

**Standard Summary Project Fiche – IPA decentralised National Programmes**  
**(maximum 12/15 pages without the annexes)**

**1. Basic information**

1.1 CRIS Number: TR2009/0311.01

1.2 Title: Extending the Pilot FADN Project and Ensure Sustainability

1.3 ELARG Statistical code: 11-Agriculture and Rural Development

1.4 Location: Turkey (Nuts I level, Adana, Bursa, Erzurum, Giresun, Izmir, Konya, Malatya, Nevsehir, Samsun, Sanliurfa, Tekirdağ, İstanbul).

**Implementing arrangements:**

1.5 Implementing Agency:

The CFCU will be Implementing Agency and will be responsible for all procedural aspects of the tendering process, contracting matters and financial management, including payment of project activities. The director of the CFCU will act as Programme Authorizing Officer (PAO) of the project.

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1.6 Beneficiary (including details of PL): MARA is the beneficiary of the project.

Contact details of the PL:

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**Financing:**

1.7 Overall cost (VAT excluded): 1.450.000 €

1.8 EU contribution: 1.377.500 €

1.9 Final date for contracting: 2 years after the signature of the Financing Agreement

1.10 Final date for execution of contracts: 2 years following the end date for contracting

1.11 Final date for disbursements: 1 year after the end date for the execution of contracts.

## 2. Overall Objective and Project Purpose

**2.1 Overall Objective:** The overall objective of the project is to establish and consolidate Farm Accountancy Data Network (FADN) in compliance with the EU requirements in order to provide reliable information on the Turkish agricultural sector to the EC and Turkish policy makers.

### 2.2 Project purpose:

Extending the FADN to 12 regions at NUTS 1 level and ensuring its sustainability

### 2.3 Link with AP/NPAA / EP/ SAA:

2008 Accession Partnership (2008/157/EC)

Although FADN is covered by Chapter 11-Agriculture and Rural Development, there is no direct reference for FADN in the Accession Partnership. However, FADN is regarded as an important part of following short term priority defined under chapter 18- Statistics:

*“align the methodology and the organisational set-up for collecting information to provide agriculture statistics in line with EU requirements,”*

National Programme on the Adoption of the Acquis (NPAA) 2008, (Official Gazette Dated 31 December 2008 No. 27097 5<sup>th</sup> bis)

In parallel to the Accession Partnership, FADN is not covered under Chapter 11-Agriculture and Rural Development but actions are described under Chapter 18- Statistics Priority 18.2 Aligning the methodology and the organisational set-up for collecting information to provide agriculture statistics in line with EU requirements.

Under that priority, Implementing Regulation on Establishment of FADN is envisaged as the legislative action concerning FADN.

The NPAA also identified following institutional actions for MARA :

- Establishment of farm accountancy data network (FADN) in 9 provinces between 2008-2009
- Enhancing the institutional capacity of Ministry of Agriculture and Rural Affairs for ensuring the implementation, sustainability and expansion of FADN between 2010-2012.

### 2.4 Link with MIPD

Section 2 of MIPD identifies agriculture as one of the priority areas for support. It further identifies main priorities and objectives on agriculture under IPA Component I. It particularly underlines administrative structures to operate Common Agricultural Policy as a priority area. Furthermore it underlines Statistics (in particular agricultural and business statistics) as the areas of acquis with more modest budgetary allocations.

### 2.5 Link with National Development Plan (where applicable)

Not applicable

### 2.6 Link with national/ sectoral investment plans(where applicable)

Not applicable

### **3. Description of project**

#### **3.1 Background and justification:**

The Farm Accountancy Data Network (FADN) which was established in 1965 with Council Regulation (EEC) No 79/65 is a survey carried out by the Member States of the European Union. Derived from national surveys, the FADN is the most important source of micro-economic data that represents the commercial agricultural holdings in the Union. Holdings are selected to take part in the survey on the basis of sampling plans prepared at regional level in the Union. Each sample farm provides bookkeeping data that reveal detailed information on the output as well as costs and profit of the farm.

The accountancy data of approximately 80.000 sample agricultural holdings - representing nearly 5.500.000 farms of EU-27, covering approximately 90 % of the total utilized agricultural area (UAA) and more than 90 % of the total agricultural production - is collected by annual sampling. The information collected from each sample farm concerns approximately 1000 variables and is transmitted by Liaison Agencies.

