disparities remain in basic health and nutrition indicators to the detriment of rural areas. Social development is a key objective as development axes of the Development Plan focussing on increased employment and strengthening of human development and social solidarity. Moreover, alignment with the *acquis* in the area of public health remains to be completed.

The programme will contain 3 projects in this sector and cover 5% of the programme's budget.

The programme will address the following MIPD objectives under this sector: Bringing Turkey closer to the EU policies and parameters in terms of strengthening employment and social inclusion policies in line with Europe 2020 Strategy, as well as building institutional and administrative capacity. In addition, it will support alignment to the public health *acquis* and ensuring adequate administrative structures and enforcement capacity to ensure effective control of communicable diseases and threats to health.

Sector 8: Agriculture and Rural Development

The Enlargement Strategy 2009-2010 and the Progress Report for 2010 have noted limited alignment progress in the area of agriculture and rural development, as well as delays in setting up administrative structures and procedures for management of rural development funds in line with EU standards. Turkey needs to advance in preparations for future implementation of the Common Agriculture Policy (CAP), in particular regarding the systems for management and control of financial expenditures, agricultural information systems and agricultural policy alignment with the CAP.

The programme will address the following objectives under this sector: To facilitate Turkey's preparations for future implementation of the CAP and related policies respecting relevant EU standards to ensure a smooth integration into the Single Market.

The programme will contain 1 project in the agriculture and rural development sector and cover 1 % of the programme's budget.

Sector 9: Other Support activities

Under the project "Enhanced Support to Strengthen the European Integration Process" a flexible facility has been created to address gaps of a limited scope, identified in the implementation of the *acquis*. Twinning and Technical Assistance projects to address these gaps can be financed and mobilised in a rapid manner without having to undergo the full programming cycle. This will further contribute to achieve the sector objectives of the MIPD and progress towards meeting the indicators linked to these objectives. A number of areas to be addressed under this facility such as capacity building in the fisheries sector, improved crime analysis, improving the regulatory capacity in the field of IT communication and capacity building in the area of civil aviation have already been indicatively identified, and further needs that may be

identified in line with the MIPD can be addressed during the implementation of the programme. This facility covers 11% of the programme's budget.

The key indicators in the MIPD which are supported by this programme, are further developed in the logical frameworks of the project fiches, which are the basis for the implementation of the programmes. These fiches contain more detailed measurable indicators, which have baselines and targets, to allow measuring results and the impact achieved by the project. The progress in meeting these indicators will be followed through the monitoring system.

2.c Description

Sector 2: Justice and Home Affairs and Fundamental Rights

Sector objective: Effective law enforcement, successful fight against crime and corruption and improved integrated border management and prevention of illegal migration (EUR 48 950 000 in total)

MIPD key results and indicators to be achieved:

- Effective integrated border management and prevention of illegal migration through effective systems to manage asylum, illegal migration and borders; establishment and effective functioning of the integrated border management (IBM) system and reduction of cross-border crimes, in particular focusing on trafficking and smuggling in human beings.

Projects to be supported in order to achieve result:

TR20110124.10 Socioeconomic development through demining and increasing the Border Surveillance Capacity at the Eastern Borders of Turkey (EUR 39 450 000)

The project purpose is to contribute to the overall reform of the Turkish border management system and to enhance Turkey's capacity to prevent illegal migration and cross-border related crimes at the Eastern borders in line with EU's Integrated Border Management (IBM) policies and strategies. This will be achieved through strengthening the border surveillance capacity of relevant Turkish authorities operating in the Van-Ağrı-Kars region by supporting them with provision of technological equipment as well as training and advice aimed at identifying its most efficient deployment and use. In order to make it possible the deployment and use of more adequate border surveillance equipment and techniques in this part of the border, the project will also contribute to clearing the mine fields which are currently located along the latter. Ministry of Interior will be the main beneficiary.

The project will be implemented through 1 service contract for the clearing of landmines (EUR19 800 000) and 1 supply contract for border surveillance equipment (EUR 19 650 000 million), tenders to be launched in 3rd quarter of 2012.

MIPD key results and indicators to be achieved:

- Strengthened law enforcement and effective fight against crime through strengthened capacity of law enforcement institutions, including improved inter-agency and international cooperation; improved forensic skills, crime analysis, criminal investigation; effective measures to reduce organised crime,

drugs and cyber crimes; to prevent money laundering, reduce financing of crime and terrorism and full civilian oversight of the security forces ensured.

Projects to be supported in order to achieve result:

TR2011/0124.11 Witness protection capacities phase II (EUR 1 500 000)

The project is a follow-up to the project "TR2010/0136.11 Strengthening witness protection capacities" and has the purpose to strengthen the institutional capacity of the Ministry of Justice, Turkish National Police and Gendarmerie on the implementation of an effective Witness Protection System, in line with European standards by the provision of essential technical equipment linked to the training provided under the earlier funded project. The Turkish National Police will be the main beneficiary of this project.

