

ADDENDUM No 3

TO THE FINANCING AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF TURKEY AND THE COMMISSION OF THE EUROPEAN COMMUNITIES CONCERNING THE NATIONAL PROGRAMME FOR TURKEY 2008 UNDER THE INSTRUMENT FOR PREACCESSION ASSISTANCE – TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT PART 1

The European Union (hereinafter referred to as "the Union"), represented by the European Commission (hereinafter referred to as "the Commission"), which is represented for the purposes of signing this addendum by Alexandra Cas Granje, Director of Directorate B in DG Enlargement,

and

The Government of the Republic of Turkey (hereinafter referred to as "the beneficiary country"), represented for the purposes of the signature of this addendum by the H. E. Ambassador Haluk Ilıcak, National IPA Coordinator (NIPAC), of the other part,

Having regard to the Financing Agreement concerning the National Programme for Turkey 2008 part 1 concluded between the Commission and the beneficiary country (hereinafter referred to as "the Financing Agreement"),

HAVE AGREED AS FOLLOWS:

Article 1 – Nature and Subject

Following the adoption of the Commission Decision C(2011)6298 on 6 September 2011 amending the National Programme for Turkey 2008 part 1, the Financing Agreement for National Programme for Turkey 2008 part 1 signed on 31 March 2009 is herewith modified as follows:

Article 5 (1) The individual contracts and agreements which implement this Agreement shall be concluded no later on than 2 years and seven months following the date of conclusion of this Financing Agreement except for projects:

TR0801.03; TR0802.04 TR0802.05; TR0802.06; TR0802.10; TR0802.12; TR0802.14; TR0802.15; TR0802.17 for which the final date for contracting will be 3 years following the date of conclusion of this Financing Agreement.

Annex A to the Financing Agreement is replaced with the Annex to this addendum.

Article 2

All other Terms and Conditions of the original Financing Agreement for National Programme for Turkey 2008 part 1 remain unchanged.

Article 3

This addendum to the Financing Agreement is drawn up in duplicate in the English language.


Article 4 – Entry into force

This addendum to the Financing Agreement for National Programme for Turkey 2008 part 1 shall enter into force on the date on which it has been signed by both parties.

SIGNATURES

For the Government of the Republic of Turkey, For the European Union,

H. E. Ambassador Haluk Ilıcak, National IPA Coordinator (NIPAC), Acting Undersecretary Ministry for EU Affairs *Alexandra Cas Granje, Director of Directorate B in DG Enlargement*

signature: 

signature: 

Done at Ankara, ..13-10-2011.....

Done at Brussels,13. 09. 2011.....

ANNEX A

**NATIONAL PROGRAMME FOR TURKEY UNDER THE IPA-TRANSITION
ASSISTANCE AND INSTITUTION BUILDING COMPONENT FOR THE YEAR 2008**

1. IDENTIFICATION

Beneficiary	<i>Republic of Turkey</i>
CRIS number	<i>IPA 2008/020-213, IPA 2008/020-371 (TR080209)</i>
Year	<i>2008</i>
Cost	<i>EUR 256,125,297</i>
Implementing Authority	<p>The Implementing Agency responsible for the programme is the Central Finance and Contracting Unit (CFCU) at the Undersecretariat of the Treasury except for:</p> <p>Project TR 08 03 04 "Participation in Union Programmes and Agencies", where implementation will consist in the payment of the IPA part of the financial contribution to the programmes by the National Fund</p> <p>Project TR 08 02 09 "Improving radiation metrology", which will be sub-delegated to European Commission JRC-IRMM through an administrative arrangement with the EU Delegation in Ankara</p>
Final date for concluding the Financing Agreements	<i>At the latest by 31 December 2009</i>
Final date for contracting	<p>2 years and seven months following the date of conclusion of the Financing Agreement for part I (decentralised projects, <i>IPA 2008/020-213</i>) except for projects:</p> <p>TR0801.03; TR0802.04 TR0802.05; TR0802.06; TR0802.10; TR0802.12; TR0802.14; TR0802.15; TR0802.17 for which the final date for contracting will be 3 years following the date of conclusion of the Financing Agreement for part I projects</p> <p>2 years following the date of conclusion of the Financing Agreement for part II (centralised project,</p>

	<p><i>IPA 2008/020-371).</i></p> <p>No deadline for audit and evaluation projects covered by this Financing Agreement, 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.</p> <p>These dates apply also to the national co-financing.</p>
Sector Code	<p>15162 (priority axes 1 - PC); 15140 (priority axes 2 – <i>ACQUIS</i>); 15150 (priority axes 3 - CSD); 15140 (priority axis 4 – support activities)</p>
Budget line concerned	<p>22.02.01</p>
Programming Task Manager	<p>DG ELARG Unit B3 (European Commission, Brussels)</p>
Implementation Task Manager	<p>Head of Operations Team (European Union Delegation, Ankara)</p>

2. PRIORITY AXES / PROJECTS

2.a Priority axes

The programme's strategic reference is the Multi-Annual Indicative Planning Document (MIPD) 2008-2010. As reflected in the MIPD, IPA – notably through component I 'Institution Building' – will support the EU pre-accession strategy for Turkey adopted in the conclusions of the European Council of December 2004. This corresponds to four priority axes for this programme: progress towards fully meeting the Copenhagen political criteria, adoption and implementation of the EU *acquis*, promotion of an EU-Turkey Civil Society Dialogue and supporting activities.