FADN-data is an important tool for supplying information and executing analysis for decision takers. The collected data is also used in research studies by the universities and for consultancy for farmers by extension services and accountants. To ensure the co-operation of the farmers, they are provided with data on their own and comparable farms (bench marking) and strict guarantees are given on the confidentiality of their data.

A project on Establishment of a Pilot Farm Accountancy Data Network has been implemented by MARA since 01.08.2007 with the partnership of Denmark. The implementation period has just been completed. The project supported the establishment of the system in Turkey and necessary legislative and organizational arrangements for nine provinces have already been introduced and the system has been established. The information obtained from the farms by means of FADN is expected to contribute to the calculation of Economic Accounts for Agriculture in Turkey.

Within the project, the selection plan was prepared and the data collectors have been determined. Furthermore, FADN questionnaire has been created in both paper and excel version by the Ministry of Agriculture and Rural Affairs. The tests of the variables have been created with the experts from the partner country. Manual of the questionnaire has been prepared for the data collectors.

There are two categories of farmers in Turkey for bookkeeping. One is the bookkeeper farmers and the other is the farmers who are not bookkeeping. Therefore, within the pilot project, log books which are standard forms for the farmers in order to record the agricultural movements during the accountancy year are prepared.

In Turkey, most of the farmers do not keep accounts. There is no obligation for bookkeeping. Log book was introduced to the farmers who do not keep accounts in the former pilot FADN project. In order to include the large majority of Turkish farmers who are not keeping accounts, the application of these log books to the selected farmers will be included in the activities of this new project.

As described above, the questionnaire and manual were prepared in the former project; however, they still need to be further developed since FADN is a very complicated and detailed survey.

Lots of tests are required in FADN system in both national and regional level. The first step was taken in the pilot project to develop the test system. However, the main part still needs to be developed in order to be fully aligned with the test in the RICA 1 system.

Preliminary structure and procedures have already been developed in the national and regional level in pilot provinces. In order to be able to do large scale data collection, permanent structure and procedures must be introduced in national, regional and district level.

Promotion of the system is very important for FADN system since it is a voluntary survey. Promotion will be extended to the rest of the provinces.

The use of standard outputs (SO) and procedures for elaborating sample and selection plans are essential for achieving valid statistical results. These issues have only been briefly addressed in pilot project and must be brought to a much more advanced level in the new project.

13 farms accounts were sent to RICA 1 in the pilot project. This number must be increased and the relation between FADN Unit of the EU Commission and Turkey must be strengthened.

The first version of the national database and the necessary related IT systems have started in the pilot project. Experiences from the member states show that it takes several years to get a fully functional IT system for FADN. Necessary equipments for the regional offices have been procured in the pilot project.

With regard to legislative basis, Implementing Regulation on Establishment and Operational Rules and Procedures of FADN was adopted and entered into force upon publication on Official Gazette no. 27118 of 22 January 2009. According to the by-law, FADN Liaison Office was established and staff is assigned for FADN studies. National FADN Committee will be established as soon as possible.

Second data collection period has been implemented by MARA FADN Liaison Office and regional offices within May 2009 and the questionnaires will be evaluated by the MARA staff until the end of June 2009.

FADN Master Plan was elaborated by MARA and twinning partner Denmark. In the document, the future plan for FADN studies in Turkey and the tasks of the staff has been determined and the tasks have been assigned to staff.

Therefore, this project is expected to address all these issues which are necessary for introduction and implementation of a nationwide FADN system.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)**

With the establishment of the FADN system in Turkey reliable information will be provided on Turkish agricultural sector at farm level. The establishment of the system is a precondition for Turkey to become a Member State.

The results of the project will also help to make comparisons of farms in the sector according to their structures. A farm will be able to evaluate its own position by the years with the reports to be given by the FADN Authority. With the results of the project the system will be able to be established in 12 regions at NUTS 1 level. Thus, MARA will have the institutional capacity to implement the FADN structure countrywide.

The government will get benefit from the results in making new regulations. Therefore, the FADN system in Turkey will be the base for regulatory impact analysis. Decision takers and researchers will be beneficiaries of the FADN survey results. Thus, policy makers will have a tool to analyse the impact of their policies and they will use the tool put at their disposal to improve policies.

Also there is a catalytic effect of the project like providing information for the national income analysis and analysis of income distribution, particularly for statistical purposes.

The FADN project is intended to be sustainable and permanent in compliance with the EU norms and standards and in line with the acquis of the agricultural sector. Responsibility of the staff both in Liaison Agency and provisional and district level will be well defined with the new project and structures and necessary experience will be in place for implementation of system through national resources after project completion.