The project will be implemented through 1 supply contract (EUR 1 500 000) for equipment to apply witness protection measures, tender to be launched in 3rd quarter of 2012.

TR2011/0124.12 Forensic Capacity (EUR 8 000 000)

The project aims to contribute to the functioning of the judicial system through strengthening the forensic capacity of the Turkish National police and Gendarmerie National Command. The project is a follow up to the project "TR080214 Strengthening Forensic Capacity of Turkey" to enable faster and superior services and will provide necessary equipment for the model forensic laboratories established under the previous project.

The project will be implemented through 1 supply contract (EUR 8 000 000) for laboratory equipment for forensic analysis, tender to be launched in 3rd quarter of 2012.

Sector objective: to establish a well functioning and effective civil service and to proceed with modernization of the public administration (EUR 2 000 000 in total).

MIPD key results and indicators to be achieved:

- Effective implementation of the legislation regarding the reform and restructuring of the central public administration and transferring authority to the local and provincial administrations; reduced bureaucracy, strengthened policy making systems and sustainable development of a professional, accountable, transparent and merit-based civil service; parliamentary and civilian oversight mechanism over security sector secured; oversight, control and participatory mechanisms supported including strengthened external and internal audit functions and establishing an independent data protection system.

Project to be supported in order to achieve results:

TR2011/0123.13 Support to Better Introduction of the Data Protection System (EUR 2 000 000)

The aim is to establish and implement a complete and well functioning data protection system through improved institutional capacities of Ministry of Justice as well as the new Data Protection Supervisory Authority (DPSA) to be established through a new law.

The project will be implemented through 1 twinning contract* (EUR 1 500 000) to be launched in 1st quarter of 2012 as well as 1 service contract (EUR 500 000) for awareness raising activities to be launched in the 3rd quarter 2012.

Sector objective: to implement the necessary reforms to build an independent, impartial and efficient judiciary (EUR 2 000 000 in total).

MIPD key results and indicators to be achieved:

Better access to justice through completed review of legal aid, expertise and interpretation services to enable better access to justice; establishment of an effective Ombudsman institution and establishment of Courts of Appeal in administrative judiciary and fully operational Regional Courts of Appeal.

Project to be supported in order to achieve results:

TR2011/0123.14 Support to Establishment of Ombudsman Institution in Turkey (EUR 2 000 000)

The project aims to support the establishment of the Ombudsman institution and at its first phase of operations to develop it into a prominent body in line with EU standards and the Paris Principles, capable to pursue its mandate with independence, integrity and impartiality. The beneficiary institutions are the Grand National Assembly of Turkey together with the Ministry of Justice and the Ombudsman Institution to be established through a new law.

The project will be implemented through 1 twinning contract* (EUR 1 500 000) to be launched in 1st quarter of 2012 as well as 1 service contract (EUR 500 000) for awareness raising activities to be launched in the 3rd quarter 2012.

Sector objective: Set up strong democratic institutions and civil society promoting pluralism and the values of European integration (EUR 26 958 423 in total).

MIPD key results and indicators to be achieved:

- Civil society development and civil society dialogue, democratisation, promotion of the values of the EU² and of cultural diversity and protection and preservation of cultural heritage; development of democratic standards and structures, including capacity building of the Parliament and political parties; improved environment for civil society and strengthening the capacities of organised active citizens, more effective civic participation in policy processes at all levels, including a better legal framework for establishing, operating and funding civil society organizations; support provided to the sustainable development of grassroots civil society organisations and newly established organizations and strengthening, sustainability and activism of civil society organisations ensured.

² As defined in article 3 of the EU Treaty.

* The essential selection and award criteria for the selection of the proposals are laid down in the twinning manual referred to in point 4.3 of this Financing Proposal.

- Fostered dialogue, communication and cooperation between Turkish civil society organisations and those in EU member states and candidate countries and increased awareness among civil society and population in Turkey about EU values, fundamental rights, policies and Turkey's EU accession process through improved provision of targeted EU information and communication.

Projects to be supported in order to achieve results:

TR2011/0135.15 Civil Society Dialogue Between EU and Turkey-IV (EUR 10 600 000)

The aim is to strengthen the network of Turkish and EU local civil society organisations (CSOs) by exchange of experience and information. This will be done through institution building in Turkish CSOs to contribute to reforms on accession process at national and regional level, establishment of sustainable networks and partnerships between the Turkish and European non-governmental organisations (NGOs) on relevant thematic and *acquis* fields for better exchange of information and know-how. The beneficiary of this project will be the Ministry for EU Affairs.