The IPA 2008 component I programme includes 32 projects that have been selected among the priorities identified in the 2008-2010 MIPD after analysis of the Turkish authorities and consultation with the European Commission, according to the priorities identified in the Accession Partnership, the screening process and subsequent negotiations in the different chapters of the *acquis*. Selected projects built on past experience and past or on-going pre-accession/IPA assistance projects. As in previous years, projects were also appraised according to the sequencing of assistance in a given sector, the capacity of the beneficiary institution for implementation and the maturity of the projects at the time of establishing the financing proposal.

Priority 1: Progress towards fully meeting the Copenhagen political criteria

This priority axis will cover approximately 16.72 % of the programme's budget and include 8 projects focussing on the MIPD priorities of judicial reform, public administration reform and

civil society. It will include a direct and relevant continuation/follow-up of a previous court management system project and a project with Turkey's high courts on EU rules and values. Cooperation with the Turkish general staff to train and raise awareness of young conscripts will be continued and extended as well as work on local administration reform and participatory strategic governance at the local level. A strong emphasis is put on civil society through strengthening the institutional capacity of a target group of NGOs and on social inclusion of vulnerable groups including people with disabilities and women. Projects have been selected on the basis of their importance and priority for strengthening the reform process in the given areas.

Priority 2: Adoption and implementation of the *acquis communautaire*

This priority axis will cover approximately 39.15 % of the programme's budget and include 19 projects covering 12 *acquis* chapters. In line with the MIPD, projects have been selected on the basis of their priority for accession negotiations and preparations and in the light of costly investments needed for harmonisation and where the volume of legislation to be harmonised is very large. Priority has therefore been given to projects in the area of agriculture/veterinary issues (notably for tagging and vaccination for sheep and goat), justice, freedom and security (i.e. to built on the integrated border management action plan and continue necessary investments in the area, fight organised crime, strengthen border police and forensic medicine), customs union (Turkish customs authority equipment) and environment (notably supporting capacity building and alignment with regard to notably REACH, IPPC and NEC directives). The 2008 programme, however, also includes projects in new areas such health (e.g. blood supply system and communicable diseases) and research and development. Other areas covered include financing control, financial services and internal market.

Priority 3: Promotion of an EU-Turkey Civil Society Dialogue

This priority axis will cover approximately 40.62% of the programme's budget and include 4 projects. Projects have been selected on the basis of their importance for the continuation of efficient and effective EU-Turkey Civil Society dialogue operations and in view of developing new and innovative areas of EU-Turkey Civil Society dialogue. Focus in the 2008 programme will be on civil society dialogue between Turkish and EU Parliaments, on grant schemes in the area of culture and arts and involving museums as well as to help Istanbul 2010 European Capital of Culture to fulfill its role on its ways towards 2010 and demonstrate its cultural legacy and its cultural capacity in building up the metropolis' future. This priority axis will also support, as in past years, the well established and successful participation of Turkey in EU programmes and agencies.

Priority 4: Supporting activities

This priority axis will cover approximately 3.51% of the programme's budget and include 1 project providing short-term assistance to project preparation and capacity building notably of key institutions involved in implementation of IPA assistance.

2. b Description of projects grouped per priority axes and (if relevant) per measure¹

¹ All budget amounts provided relate only to the IPA contribution

Priority Axis and project names	Indicative EU contribution, million €	Project purpose and implementation summary (type of contract/agreement, indicative amount and indicative launch date of tender procedure)
Priority 1: Progress towards fully meeting the Copenhagen political criteria		
TR080101 Strengthening the Role of the Supreme Judicial Authorities in the EU Process	3.7	<p><u>Project purpose:</u> To strengthen the respective role of the High Council of Judges and Prosecutors and of the High Courts (Constitutional Court, Court of Cassation and State Council) as supreme judicial authorities in the accession process and in the adoption of European high judicial standards.</p> <p><u>Implementation:</u> 1 Direct Grant Agreement without a call for proposals with the Council of Europe. (Award procedure to be started 1st quarter 2009). Given the political sensitivity of the project contents and context, the effective implementation of the project requires previous experience of collaboration with Turkish authorities. Given the <i>de facto</i> monopoly situation of the CoE as the only institution combining the above mentioned features, the award is made in accordance with the Implementing Rules, Article 168.1.c.</p>
TR080102 Strengthening the Court Management System	5.0	<p><u>Project purpose:</u> To establish a professional, effective and efficient court management system through dissemination of pilot court management practices and to reform the system by creating a new judicial post.</p> <p><u>Implementation:</u> 1 Direct Grant Agreement without a call for proposals with the Council of Europe (award procedure launched 2nd quarter 2009). Considering that this is a necessary follow-up of a pilot project in 2006 implemented by the CoE, considering the very innovative nature of this project and the specific characteristics of its actions, and considering the need for easy access to all EU MS jurisdictions as well as the CoE's unique previous experience with Turkish authorities in the field, the Council of Europe (with a unique technical competence and a high degree of specialisation) is awarded this grant in accordance with the Implementing Rules, Article 168.1.f.</p>
TR080103 Civic Training for Mehmetçik (Conscripts)	4.2	<p><u>Project purpose:</u> To educate conscripts on social rights and responsibilities, general health care and fight against substance addiction; and protection of the environment so as to create behavioural changes.</p> <p>The project is the Phase II of multi-annual "Civic Training for Mehmetçik" project which covers basic human rights, women rights and children rights. In that respect, it also aims to integrate the Phase I and Phase II of the project so as to cover all project themes in the long run; and at the same time to provide competency for Phase I and Phase II regarding the creation of the distance learning system</p> <p><u>Implementation:</u> 1 Direct Grant Agreement without a call for proposals with UNDP (€ 2.9 million), 1 Supply contract (€ 1.29 million) to provide distance learning labs. Both procedures are launched 1st quarter 2009. This is the second phase of a project implemented by the UNDP. Considering the need for efficient continuity, the politically sensitive context of the project, the UNDP's extensive experience and expertise in the field of the project and its capacity to draw upon a vast range of additional expertise of other UN organisations, UNDP is in a <i>de facto</i> monopoly situation, and the award is hence made in accordance with the Implementing Rules, Article 168.1.c.</p>