Moreover, to ensure the sustainability, farmers will be paid from the state budget in order to provide their participation. With the former pilot project, the system has been established in pilot 9 provinces at the end of 2008. In addition, the Liaison Agency has been determined and started to implement its tasks.

### **3.3 Results and measurable indicators:**

**R.1** Turkish policy makers and sector stakeholders are provided with information and refined analysis on agricultural support policies.

Measurable indicators of R1 are:

- FADN survey results have been submitted to agricultural policy makers
- National FADN Committee has approved the selection plan

**R. 2** The physical infrastructure and institutional capacity required for the implementation of FADN is strengthened

Measurable indicators of R2 are:

- The national and regional structures have been approved by the BC policy makers, including number of staff
- Number of trained FADN data collectors has been increased by 100 % from 18 and a good network has been established between Liaison Office and regional offices in coherence with the FADN by-law.
- At least 1,000 tests for data validation have been elaborated
- The sustainability of the system which was set up with the pilot project was ensured

- FADN related tasks defined in the FADN Master Plan are assigned to FADN staff

### **3.4 Activities:**

Activities will be carried out through 1 twinning contract.

Activities will be implemented through IPA budget and National Public Contribution which will be provided from the budget of MARA.

#### **Activities to obtain Result 1.**

1. Promotion of FADN among farmers whose participate have been identified in 12 regions including farmers who are not bookkeeping.
2. Development of Advanced methods for sampling and elaboration the selection plan
3. Assessment and adaptation of Logbooks and questionnaires to ensure data quality.
4. Elaboration of more advanced procedures for sending data to RICA 1
5. Developments of Statistical methods for analyzing data have been developed.

#### **Activities to obtain Result 2:**

1. Evaluation of the Turkish FADN structure at regional and provincial level.
2. Elaboration of training material for data collectors, processors and verifiers and farmers
3. Training of data collectors, data processors, and data verifiers
4. Study visits in MS and in Turkey have been organized.
5. Strengthening FADN IT system to meet FADN requirements and its full testing.

### **3.5 Conditionality and sequencing:**

Main condition for the project is the sustainable coordination between MARA, TZOB and TURKSTAT

One twinning contract will be concluded.

### **3.6 Linked activities**

Pre-Accession Assistance, TR070225 Technical Assistance Project, “Strengthening the statistical capacity of MARA”

### **3.7 Lessons learned**

- Budget of the former pilot project was limited for fulfilling the project activities. There was not enough budget allocation for training and promotion activities. This was very crucial for Turkey since the FADN system is very new in Turkey. In this project, training and promotion activities to farmers should be given more budget.
- It is learned that there is no obligation about the bookkeeping in Turkey. Therefore, encouraging the farmers and promoting the FADN system to the farmers are crucial for implementation of the system. In order to encourage farmers, Turkey introduced support mechanism similar to EU legislation. Logbooks for farmers should be elaborated in such a way that they will be understandable and acceptable by the farmers.
- The number of trained data collectors and sustainability of data collectors is an important issue for FADN. They must be encouraged and ensured to participate continuously in the system.
- The establishment of the national database and the necessary related IT systems will take several years according to the experience of MS which means early start of nationwide implementation is important.
- Time was not enough in the former FADN project. There was not enough time for the analysis of the data. Thus, timing should be adjusted carefully.

**4. Indicative Budget (amounts in €)**

|                          | <u>TOTAL PUBLIC COST</u> | <u>SOURCES OF FUNDING</u> |            |                    |            |                                     |                                       |            |                 |                 |                |
|--------------------------|--------------------------|---------------------------|------------|--------------------|------------|-------------------------------------|---------------------------------------|------------|-----------------|-----------------|----------------|
|                          |                          | <u>EU CONTRIBUTION</u>    |            |                    |            | <u>NATIONAL PUBLIC CONTRIBUTION</u> |                                       |            |                 |                 | <u>PRIVATE</u> |
|                          |                          | <u>Total</u>              | <u>% *</u> | <u>IB</u>          | <u>INV</u> | <u>Total</u>                        | <u>Type of cofinancing (J / P) **</u> | <u>% *</u> | <u>Central</u>  | <u>Regional</u> | <u>IFIs</u>    |
| <u>Activities</u>        |                          |                           |            |                    |            |                                     |                                       |            |                 |                 |                |
| <u>Activity 1</u>        |                          |                           |            |                    |            |                                     |                                       |            |                 |                 |                |
| <b>Twinning Contract</b> | <b>1.450.000 €</b>       | <b>1.377.500 €</b>        | <b>%95</b> | <b>1.377.500 €</b> |            | <b>72.500 €</b>                     | <b>J</b>                              | <b>%5</b>  | <b>72.500 €</b> |                 |                |
| <b><u>TOTAL</u></b>      | <b>1.450.000 €</b>       | <b>1.377.500 €</b>        |            | <b>1.377.500 €</b> |            | <b>72.500 €</b>                     |                                       |            | <b>72.500 €</b> |                 |                |