To be implemented through 1 service contract (EUR 900 000) to be launched in 1st quarter of 2012, call for proposals for 1 grant scheme (EUR 8 800 000) to be launched in 2nd quarter of 2012 and 1 micro grant scheme (EUR 900 000) to be launched in 1st quarter of 2013.

TR2011/0135.16 Dialogue between trade union organisations in Turkey and the European Union with a focus on young workers (EUR 1 600 000)

This is a follow-up to "TR 0604.04 Bringing together workers from Turkey and European Union countries through a 'shared culture of work'" funded under the Turkish Pre-Accession instrument 2006. The project will contribute to the establishment and strengthening of youth structures in trade unions and confederations in Turkey in which young people can take place actively. This will be achieved by increasing awareness, exchange of best practices and experiences, especially on the subject of labour and labour market.

The project will be implemented through a Direct Grant (EUR 1 600 000) to the European Trade Union Confederation (ETUC) on behalf of the three Turkish trade union confederations, Confederation of Progressive Trade Unions of Turkey (DİSK), Confederation of Turkish Real Trade Unions (HAK-İŞ) and Confederation of Public Workers' Unions (KESK). The award will be granted due to ETUC's previous project experience in this field and given its the *de facto* monopoly situation of the ETUC as the only institution combining the necessary features in this sensitive field, the award is made in accordance with the Implementing Rules, Article 168.1.c. Award procedure to be launched in the 1st quarter 2012.

TR2011/0136.17 Jean Monnet Scholarship Programme (EUR 14 758 423)

The project is a continuation of a long-term successful grant programme with the purpose to develop Turkey's human resources in EU *acquis* related areas through post-graduate studies in EU member countries. This way young professional's perspective and perception of the European integration process is broadened and the bonds between young Turkish professionals and those of the EU are strengthened.

The project will be implemented through 1 Grant scheme (EUR 13 260 000) to cover the academic years 2013-2016, call for proposals launched during the 3rd quarter 2012, 2013 and 2014. Award selection criteria will be defined by the Jean Monnet

Joint Committee.1 Service contract (EUR 1 498 423) to fund a technical assistance team, tender to be launched 2nd quarter 2013.

Sector 3: Private Sector Development

Sector objective: Increase employment, productivity and export of goods and services, particularly in the regions where employment and business stock is low (EUR 15 345 000 in total).

MIPD key results and indicators to be achieved:

- Improved provision of basic services, infrastructure and technology which contribute to SME development, strengthening and upgrading;
- Better integration into the European Research Area and strengthened research and technological development capacities

Projects to be supported in order to achieve results:

TR2011/0318.18 Upgrading Information and Communication Technologies Services of Turkstat (EUR 5 345 000)

The objective is to improve the quality and availability of statistical data to provide a better basis for decision making through a strengthened administrative capacity of Turkstat. This will be achieved through strengthening the IT infrastructure by building a well developed network, security systems and disaster recovery centers and through dissemination of portal and improved user interfaces. The main beneficiary is the statistical office Turkstat.

To be implemented through 1 service contract for software development and training (EUR 810 000) and 1 supply contact for IT equipment (EUR 4 535 000) tenders to be launched in the 3rd quarter 2012.

TR2011/0465.19 Support to Turkey's participation in 7th Framework Programme (EUR 10 000 000)

The objective is to co-finance Turkey's participation in the 7th Framework Programme supporting research, education and innovation

Turkey's participation in relevant Union programmes shall follow the specific terms and conditions set out for each programme in the memorandum of understanding concluded by the Commission and Turkey, in accordance with the agreements establishing the general principles for participation of Turkey in Union programmes. It shall include provisions on both the total amount of Turkey's contribution in 2012 and the amount funded through IPA.

Sector 5: Energy

Sector objective: Increased capacity and better alignment in the energy efficiency field (EUR 3 million in total).

MIPD key results and indicators to be achieved:

- Promoted energy efficiency and renewable energies

Project to be supported in order to achieve results:

TR2011/0315.20 Improving Energy Efficiency in Buildings (EUR 3 000 000)

The purpose is support energy efficiency in the building sector and to foster the implementation of the Energy Performance of Buildings Directive by all stakeholders through generating awareness and knowledge including retrofit demonstration. It will be achieved by strengthening the institutional and management capacity of the Ministry of Environment and Urbanization as the main beneficiary; by supporting two pilot projects and by awareness raising on energy efficiency measures at central and local level.

The project will be implemented through 1 Service contract for capacity building (EUR 3 000 000) tender to be launched in 3rd quarter of 2012.

Sector 6: Environment and Climate Change

Sector objective: To fully comply with EU environmental and climate change legislation upon accession requiring adoption of all relevant Directives and legislation, including the necessary investments (EUR 25 186 100 in total).