TR080104 Promoting Services for People with Disabilities	3.8	<p><u>Project purpose:</u> To develop a model of community based care and support service delivery, to improve quality of existing services, to determine the service standards, to clarify roles and responsibilities of related institutions and to provide effective collaboration among them.</p>
		<p><u>Implementation:</u> 1 Direct Grant Agreement without a call for proposals with WHO (award procedure concluded 1st quarter 2010). The WHO is one of the main international specialized organizations on both rehabilitation and health care issues. The WHO has a unique experience in the promotion of community mental health services and community based rehabilitation services based on field works in various countries in the world, including in Turkey. There is no other organization that can match this expertise and experience in and with Turkey. Given the <i>de facto</i> monopoly situation of the WHO, the award is made in accordance with the Implementing Rules, Article 168.1.c.</p>
TR080105 Strengthening Special Education	6.15	<p><u>Project purpose:</u> To increase opportunities and to improve the learning environments for disabled individuals with a view to increasing their access to education and inclusion in society through campaigns, in-service trainings, psychological assessment and diagnostic tests, equipment and educational material support with the active participation and support of NGOs, local public institutions, municipalities and private sector organizations. In a wider context the project will contribute to the concept of "Education for All" through inclusion of disabled individuals in regular schools.</p>
		<p><u>Implementation:</u> 1 Service contract (TA and training; € 5.4 million; tender procedure launched 1st quarter 2009), 1 Supply contract (school equipment; € 0.75 million; tender procedure launched 1st quarter 2009)</p>
TR080106 Strengthening pre-school Education	13.9	<p><u>Project purpose:</u> To develop quality and effective community-based child day care and pre-school education models for disadvantaged children and their families with the active participation and support of local public institutions, municipalities, NGOs and private sector organizations.</p>
		<p><u>Implementation:</u> 1 Direct Grant agreement without a call for proposals with UNICEF (€ 6.65 million; grant award foreseen 1st quarter 2009); 1 Supply contract (equipment/supplies for schools/pre-schools; € 2.25 million; tender procedure launched 1st quarter 2009); 1 Grant Scheme (€ 5 million; call for proposals* launched 4th quarter 2009). Considering UNICEF's previous extensive experience in the project area and its close relations with the project partners, it's unique and detailed familiarity with the work which is being done in the area of pre-school education in Turkey, UNICEF's excellent reputation in its work with children in Turkey since 1954 and wide recognition by the government, the parliament, the private sector, NGOs, the media and the public as the leading source of expertise on children's issues and child rights, the confidence of the Ministry of National Education, the Ministry of Justice, the Social Services and Child Protection Agency, other government agencies and NGOs, UNICEF is in a <i>de facto</i> monopoly situation, and the grant award is hence made in accordance with the Implementing Rules, Article 168.1.c.</p>
		<p>The call for proposals targets collaboration of local public institutions, municipalities, NGOs and private sector organizations by means of jointly prepared and proposed pilot projects. The purpose is to encourage local public institutions, municipalities, NGOs and private sector organizations to open community based child day care and pre-school education institutions throughout the country.</p>
TR080107 Participatory Strategic Governance at the Local Level	3.0	<p><u>Project purpose:</u> To support the implementation of the new legislation related to local governments and to ensure participation, transparency and accountability at the local level in 26 local governments around Turkey. At the same time, to contribute to local development by improving the strategic planning and programming capacity and capability of local governments through training of at least 1000 local government</p>

personnel on the use of analytical tools. And lastly, to enhance the role of urban councils in local decision making mechanisms through the involvement of at least 500 representatives from non-governmental organisations.

Implementation: 1 Service Contract (TA and training; € 3 million; tender procedure launched 1st quarter 2009)

TR080108 Civil
Society Development
for Active
Participation

3.05 Project purpose: To strengthen the institutional capacity of target group NGOs in order to encourage civil participation to decision making processes at local and national levels and to enhance dialogue between state, NGOs and private sector

Implementation: 1 Direct Grant Agreement without a call for proposals with the Civil Society Development Centre/STGM (€ 2.1 million; award procedure launched in the 1ST Quarter 2009); 1 Grant Scheme (€ 0.95 million; call for proposals* in the 1ST Quarter 2009). The STGM is the only quasi NGO umbrella organisation in Turkey, with an extensive and unique experience in providing advice/assistance to Turkish NGOs and with a vast experience in implementing NGO grant schemes. Given the *de facto* monopoly situation of the STGM, the award is made in accordance with the Implementing Rules, Article 168.1.c.

The call for proposals will support small scale projects of local NGOs operating in the areas human rights, gender, culture, environment, youth and disabled rights.

**Priority 2: Adoption
and implementation
of the acquis
communautaire**

TR080201
Environment and
countryside under
IPARD

1.05 Project purpose: To strengthen the institutional and administrative capacity of the Managing Authority and IPARD Agency for the implementation of agri-environmental measures under IPARD and to raised awareness of related institutions and public on preparation and implementation of agri-environmental measures.