**\*\* compulsory for INV (including INV related services/TA contracts): minimum of 25 % of total EU + national public contribution; and for IB: for IB services/TA contracts minimum of 10% and for twinning a minimum of 5% of total EU + national public contribution. Joint cofinancing (J) as the rule, parallel co financing (P) per exception.**

**\* expressed in % of the Total Public Cost**

## 5. Indicative Implementation Schedule (periods broken down per quarter)

| Contracts                | Start of Tendering | Signature of contract | Contract Completion |
|--------------------------|--------------------|-----------------------|---------------------|
| <b>Twinning Contract</b> | 1Q/2010            | 3Q/2010               | 2Q/2012             |

Duration of the project: 18 months

All projects should in principle be ready for tendering in the 1<sup>ST</sup> Quarter following the signature of the FA

## 6. Cross cutting issues (where applicable)

### 6.1 Equal Opportunity

Participation in this project will be open to both males and females involved in the sector. Records of professionals' participation in all project related activities will reflect this and will be kept with the project documentation. FADN survey will be open to both male and female headed farms equally.

### 6.2 Environment

Not Applicable.

### 6.3 Minority and vulnerable groups

According to the Turkish Constitutional System, the word minority encompasses only groups of persons defined and recognized as such on the basis of multilateral or bilateral instruments to which Turkey is a party. This project has no negative impact on minority and vulnerable persons. Training programs and workshops will be held in buildings where access to buildings for handicapped people is possible.

### 6.4 Civil Society

Civil society participation is very crucial for the FADN system. In the pilot project, MARA, (CBAT) Cattle Breeders' Association of Turkey and TZOB (Union of Turkish Chambers of Agriculture) have close cooperation especially in promotion activities towards farmers. In the follow up project, this cooperation will continue in a closer way. They will participate in promotion activities, farmer visit activities and TZOB will be a member of National FADN Committee.

## ANNEXES

1- Log frame in Standard Format

- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3- Institutional Framework
  - \* Role and responsibilities of the PL
  - \* frequency of project management meetings,
  - \* who chairs, who attends and in what role
  - \* coordination mechanisms for multi-beneficiary projects
  - \* monitoring (roles, responsibilities of all actors)
- 4 - Reference to laws, regulations and strategic documents:
  - Reference list of relevant laws and regulations
  - Reference to AP /NPAA / EP / SAA
  - Reference to MIPD
  - Reference to National Development Plan
  - Reference to national / sector investment plans
- 5- Details per EU funded contract (\*) where applicable:
  - For *TA contracts*: account of tasks expected from the contractor
  - For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
  - For *grants schemes*: account of components of the schemes
  - For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (\*\*)
  - For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (\*\*); account of services to be carried out for the *service part* of the contract

(\*) non standard aspects (in case of derogation to PRAG) also to be specified

(\*\*) section on investment criteria (applicable to all infrastructure contracts and constructing works):

- Rate of return
- Co financing
- compliance with state aids provisions
- Ownership of assets (current and after project completion)