The environment and climate sector measure (TR2011/0327.21) will support the Ministry of Environment and Urbanisation as well as the Ministry of Forestry and Water Works in achieving the following key MIPD results and indicators: horizontal issues, climate change, nature protection, water quality and sea related activities and chemicals:

Horizontal

- Transposition and enhancing implementation of framework and horizontal legislation and establishment of strong administrative capacity at all levels

Results in this area will be achieved through the action "Capacity Building in Horizontal Sector (INSPIRE and Liability Directive)"

Climate Change

- Development of measures to mitigate and adapt to climate change, with convergence towards EU requirements and mainstreaming of climate change considerations into other sector policies.

Results in this area will be achieved through the action "Support to Mechanism for Monitoring Turkey's Greenhouse Gas Emissions"

Nature Protection

- Designated and supported nature protection areas and biodiversity, in particular pursue work on the preparation of the list of the sites for the NATURA 2000 network and legislation on nature protection

Results in this area will be achieved through the action "Strengthening the national nature protection system for implementation of Natura 2000 requirements".

Water quality and sea-related activities

- Improved water quality, in particular through advances in the transposition and implementation of the Water Framework Directive and including an integrated approach to the marine environment
- Improved governance of sea-related activities such as, for example, Maritime Spatial Planning, Integrated Coastal Zone Management or marine and maritime research

Results in this area will be achieved through the actions "Capacity building for prevention of marine pollution caused by ship-sourced wastes", "Conversion of River Basin Protection Action Plans into River Basin Management Plans", "Capacity building on Marine Strategy Framework Directive in Turkey"

Chemicals

- Effective management of chemicals in order to prevent harmful environmental impact and in line with the EU's legislation on chemicals

Results in this area will be achieved through the action "Implementation of Export and Import of Dangerous Chemicals Regulation"

Implementation of the measure will take place 2012-2015 and be project based. It will be implemented indicatively through 6 Technical Assistance contracts (EUR 17 631 000) for strengthening institutional capacity and transposition of law, 1 Technical Assistance contract (EUR 4 770 000) for preparation of river development plans and development of software, 2 Twinning* contracts (EUR 2 185 000) for transposition of the EU legislation into Turkish legislation and institutional capacity strengthening through training and 1 Supply (EUR 600 100) for development of a database and institutional capacity strengthening. The Twinning contracts are expected to be launched in 1st quarter of 2012, all tenders expected to be launched in the 3rd quarter of 2012.

Sector 7: Social Development

Sector objective: Bringing Turkey closer to the EU policies in terms of strengthening employment and social inclusion policies in line with Europe 2020 Strategy, as well as building institutional and administrative capacity (EUR 4 050 000 in total).

Key results and indicators to be achieved:

- Modernised and strengthened public employment services able to effectively implement quality and widespread active labour market policies throughout

the country as well as a strategic approach to regional disparities in the fields of labour market, education and training and social inclusion policies.

- Strengthened policies for the social integration through employment and further training of women, young people, persons with disabilities and other vulnerable persons.
- Improved lifelong learning opportunities through the development and implementation of coherent and comprehensive strategies for lifelong learning.

Projects to be supported in order to achieve results:

TR2011/0319.22 Strengthening Institutional Capacity of Centre for Labour and Social Security Training and Research (ÇASGEM) (EUR 2 250 000)

The project aims at increasing the capacity of the beneficiary ÇASGEM on design, development, delivery, evaluation of trainings and marketing and research in line with EU Social Policy and Employment *acquis*. This will be achieved through increasing the institutional capacity by improved training design and evaluation, marketing and research capacity.

The project will be implemented through 1 service contract for institutional capacity building (EUR 2 250 000) tender launched in 3rd quarter of 2012.

TR2011/0336.23 Supporting social inclusion through sports education – phase II (EUR 1 800 000)

This project aims to provide modern sports facilities to enhance supplementary education opportunities for youth and children, especially aiming to increase the participation of girls, with a view to increase social inclusion and cohesion in pilot areas of Southeast Turkey and is a follow-up to "TR2010/0136.06 Supporting social inclusion through sports education". The Directorate General for Youth and Sports is the beneficiary and will provide substantial co-financing for the establishment of pilot sport sites in Southeast Turkey.

The project will be implemented through 1 service contract for works supervision (EUR 117 000), 1 works contract (EUR 650 000) for the construction of pilot sports fields and 1 supply contract for sports equipment to schools (EUR 1 033 000), all tenders to be launched between the 3rd quarter 2012 and the 3rd quarter 2013.

Sector objective: Alignment to the public health *acquis* and ensuring adequate administrative structures and enforcement capacity to ensure effective control of communicable diseases and threats to health (EUR 2 750 000 in total).