Implementation: 1 twinning contract** (€ 0.95 million; tender procedure launched 1st quarter 2009) and 1 service contract (Needs assessment/feasibility IT system; € 0.1 million; tender procedure launched 4th quarter 2009)

TR080202 The
REACH Chemicals
Project

2.25 Project purpose: To strengthening the capacity of the governmental institutions involved in implementation of the chemicals management legislation and establishing the necessary system, institutional structure and legal framework, and increasing the institutional capacity for the implementation of the REACH Regulation in Turkey

Implementation: 1 Service Contract (€ 2.25 million; tender procedure launched 4th quarter of 2008)

TR080203 Improving
Emissions Control

1.9 Project purpose: To establish the necessary capacity within Ministry of Environment and Forestry to transpose and implement National Emission Ceilings Directive (2001/81/EC) in Turkey.

Implementation: 1 Twinning contract** (€ 1.2 million; tender procedure launched 1st quarter 2009), 1 Service contract (€ 0.7 million; tender procedure launched 2nd quarter

2009)

- TR080204 Integrated Pollution Prevention and Control 2.3 Project purpose: To achieve reform of the administrative, legal and technical structures to implement integrated environmental permitting systems/procedures for IPPC installations in Turkey by the end of the project.
- Implementation: 1 Twinning contract** (€ 1.4 million; tender procedure launched 3rd quarter 2009), 1 Service contract (€ 0.9 million; tender procedure launched 1st quarter 2009)
- TR080205 Mining Waste Management 4.0 Project purpose: To strengthen the Waste Management Capacity of Turkey in the Field of Extractive Industries by transposition of Directive 2006/21/EC of the European Parliament and of the Council of 15 March 2006 on the management of waste from extractive industries to the national legislation. This will introduce characterization of waste, classification of waste facilities, guidance upon waste management, and an inventory of active, closed and abandoned mining waste facilities.
- Implementation: 1 Twinning contract** (€ 1.2 million; tender procedure launched 3rd quarter 2009), 1 Service contract (TA and training; € 2.2 million; tender procedure launched 3rd quarter 2009), 1 Supply contract (Lab equipment; € 0.6 million; tender procedure launched 3rd quarter 2009)
- TR080206 Decision making & performance management in public finance 2.2 Project purpose: To strengthen financial decision making, strategic planning and performance management capacity of the strategy development units of the Ministry of Finance, Prime Minister's Office, Under-secretariat of the State Planning Organization, and Under-secretariat of Treasury. The successful implementation of multi-year budgeting system in line with strategic planning and performance based budgeting depends on the healthy execution of the necessary cooperation and coordination between these public administrations in implementing the budget.
- Implementation: 1 Twinning contract** (€ 0.8 million; tender procedure launched 1st quarter 2009), 1 Service contract (TA system/IT development; € 1.3 million; tender procedure launched 2nd quarter 2009), 1 Supply contract (IT equipment; € 0.1 million; tender procedure launched 4th quarter 2010)
- TR080208 Tagging and vaccination of sheep and goats 23.2 Project purpose: To start the implementation of an adequate system for identification and registration of caprine and ovine animals in order to trace their movements, in line with EU requirements and to control PPR disease.
- Implementation: 2 Service Contracts (TA for registration/control of animals; € 6.0 million; tender procedure both launched 1st quarter 2009), 2 Supply contracts (Tagging equipment and vaccines for animals; € 17.2 million; tender procedure both launched 1st quarter 2009).

TR080209 Improving chemical and ionising radiations metrology	3.93	<p><u>Project purpose:</u> To enhance institutional and measurement capacity in chemical and ionizing radiation metrology to ensure that Turkish laboratories are able to produce traceable and comparable measurement results, leading to improvements in quality of life, and facilitating the adoption of acquis related to free movement of goods.</p> <p><u>Implementation:</u> 1 Administrative arrangement with European Commission JRC – IRMM through centralised management (award procedure launched 1st quarter 2009).</p> <p>JRC-IRMM is awarded this contract due to its single role as a European Union reference in the field of reference materials and nuclear measurements; its exclusive mission to promote common and reliable European measurement system in support of EU policies; its sole role of promoter of AcadeMiC programme which led to the Euromaster Joint Degree Programme in Measurement Science in Chemistry.</p>
TR080210 Action Plan on Integrated Border Management -Phase 2	21.9	<p><u>Project purpose:</u> To support the Turkish Government in transforming the current border management to an integrated border management system, in enlarging the prototype green and blue border surveillance and check points and in ensuring further development and implementation of high-level border management architecture and standards in line with the EU's IBM policies and strategies.</p> <p><u>Implementation:</u> 1 Twinning contract ** (€ 1.33 million; tender procedure launched on 1st quarter 2009), 2 Supply contracts (Border management/surveillance equipment; € 20.55 million; tender procedures launched 1st quarter 2009 and 2nd quarter 2009)</p>
TR080211 Improving the Skills of Forensic Experts	2.0	<p><u>Project purpose:</u> To improve the capacity of forensic experts in the Council of Forensic Medicine, Criminal Laboratories of Police and Gendarmerie, by training, and to bring forensic analysis methods in line with EU standards.</p> <p><u>Implementation:</u> 1 Twinning contract** (tender procedure launched 1st quarter 2009)</p>
TR080212 Strengthening the Investigation Capacity of Turkish National Police and Gendarmerie Against Organised Crime	6.3	<p><u>Project purpose:</u> To reinforce the technical investigation capacity of the Turkish National Police and Gendarmerie General Command in order to identify and prevent organised crime activities in Turkey and implement the National Organised Crime Strategy more effectively</p> <p><u>Implementation:</u> 1 Twinning contract** (€ 1.4 million; tender procedure launched 1st quarter 2009), 1 Supply contract (IT and surveillance equipment; € 4.9 million; tender procedure launched 1st quarter 2009)</p>
TR080213 Training of Border Police	1.1	<p><u>Project purpose:</u> To support the Turkish Government in establishing the necessary training programme, training delivery mechanisms, and training support structures for Border Police training, human resources, and to ensure the consistent application and further development of integrated border management best practices, in line with the EU's IBM policies and strategies.</p> <p><u>Implementation:</u> 1 Twinning contract** (€ 1.1 million; tender procedure launched 2nd quarter 2009)</p>