**ANNEX 1: Logical framework matrix in standard format**

|   |   |  |  |
|---|---|--|--|
| LOGFRAME PLANNING MATRIX FOR Project Fiche for  |   | Programme name and number  |  |
| <b>Extending the Pilot FADN Project and Ensure Sustainability</b>   |   | Contracting period expires 2 years after the date of signing the FA  | Disbursement period expires 1 year after the end date for the execution of contracts.  |
|   |   | Total budget :<br>1,450,000 €  | IPA budget:<br>1,377,500 €   |
| <b>Overall objective</b>  | <b>Objectively verifiable indicators</b>  | <b>Sources of Verification</b>   |  |
| The overall objective of the project is to establish and consolidate Farm Accountancy Data Network (FADN) in compliance with the EU requirements in order to provide reliable information on the Turkish agricultural sector to the EC and Turkish policy makers. | Establishment of FADN system according to NUTS 1 level.   | <ul style="list-style-type: none"> <li>• Periodical monitoring and evaluation reports</li> <li>• Progress reports</li> <li>• FADN data tested by RICA 1</li> </ul>                     |  |
| <b>Project purpose</b>  | <b>Objectively verifiable indicators</b>  | <b>Sources of Verification</b>   | <b>Assumptions</b>   |
| Extending the FADN to 12 regions at NUTS 1 level and ensuring its sustainability  | <ul style="list-style-type: none"> <li>• Increase in the number of FADN farms in the sample.</li> <li>• Strengthening of the FADN organization structure throughout the country.</li> <li>• Enlargement of the FADN implementation area.</li> <li>• Improvement of the FADN data</li> </ul> | <ul style="list-style-type: none"> <li>• Periodical monitoring and evaluation reports</li> <li>• Progress reports</li> <li>• Financial reports</li> <li>• Technical reports</li> </ul> | <ul style="list-style-type: none"> <li>• Sufficient number of farmers willing to participate</li> <li>• Establishment of the institutional structure for FADN</li> </ul> |

|   |   |  |  |
|---|---|--|--|
|   | <p>quality.</p> <ul style="list-style-type: none"> <li>• Development of the FADN database</li> <li>• Training of data collectors</li> <li>• Motivating farmers and carrying on with training activities</li> </ul>  |  |  |
| <b>Results</b>  | <b>Objectively verifiable indicators</b>  | <b>Sources of Verification</b>   | <b>Assumptions</b>   |
| <p>1. Turkish policy makers and sector stakeholders are provided with information and refined analysis on agricultural support policies.</p> <p>2. The physical infrastructure and institutional capacity required for the implementation of FADN is strengthened</p> | <p><b>1.1.</b> FADN survey results have been submitted to agricultural policy makers</p> <p><b>1.2.</b> National FADN Committee has approved the selection plan</p> <p><b>2.1.</b> The national and regional structures have been approved by the BC policy makers, including number of staff</p> <p><b>2.2.</b> Number of trained FADN data collectors has been increased by 100 % from 18 and a good network has been established between Liaison Office and regional offices in coherence with the FADN by-law.</p> <p><b>2.3.</b> At least 1,000 tests for data validation have been elaborated</p> <p><b>2.4.</b> The sustainability of the system which was set up with the pilot project was ensured</p> | <ul style="list-style-type: none"> <li>• Periodical monitoring and evaluation reports</li> <li>• Progress reports</li> <li>• National FADN Committee Meeting minutes</li> <li>• FADN software records</li> </ul> | <ul style="list-style-type: none"> <li>• Sufficient number of farmers willing to participate</li> <li>• Establishment of the institutional structure for FADN</li> </ul> |

| Activities  | Means   | Costs              | Assumptions   |
|---|---|--------------------|---|
| <p><b>Activities to reach to Result 1:</b></p> <ol style="list-style-type: none"> <li>1. Promotion of FADN among farmers whose participate have been identified in 12 regions including farmers who are not bookkeeping.</li> <li>2. Development of advanced methods for sampling and elaboration the selection plan</li> <li>3. Assessment and adaptation of Logbooks and questionnaires to ensure data quality.</li> <li>4. Elaboration of more advanced procedures for sending data to RICA 1</li> <li>5. Development of Statistical methods for analyzing data has been developed.</li> </ol> <p><b>Activities to obtain Result 2:</b></p> <ol style="list-style-type: none"> <li>1. Evaluation of the Turkish FADN structure at regional and provincial level.</li> <li>2. Elaboration of training material for data collectors, processors and verifiers and farmers</li> </ol> | <p><b>2.5.</b> FADN related tasks defined in the FADN Master Plan are assigned to FADN staff</p> <p><u>Means/Inputs:</u></p> <p>One standard Twinning Contract of 18 months</p> | <p>1.450.000 €</p> | <ul style="list-style-type: none"> <li>• Finding voluntary farmers</li> </ul> |

|   |  |  |   |
|---|--|--|---|
| <p>3. Training of data collectors, data processors, and data verifiers</p> <p>4. Study visits in MS and Turkey have been organized</p> <p>5. Strengthening FADN IT system to meet FADN requirements and its full testing.</p> |  |  |   |
|   |  |  | <p><b>Pre conditions</b><br/>National Committee for FADN has been established</p> |