Key results and indicators to be achieved:

- Strengthened the capacity of KETEMs (Cancer Early Diagnosis and Education Centres) to control cancer risk factors as well as cancer screening and improved palliative care services and strengthened community based services for mental health care

Project to be supported in order to achieve results:

TR2011/0328.24 Strengthening Cancer Screening and Palliative Care Capacity in Turkey (EUR 2 750 000)

The project aims to increase the number of early detected cancers and thereby improve life expectancy rates and quality of life of cancer patients and their families, through increasing utilization rates of cancer screening services and delivery of high-qualitative palliative services at primary health care level. This will be achieved by establishing model primary level palliative care system in 8 provinces, strengthening the central cancer screening monitoring system, improving the quality of screening services and awareness raising on cancer screening and palliative care. The beneficiary of the project will be Ministry of Health.

The project will be implemented through 1 service contract to develop cancer screening systems (EUR 2 500 000) and 1 supply contract for IT equipment (EUR 250 000), tenders to be launched in 3rd quarter of 2012.

Sector 8: Agriculture and Rural Development

Sector objective: To facilitate the preparation of the Beneficiary Country for the future implementation of the Common Agricultural Policy (CAP) and related policies respecting the relevant EU standards and thereby ensuring a smooth integration into the Single Market (EUR 1.35 million in total).

MIPD key results and indicators to be achieved:

- Developed activities related to the future implementation of an Integrated Administration and Control System (IACS) and the use of Land Parcel Identification System (LPIS).

Project to be supported in order to achieve results:

TR2011/0311.25 Training staff on IACS procedures (EUR 1 350 000)

The project aims to establish the capacity of the Ministry for Food, Agriculture and Livestock (MFAL) for future implementation of IACS and use of LPIS. The institutional capacity of MFAL and other stakeholders will be developed and strengthened by training. The project is a follow-up to the project "TR0402.08 Preparation for the Implementation of EU Common Agricultural Policy" and closely linked to the project "TR2010/0311.01 Digitization of Land Parcel Identification System".

The project will be implemented through 1 Technical Assistance contract for training and software development (EUR 1 350 000), tender to be launched in 3rd quarter of 2012.

Sector 9: Other Support activities (EUR 17 000 000 in total)

The project purpose is to strengthen capacities of institutions managing EU funds under the decentralised implementation system, as well as other relevant Turkish institutions in fulfilling their respective pre-accession functions.

Project to be supported:

TR2011/0740.26 Enhanced Support Activities to Strengthen the European Integration Process (ESEI) (EUR 17 000 000)

Implementation: 1 Project Preparation Facility (EUR 2 000 000) and 1 Unallocated Institution Building Facility (EUR 15 000 000), which will allow for the provision of technical assistance, twinning and direct grants across all sectors of the MIPD. Small scale actions financed under ESEI can be launched directly by the Turkish authorities in a rapid and flexible manner. All projects to be financed under the Facility over EUR 500 000 will require a specific approval by the Commission. The facility is managed by the Ministry for EU Affairs (MEUA).

A number of larger projects to be financed under ESEI have already been indicatively identified:

- "Institutional Capacity Building for Fishery Producer Organisations"
- "Improving the Crime Analysis Efficiency and Effectiveness of the Crime Analysis and Assessment Centre"
- "Technical assistance for improving regulatory capacity of ICTA on next generation fixed and mobile networks"
- "Restructuring and strengthening the administrative capacity of Turkish DG Civil Aviation"

The project will be implemented through indicatively 20 specific contract assignments under Framework Contracts (EUR 2 000 000) for project preparation and institution building activities and indicatively 6 contracts through twinning* (EUR 8 000 000), 8 contracts through technical assistance (EUR 5 000 000) and 3 direct grants (EUR 2 000 000) for acquis alignment and enforcement activities. The Twinning contracts expected to be launched from 1st quarter of 2012 onwards, direct grants award procedure expected to be launched from 2nd quarter of 2012 onwards, service contracts expected to be launched from 3rd quarter 2012 onwards.

2.d Horizontal issues

Horizontal priorities that will be supported as cross-cutting themes are participation of civil society, participation in EU programmes, a high degree of protection of the environment, mainstreaming of climate change considerations, equal opportunities for men and women, support to disadvantaged and vulnerable groups as well as the development of good neighbourly relations.

These priorities will be addressed at measure and project level both through horizontal provisions and through specific activities within the projects that aim for example at a balanced gender approach or concrete support to disadvantaged groups.

2.e Risks and Assumptions

Agreement on the 2011 part II IPA component I programme will depend on the Turkish Government confirming the availability of sufficient resources, including national co-financing, and adequate organisational structures in the decentralised implementation system (DIS) authorities, in particular in the National IPA Coordinator (NIPAC) and Programme Authorising Officer (PAO) offices, to carry out programme monitoring effectively. The capacity of Senior Programme Officers to

effectively oversee implementation will be checked by the PAO prior to the implementation of projects.