TR080214 Strengthening Forensic Capacity of Turkey	13.6	<p><u>Project purpose:</u> To adjust the forensic capacity of Turkish Law Enforcement Authorities in line with EU standards by establishing model forensic laboratories in 4 regions, to enable faster and better services.</p> <p><u>Implementation:</u> 1 Works contract (construction of forensics laboratories; € 12.7 million; tender procedure launched 1st quarter 2009), 1 Service contract (works supervision; € 0.6 million; tender procedure launched 1st quarter 2009)</p>
TR080215 Strengthening the Blood Supply System	2.8	<p><u>Project purpose:</u> To develop a national blood programme based on regional blood centres and underpinned by legislation, national guidelines, human resources such as an experts committee and trainers, and a data management system.</p> <p><u>Implementation:</u> 1 Service contract (TA and training; € 2.2 million; tender procedure launched 1st quarter 2009), 1 supply contract (IT equipment; € 0.6 million; tender procedure launched 2nd quarter 2010)</p>
TR080216 Surveillance and Control of Communicable Diseases	4.0	<p><u>Project purpose:</u> To develop a more efficient early warning and response system (EWRS) for Turkey to comply with <i>acquis communautaire</i> and to operate under the IHR. By building upon earlier projects (ESCCDS I and II), this project will institutionalise training and ensure continuing education, in diseases control, through the establishment of a National Field Epidemiology Training Program (FETP) and a sustainable laboratory training programme.</p> <p><u>Implementation:</u> Direct Grant Agreement without a call for proposals with WHO (grant award foreseen 1st quarter 2009). WHO has a recognized mandate for improving public health and is perceived as a reliable partner on the global, regional and Turkish public health arena. WHO involvement guarantees a unique access to resources at global and regional level through dedicated networks and international guidelines/standards. The international mandate to lead assistance with regard to the implementation of the IHR, a primary objective of the present project, lies with WHO. Given the <i>de facto</i> monopoly situation of the WHO, the award is made in accordance with the Implementing Rules, Article 168.1.c.</p>
TR080217 Strengthening Research & Development capacity	2.0	<p><u>Project purpose:</u> To develop the capacity of the National Coordination System, and enhancement of the participation of Turkish researchers into FP7 for the better integration with ERA, through establishing an Information Multipliers System consisting of at least 50 multipliers, organizing trainings for around 2,000 participants, sending at least 100 Turkish researchers to networking events abroad and by realizing some other activities and purchasing promotional material to be used in these activities.</p> <p><u>Implementation:</u> 1 Service contract (TA and training; € 1.9 million; tender procedure launched 1st quarter 2009); 1 supply contract (printing materials; € 0.1 million; tender procedure launched 1st quarter 2009)</p>
TR080218 Promoting gender equality in the work place	0.9	<p><u>Project purpose:</u> To align Turkish legislation with EU <i>acquis</i> on gender equality and to improve the capacity of institutions responsible for its implementation.</p> <p><u>Implementation:</u> 1 Twinning contract** (tender procedure launched 1st quarter 2009)</p>

TR080219 Improving data quality in public accounts 1.7 Project purpose: To develop public accounting system and to improve the quality of the government financial statistics by means of organizing seminars, conferences and training activities on international standards and EU best practices related to data quality; piloting the new system in 5 public intuitions; purchasing and using data analysis and management software.

Implementation: 1 Twinning contract** (€ 1.5 million; tender procedure launched 1st quarter 2009), 1 Supply contract (IT equipment/software; € 0.2 million; tender procedure launched 1st quarter 2009)

TR080220 Modernisation of Turkish Customs Administration V 2.9 Project purpose: To modernize TCA in order that it is in a position to fulfil the tasks and obligations of an EU Member State, by strengthening the customs inspection system at railroad border points.

Implementation: 1 Supply contract (equipment for Turkish customs; € 2.9 million; tender procedure launched 1st quarter 2009)

**Priority 3:
Promotion of an
EU-Turkey Civil
Society Dialogue**

TR080301 Parliamentary Exchange and Dialogue 2.2 Project purpose: To maximize the role of the Grand National Assembly of Turkey in the process of EU membership negotiations by promoting dialogue between parliamentarians as well as political parties represented in the parliaments of Member States and Turkey.

Implementation: 1 Service Contract (TA and training; € 2.2 million; tender procedure launched 2009)

TR080302 EU-Turkey intercultural dialogue 4.1 Project purpose: To establish a framework for cooperation between European and Turkish cultural partners and to develop sustainable intercultural dialogue and to develop mutual understanding, tolerance and awareness between EU and Turkey based on new contacts and opportunities for communication, exchange, networking and interaction.

Implementation: 2 Grant schemes* (call for proposal launched 1st quarter 2010), 1 Service contract (TA; € 0.4 million; tender procedure launched 1st quarter 2009)

One call for proposals will target museums, NGOs and local administrations with the aim of developing common projects and increasing intercultural dialogue; the second call for proposals will target NGOs for common projects in culture and arts to increase intercultural dialogue and civil society dialogue.

TR080303 Istanbul 2010 1.6 Project purpose: To support artistic and cultural projects in order to help Istanbul prepare to fulfill its role as 2010 European Capital of Culture and to demonstrate its cultural legacy and its cultural capacity contributing to the metropolis' future.