The PAO will verify that project level conditionalities are respected before contracts are concluded. The National Authorising Officer (NAO) and PAO are committed to maintain the procurement timetables of the projects and will take effective corrective measures in case of delays. The NAO shall inform the Commission on changes to project results or the use of funds after the completion of contracts and following the submission of the final report for the programme. Any infringement of the applicable rules may lead to a review of the eligibility of EU financing provided.

2.f Roadmap for the decentralisation of the management of EU funds without ex-ante controls by the European Commission.]

A Commission Decision establishing conferral of management with ex-ante controls on the IPA Transition Assistance and Institution Building Component was adopted on 29 October 2008, thereby accrediting the Turkish decentralised implementation system (DIS) institutions and procedures. The Decision includes a number of recommendations to further improve the management and control system, which are monitored closely by the Commission. The Turkish authorities have in 2009 also prepared a roadmap for full decentralisation of the management of EU funds without *ex ante* controls by the European Commission. The roadmap is updated regularly and once implemented and the Commission confirms that the necessary conditions are met, a partial or full waiver of ex ante controls may be considered.

3. BUDGET (AMOUNTS IN EUR MILLION)

3.a Indicative budget table

<u>Decentralised management</u>	Institution Building (IB)					Investment (INV)					Total	Total IPA EU contribution		
	Total public expenditure	IPA EU contribution		National public contribution		Total public expenditure	IPA EU contribution		National public contribution		(IB + INV)	EUR	EUR	%
		EUR	EUR	%	EUR		%	EUR	EUR	%				
	(a)=(b)+(c)	(b)		(c)		(d)=(e)+(f)	(e)		(f)		(g)=(a)+(d)	(h)=(b)+(e)		
2. JHA and Fundamental Rights	58972014	50758423	86	8213591	14	38481800	29150000	76	9331800	24	97453814	79908423	53.8	
TR2011/0124.10 Demining	26400000	19800000	75	6600000	25	26050000	19650000	75	6400000	25	52450000	39450000		
TR2011/0124.11 Witness Protection II	0	0	0	0	0	1764800	1500000	85	264800	15	1764800	1500000		
TR2011/0124.12 Forensic Capacity	0	0	0	0	0	10667000	8000000	75	2667000	25	10667000	8000000		
TR2011/0123.13 Data protection	2134550	2000000	94	134550	6	0	0	0	0	0	2134550	2000000		
TR2011/0123.14 Ombudsman	2134550	2000000	94	134550	6	0	0	0	0	0	2134550	2000000		
TR2011/0135.15 CS Dialogue IV	11778000	10600000	90	1178000	10	0	0	0	0	0	11778000	10600000		
TR2011/0135.16 Trade unions dialogue	1600000	1600000	100	0	0	0	0	0	0	0	1600000	1600000		
TR2011/0136.17 Jean Monnet	14924914	14758423	99	166491	0	0	0	0	0	0	14924914	14758423		

3. Private Sector Development	71365000	10810000	15	60555000	85	5335000	4535000	85	800000	15	76700000	15345000	10.3
TR2011/0318.18 Statistics	900000	810000	90	90000	10	5335000	4535000	85	800000	15	6235000	5345000	
TR2011/0465.19 TK participation 7 FwP	70465000	10000000	14	60465000	86	0	0	0	0	0	70465000	10000000	
5. Energy	3333500	3000000	90	333500	10	0	0	0	0	0	3333500	3000000	2.0
TR2011/0315.20 Energy efficiency	3333500	3000000	90	333500	10	0	0	0	0	0	3333500	3000000	
6. Environment and Climate change	27190000	24586000	90	2604000	10	706000	600100	85	105900	15	27896000	25186100	17.0
TR2011/0327.21 Environment and climate measure	27190000	24586000	90	2604000	10	706000	600100	85	105900	15	27896000	25186100	
7. Social Development	5408000	4867000	90	541000	10	2809435	1933000	69	876435	31	8217435	6800000	4.6
TR2011/0319.22 ÇASGEM	2500000	2250000	90	250000	10	0	0	0	0	0	2500000	2250000	
TR2011/0336.23 Sports inclusion	130000	117000	90	13000	0	2515285	1683000	67	832285	33	2645285	1800000	
TR2011/0328.24 Cancer	2778000	2500000	90	278000	10	294150	250000	85	44150	15	3072150	2750000	
8. Agriculture and rural development	1500000	1350000	90	150000	10	0	0	0	0	0	1500000	1350000	0.9
TR2011/0311.25 Training for MARA	1500000	1350000	90	150000	10	0	0	0	0	0	1500000	1350000	
9. Support and other activities	18890000	17000000	90	1890000	10	0	0	0	0	0	18890000	17000000	11.4
TR2011/0740.26 ESEI envelope	18890000	17000000	90	1890000	10	0	0	0	0	0	18890000	17000000	

TOTAL	186658514	112371423	60	74287091	40	47332235	36218100	77	11114135	23	233990749	148589523	100
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¹ Public contribution (private contributions are not taken into account (Article 67(1) IPA IR) under decentralised management)

² Expressed in % of the Total expenditure IB or INV (column (a) or (d))

³ Sector rows only. Expressed in % of the grand total of column (h). It indicates the relative weight of the sector allocation with reference to the total IPA EU contribution of the entire FP.

3.b Principle of Co-Financing applying to the programme

The IPA EU contribution, which represents 63.5% of the total budget allocated to this programme, has been calculated in relation to the **eligible expenditure**, which in the case of decentralised management is based on the **public expenditure**. Joint co-financing will be used as a rule.

Turkey will provide a minimum of 15% co-financing for all investment projects and higher rates in several cases.

In the case of grants, final grant beneficiaries should contribute with a minimum of 10 % of the eligible expenditure of the project, both for investment and institution building projects.

Co-financing has not been required for the projects "Jean Monnet Scholarship Programme" and "Dialogue between trade union organisations in Turkey and the European Union with a focus on young workers". These projects cover important political priorities in the context of Turkey's accession preparations. The Beneficiaries (trade union confederations and academic institutions) are not public institutions with the same possibility of co-financing as national authorities as they have very limited resources (in the case of trade union confederations resources are based on membership fees only) and operate in a difficult legal, institutional and political context in Turkey. Requesting co-financing would put the projects at risk of failure. Previous projects with the same objectives were also 100 % funded by the EU.

4. IMPLEMENTATION

4.a Management modes and Implementation modalities

The programme shall be implemented by decentralized management, in accordance with article 53c of the Financial Regulation³ and the corresponding provisions of the Implementing Rules⁴. The Beneficiary Country will continue to ensure that the conditions laid down in Art. 56 of the Financial Regulation are respected at all times.

The ex-ante control by the European Commission shall apply to the tendering of contracts, launch of call for proposals and the award of contracts and grants until the European Commission allows for decentralised management without ex-ante controls as referred in Article 18 of the IPA Implementing Regulation.

4.b General rules for procurement and grant award procedures

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation and Part Two, Title III, Chapter 3 of its Implementing Rules as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C (2007)2034).

³ Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1) as amended by Regulation (EC, Euratom) No 1525/2007 (OJ L 343, 27.12.2006, p.9).

⁴ Regulation 2342/2002 (OJ L 357, 31.12.2002, p. 1) as last amended by Regulation (EC, Euratom) No 478/2007 (OJ L 111, 28.4.2007, p. 13).

Grant award procedures shall follow the provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

The Contracting Authorities shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for in the “Practical Guide to contract procedures for EU external actions” (“Practical Guide”) as published on the DEVCO website at the date of the initiation of the procurement or grant award procedure. The essential selection and award criteria for the award of grants are laid down in the Practical Guide. The detailed selection and award criteria will be laid down in the Calls for proposals – Guidelines for applicants

4.c Implementation Principles for Twinning Projects

Twinning projects shall be set up in the form of a grant agreement, whereby the selected Member State administrations agree to provide the requested public sector expertise against the reimbursement of the expenses thus incurred.

The contract may in particular provide for the long-term secondment of an official assigned to provide full-time advice to the administration of the beneficiary country as resident twinning advisor.

The twinning grant agreement shall be established in accordance with relevant provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

The twinning manual is available on the Website of DG ELARG at the following address: http://ec.europa.eu/enlargement/financial_assistance/institution_building/twinning_en.htm

4.d Environmental Impact Assessment and Nature Conservation

All investments shall be carried out in compliance with the relevant EU environmental legislation such as directives on EIA, Habitats and Birds⁵, where appropriate.

The procedures for environmental impact assessment as set down in the EIA Directive fully apply to all investment projects under IPA. If the EIA Directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned Directive.

If a project is likely to affect sites of nature conservation importance, an appropriate nature conservation assessment shall be made, equivalent to that provided for in Article 6 of the Habitats Directive must be documented.

⁵ EIA: Council Directive: 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment [OJ L 175, 5.7.1985, p. 40].

Habitats: Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L206, 22.7.1992).

Birds: Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds [OJ L 103, 25.4.1979, p. 1].

5. MONITORING AND EVALUATION

5.a Monitoring

Programme implementation will be monitored through the IPA Monitoring Committee assisted by Transition Assistance and Institution Building Monitoring Committee.

They shall assess the effectiveness, quality and coherence of the implementation of this programme. They may make proposals to the European Commission and the national IPA co-ordinator, with a copy to the national authorising officer, for decisions on any corrective measures to ensure the achievements of programme objectives and enhance the efficiency of the assistance provided.