Implementation: 1 Grant scheme* (call for proposal launched 1st quarter 2009), 1 Service contract (TA; € 0.1 million; tender procedure launched 2nd quarter 2009)

With regard to the call for proposal, the target group should be located in Istanbul. The projects should be carried out in Istanbul and European Union member/candidate countries. The target group include: Cultural and Artistic Operators (Cultural and

Artistic Operators means people who have profession in the field of culture and arts, Culture Centres, Universities, Local Administrations (Municipalities, Union of Municipalities, Province of Special Administrations), NGOs.

TR080304 96.1 Project purpose: To ensure the co-financing of Turkey's participation in relevant EU Programmes and agencies. It is proposed to co finance participation in programmes such as: Lifelong Learning, Youth in Action, Culture 2007, CIP/EIP and others. Participation in Agencies such as EEA and EMCDDA is also foreseen. In view of the fact that the cost of participation in some of these programmes is not known at present, this list will be subject to review.

Implementation: The participation of the beneficiary country in relevant EU programmes shall follow the specific terms and conditions set out for each such programme in the memorandum of understanding to be concluded by the Commission and the beneficiary country, in accordance with the agreements establishing the general principles for participation of the beneficiary country in EU programmes. It shall include provisions on both the total amount of the beneficiary country's contribution and the amount funded by assistance under the IPA Regulation.

Priority 4: Support Activities

TR080401 Support 9.0 Project purpose: To strengthen the capacities of the DIS institutions (office of the NAO, NAC, EUSG, CFCU) and operating structures appointed within the framework of IPA, as well as other relevant Turkish institutions in fulfilling their respective pre-accession roles and functions. To support the Turkish administration in designing and appraising of programmes and projects to be submitted for financing in the framework of IPA assistance to Turkey.

Implementation: The project will be executed through approximately 45 service contracts (Tender procedures launched from 1st quarter 2009).

* The essential selection and award criteria of the call for proposals are laid down in the Practical Guide to contract procedures for EU external actions (see point 4.2 below).

** 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.

2. c Overview of past and on going assistance (EU / IFI / Bilateral and national assistance) including lessons learned and donor co-ordination

Past/on-going assistance

Assistance under the MEDA programme (1996-2001), under the Turkey pre-accession assistance instrument (2002-2006) and IPA 2007 has covered most areas relevant for Institution Building (IB). EU assistance to IB has increased from € 86 million in 2002 to around € 260 million in 2006 and 2007. Overall, more than € 1 billion of EU assistance have been made available to Turkey for Institution Building measures between 2002 and 2007.

The promotion of human rights and the rule of law (as typical areas under the **political criteria**) have been addressed through a number of projects aimed at the police and gendarmerie services, the judiciary, and civil society. Such projects target systemic changes,

although the scale of the country and the complexity of the issues have, in general, not permitted a definitive solution to the identified problems. In many cases, it may be judged a considerable achievement that EU assistance has led to the establishment of cooperation or the definition of an action plan for further activities in relation to the issue concerned. Despite divisions within some parts of the public administration, linked to some extent to diverging approaches to the aims of EU assistance, which have complicated the delivery of EU assisted measures, projects have generally been effective and delivered envisaged outputs e.g. envisaged draft legislation, strategies, action plans, training etc.

With regard to assistance for **alignment with and implementation of the *acquis***, satisfactory alignment has been achieved in a limited number of areas related to the internal market *acquis*, while others, especially those requiring important administrative capacity or substantial investments (such as agriculture, environment, border management), are still in early stages of harmonisation. The development of strategies for alignment in key intervention sectors (environment, transport, agriculture, border management, migration) has advanced.

Although **Civil Society Dialogue** has not been a sector of intervention for pre-accession programmes until 2005, support for civil society, because of its close links to the fulfilment of the Copenhagen political criteria, has been a priority of pre-accession assistance since the late 1990's. Exchanges, on a significant scale with the EU have been supported through Turkey's participation in EU Programmes such as Socrates, Leonardo da Vinci and Youth, and through grants such as the Jean Monnet scholarships. These programmes have had a substantial impact on both enhancing EU-Turkey dialogue across different groups of society and increasing the knowledge on the EU and the EU *acquis* as well as the capacity of Turkish individuals and organisations. Therefore, actions to be financed under IPA in this area will be building on rather well established foundations. Civil society dialogue grant schemes in different areas and with different actors/organizations have received strong support since 2005.

Lessons learned

In designing the IPA 2008 programme, careful account has been taken of the results of projects programmed in previous years. Lessons learned are usually drawn on a case by case basis, building upon relevant experience in the implementation of previous projects in a specific area. Relevant information in that respect is provided in each project fiche.

Particular issues taken into account in 2008 programming, which are based on past experience and/or specific evaluation evidence from interim evaluations of Phare assistance (1999-2002) and EU pre-accession support to Turkey (2003-2006) are as follows:

- Insufficient attention to timely legal and institutional reform: Where project components are subject to adoption of legislation or institutional reform/set-up, these have not been considered for inclusion in this programme.
- Weaknesses in project design: The programming process has been guided for the second year by a programming process document. Timelines have been adapted to provide more time for project preparation by beneficiaries and project review by Turkish authorities, including the CFCU. Training has been provided to

beneficiary organisations and project design has been supported by external experts.