5.b Evaluation

Programmes shall be subject to ex ante evaluations, as well as interim and, where relevant, ex post evaluations in accordance with Articles 57 and 82 of the IPA Implementing Regulation with an aim to improve the quality, effectiveness and consistency of the assistance from EU funds and the strategy and implementation of the programmes.

After the conferral of management powers, the responsibility for carrying out interim evaluations shall lie with the Beneficiary Country, without prejudice on the European Commission's rights to perform any ad hoc interim evaluations of the programmes it deems necessary.

Ex post evaluation shall remain a prerogative of the European Commission even after the conferral of management powers to the Beneficiary Country.

The results of ex ante and interim evaluation shall be taken into account in the programming and implementation cycle.

The European Commission may also carry out strategic evaluations.

6. AUDIT, FINANCIAL CONTROL, ANTIFRAUD MEASURES; FINANCIAL ADJUSTMENTS, PREVENTIVE MEASURES AND FINANCIAL CORRECTIONS

6.a Audit, Financial Control and Anti-fraud measures

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the European Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the EU Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the European Union, the European Commission (including the European Anti-Fraud Office) may conduct on-the-spot

checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96⁶.

The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received EU funds.

6.b Financial adjustments

The national authorising officer, who bears in the first instance the responsibility for investigating all irregularities, shall make the financial adjustments where irregularities or negligence are detected in connection with the implementation of this programme, by cancelling all or part of the EU assistance. The national authorising officer shall take into account the nature and gravity of the irregularities and the financial loss to the EU assistance. In case of an irregularity, including negligence and fraud, the national authorising officer shall recover the EU assistance paid to the beneficiary in accordance with national recovery procedures.

6.c Audit trail

The national authorising officer shall ensure that all the relevant information is available to ensure at all times a sufficiently detailed audit trail. This information shall include documentary evidence of the authorisation of payment applications, of the accounting and payment of such applications, and of the treatment of advances, guarantees and debts.

6.d Preventive Measures

Beneficiary countries shall ensure investigation and effective treatment of suspected cases of fraud and irregularities and shall ensure the functioning of a control and reporting mechanism equivalent to that provided for in Commission Regulation 1828/2006⁷. All suspected or actual cases of fraud and irregularity as well as all measures related thereto taken must be reported to the European Commission services without delay. Should there be no suspected or actual cases of fraud or irregularity to report, the Beneficiary Country shall inform the European Commission of this fact within two months following the end of each quarter.

Irregularity shall mean any infringement of a provision of applicable rules and contracts, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget.

Fraud shall mean any intentional act or omission relating to: the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Union or budgets managed by, or on behalf of, the European Union; non disclosure of information in violation of a specific obligation with the same effect; the misapplication of such funds for purposes other than those for which they are originally granted.

The Beneficiary Country shall take any appropriate measure to prevent and counter active and passive corruption practises at any stage of the procurement procedure or grant award procedure, as well as during the implementation of corresponding contracts.

⁶ OJ L 292; 15.11.1996; p. 2.

⁷ OJ L371, 27.12.2006, p. 1.

Active corruption is defined as the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Union's financial interests.

Passive corruption is defined as the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or a third party, or accepts a promise of such advantage, to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Union's financial interests.

The authorities of the Beneficiary Country, including the personnel responsible for the implementation of the programme, shall also undertake to take whatever precautions are necessary to avoid any risk of conflict of interest, and shall inform the European Commission immediately of any such conflict of interest or any situation likely to give rise to any such conflict.

6.e Financial corrections

In order to ensure that the funds are used in accordance with the applicable rules, the European Commission shall apply clearance-of-accounts procedures or financial correction mechanisms in accordance with Article 53c (2) of the Financial Regulation and as detailed in the Framework Agreement concluded between the European Commission and the Beneficiary Country.

A financial correction may arise following:

- (i) identification of a specific irregularity, including fraud; or
- (ii) identification of a weakness or deficiency in the management and control systems of the Beneficiary Country;

If the European Commission finds that expenditure under this programme has been incurred in a way that has infringed applicable rules, it shall decide what amounts are to be excluded from EU financing.

The calculation and establishment of any such corrections, as well as the related recoveries, shall be made by the European Commission following the criteria and procedures provided for in the IPA Implementing Regulation.

7. NON SUBSTANTIAL REALLOCATION OF FUNDS

The authorising officer by delegation (AOD), or the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him/her by the AOD, in accordance with the principles of sound financial management, may undertake non substantial reallocations of funds without an amending financing decision being necessary. In this context, cumulative reallocations not exceeding 20% of the total amount allocated for the programme, subject to a limit of EUR 4 million, shall not be considered substantial, provided that they do not affect the nature and objectives of the programme. The IPA Committee shall be informed of the above reallocation of funds.

8. LIMITED CHANGES

Limited changes in the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature⁸, may be undertaken by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

⁸ These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.