- Lack of strategic framework and planning documents: The MIPD has proven an efficient reference document for programming. Sector strategies are increasingly the basis for the preparation of projects.
- Project maturity/ Readiness for implementation: Supporting documents such as needs analyses, (pre-) feasibility studies and market studies are now expected for each relevant project component. The quality of market studies have improved compared to last year. Terms of references and specifications are regularly being drafted in phase following the submission of the programming package and prior to the signature of a Financing Agreement. Technical assistance is engaged at an early stage to assist line Ministries in this task. Statements from line Ministries will be submitted together with the programming package which confirm their commitment to implementation and the availability of sufficient resources in the SPO offices. These statements of assurance will be tested by the PAO prior to the signature of Financing Agreements.
- Project ownership: Rules on co-funding have systematically been applied to projects; even some international institutions that will be awarded direct grant agreements under this programme will contribute financially to projects.
- Weaknesses in main DIS institutions: Following critical audit findings and with a view to obtaining conferral of management under IPA, Turkey's DIS have carried out substantial process and institutional changes and further addressed key weaknesses.
- Late contracting: Intermediate deadlines for the submission of tender dossiers and the launching of tendering procedures, agreed between the EC and the Turkish authorities, have significantly increased contracting performance. The structural backlog in contracting has been gradually reducing.
- Lack of focus on changes in institutional performance: Increased attention was given to defining results/performance indicators.
- Project visibility: Project titles proposed by beneficiaries have been amended so as to be easily understandable to a larger public.

Donor/IFI cooperation

In areas such as the Copenhagen political criteria, social policy, or migration and asylum, the EU pre-accession programme has established fruitful cooperation with a number of UN agencies, as well as with the Council of Europe. It is foreseen to continue this cooperation under IPA component I in 2008, particularly in those areas where Turkey does not currently have sufficiently developed structures to absorb more standard forms of Institution Building assistance such as twinning. When choosing cooperation with international organisations in 2008, particular emphasis was put on the justification of the particular experience/expertise of an institution and its de facto monopoly position as well as the particular political sensitivity of the supported area.

The operations of IFIs and bilateral donors concentrate essentially on areas now covered by the socio-economic development components of IPA, i.e. III – Regional Development and IV – Human Resources Development. Although exchanges and dialogue are regular, collaboration with IFIs and bilateral donors, relevant for this programme, is limited and has focussed on support for social security reform and the education sector.

The Commission Delegation in Ankara organizes regular coordination meetings with IFIs, International Organizations and Member States. Meetings with Member States take place on average monthly and meetings with IFI are held frequently throughout the year. The Commission strives to keep Member States fully informed on all financial cooperation issues of interest to them, in particular on progress in implementation and on matters related to IPA.

2. d Horizontal issues

While attention has been paid to the mainstreaming of cross-cutting/horizontal issues across the whole programme, particular considerations in projects are as follows:

- **Equal opportunities for men and women:** The status of women in Turkish society is matter of continuing concern for European institutions. Particular emphasis is put in the programme, on supporting women's rights and women's social inclusion directly through projects TR080218 promoting gender equality, TR 080106 Strengthening pre-school education and TR080107 Participatory Strategic Governance at Local Level. Further projects indirectly addressing women rights are those in the area of Civil Society Dialogue and Turkey's participation in European Union Programmes and Agencies.
- **Environmental protection:** Meeting environmental norms will be one of the most expensive aspects of Turkey's EU integration effort. As in 2007, particular attention is given in the 2008 programme to supporting Turkey's efforts in aligning with environmental *acquis* and strengthening administrative capacity (projects TR080202 - TR080205). Environmental impact assessments are required for any projects likely to have a significant impact on the environment (as per the EU Directive on EIA). All investment shall be carried out in compliance with the relevant European Union environmental legislation in particular the EIA and the Habitats and Birds Directives.
- **Civil Society involvement:** Civil society and civil society organisations (CSO) are not only an essential element of the EU-Turkey Civil Society Dialogue and the civil society development project under the political criteria, but CSO play an essential role in other projects, e.g. TR 080106 Strengthening pre-school education and TR080107 Participatory Strategic Governance at Local Level.
- **Concerns of minority and vulnerable persons:** Particular emphasis is put in the 2008 programme on addressing the concerns of minority and vulnerable persons, e.g. in project TR080104 Promoting services for people with disabilities, TR080105 Strengthening special education and project TR080106 Strengthening pre-school Education.

- Good governance: Specific actions promoting good governance are envisaged in project TR080107 Participatory Strategic Governance at Local Level. They are also incorporated on a horizontal basis in other projects.

2. e Conditions

Agreement on the 2008 IPA component I programme will depend on the Turkish authorities' commitment to the continued forceful implementation of the pre-accession strategy, paying attention to the establishment of adequate administrative structures for programme implementation, in order that EU financial support is used in the most effective manner.

More specifically, the Turkish government will ensure the availability of sufficient resources and adequate organisational structures, in particular in the NIPAC office/ EU Secretariat General, to carry out programme monitoring effectively. The capacity of Senior Programme Officers (SPO) to effectively oversee implementation will be checked by the PAO prior to signature of the related Financing Agreement.

The specification of conditions that need to be fulfilled before implementation can begin continues to be used as appropriate; however it cannot be used to substitute for project maturity and proper project preparation. Projects were only considered for inclusion in this proposal if they met the criteria of adequate design, readiness for implementation upon signature of the Financing Agreement, ensured co-financing in keeping with the programming guidelines developed for Turkey, and conformity with Accession Partnership priorities.

2. f Benchmarks

	2009		2010 (cumulative)		2011 (cumulative)	
	EU	NF*	EU	NF*	EU	NF*
Number of tenders launched** <i>(service, supply, works)</i>	32	-	35	-	35	-
Number of calls for proposals launched** <i>(twinning, grants)</i>	15	-	17	-	17	-
Number of direct grants without call for proposals**	7	-	7	-	7	-
Contracting Rate (%)	50%		80%		100%	

- * In the case of parallel co-financing
- ** Projects TR080304 and TR080401 not included.

2.g Roadmap for the decentralisation of the management of EU funds without *ex ante* controls by the 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 DIS (decentralised implementation system) 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 Commission. Once the roadmap is 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)

3.1. Indicative budget table

	Institution Building (IB)				Investment (INV)				Total (INV+IB)	Total IPA Community contribution		
	Total public expenditure	IPA Community contribution	National public contribution*	Total public expenditure	IPA Community contribution	National public contribution*	Total public expenditure	IPA Community contribution		National public contribution*	EUR	%
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR		EUR	EUR	EUR
Decentralised management	(a)=(b)+(c)	(b)	(c)	(d)=(e)+(f)	(e)	(f)	(g)=(a)+(d)	(h)=(b)+(e)				
Priority axis 1 - Political criteria	4225833	3853750	3718333	5725000	4293750	1431250	47980833	42831250	16.72			
TR080101	3914000	3700000	214000	0	0	0	3914000	3700000				
TR080102	5263500	5000000	263500	0	0	0	5263500	5000000				
TR080103	3275000	2947500	327500	1725000	1293750	431250	5000000	4241250				
TR080104	4000000	3800000	200000	0	0	0	4000000	3800000				
TR080105	6000000	5400000	600000	1000000	750000	250000	7000000	6150000				
TR080106	13270000	11650000	1620000	3000000	2250000	750000	16270000	13900000				

TR080107	3333333	3000000	90	333333	10	0	0	0	0	0	0	0	0	3333333	3000000
TR080108	3200000	3040000	95	160000	5	0	0	0	0	0	0	0	3200000	3040000	
Priority axis 2 - Membership criteria	4185735	39464060	94.3	2391675	5.7	81070000	60800000	75	20270000	25	122925735	100264060	39.15		
TR080201	950000	950000	100	0	0	140000	105000	75	35000	25	1090000	1055000			
TR080202	2500000	2250000	90	250000	10	0	0	0	0	0	2500000	2250000			
TR080203	1985000	1910000	96	75000	4	0	0	0	0	0	1985000	1910000			
TR080204	2425000	2325000	96	100000	4	0	0	0	0	0	2425000	2325000			
TR080205	3735000	3485000	93	250000	7	800000	600000	75	200000	25	4535000	4085000			
TR080206	2227000	2086000	94	141000	6	120000	90000	75	30000	25	2347000	2176000			
TR080208	6679750	6011775	90	667975	10	22900000	17175000	75	5725000	25	29579750	23186775			
TR080209 (centralised)	3930000	3930000	100	0	0	0	0	0	0	0	3930000	3930000			
TR080210	1330000	1330000	100	0	0	27400000	20550000	75	6850000	25	28730000	21880000			
TR080211	2005735	2005735	100	0	0	0	0	0	0	0	2005735	2005735			
TR080212	1425000	1425000	100	0	0	6500000	4875000	75	1625000	25	7925000	6300000			

TR080213	1140000	1140000	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1140000	1140000	
TR080214	0	0	0	0	0	0	0	0	18150000	13612500	4537500	75	25	18150000	13612500	4537500	75	25	18150000	13612500	4537500	75	25	18150000
TR080215	2427000	2184300	90	242700	10	790000	592500	197500	3217000	4050000	75	25	3217000	2776800	4050000	75	25	3217000	2776800	4050000	75	25	3217000	
TR080216	4500000	4050000	90	450000	10	0	0	0	4500000	0	0	0	0	4500000	0	0	0	0	4500000	0	0	0	0	4500000
TR080217	2150000	1935000	90	215000	10	100000	75000	25000	2250000	75000	25000	75	25	2250000	2010000	25000	75	25	2250000	2010000	25000	75	25	2250000
TR080218	950000	950000	100	0	0	0	0	0	950000	0	0	0	0	950000	950000	0	0	0	950000	950000	0	0	0	950000
TR080219	1496250	1496250	100	0	0	300000	225000	75000	1796250	225000	75000	75	25	1796250	1721250	75000	75	25	1796250	1721250	75000	75	25	1796250
TR080220	0	0	0	0	0	3870000	2900000	970000	3870000	2900000	970000	75	25	3870000	2900000	970000	75	25	3870000	2900000	970000	75	25	3870000
Priority axis 3 - CSD	12657336	104029987	49	108627349	51	0	0	0	212657336	104029987	0	0	0	212657336	104029987	0	0	0	212657336	104029987	0	0	0	212657336
TR080301	2500000	2250000	90	250000	10	0	0	0	2500000	0	0	0	0	2500000	2250000	0	0	0	2500000	2250000	0	0	0	2500000
TR080302	4306736	4070000	94.503	236736	5.4969	0	0	0	4306736	0	0	0	0	4306736	4070000	0	0	0	4306736	4070000	0	0	0	4306736
TR080303	1678900	1590000	94.705	88900	5.2951	0	0	0	1678900	0	0	0	0	1678900	1590000	0	0	0	1678900	1590000	0	0	0	1678900
TR080304	204171700	96119987	47	108051713	53	0	0	0	204171700	0	0	0	0	204171700	96119987	0	0	0	204171700	96119987	0	0	0	204171700
Priority axis 4 - Support activities	7780000	7000000	90	780000	10	2670000	2000000	670000	10450000	2000000	670000	75	25	10450000	9000000	670000	75	25	10450000	9000000	670000	75	25	10450000
																								3.51

TR080401	7780000	7000000	90	780000	10	2670000	2000000	75	670000	25	10450000	9000000
TOTAL	304548904	189031547	62	115517357	38	89465000	67093750	75	22371250	25	394013904	256125297

* Public contribution (private contributions are not taken into account (Article 67(1) IPA IR) under decentralised management)..

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

*** Priority axis rows only. Expressed in % of the grand total of column (h). It indicates the relative weight of the priority with reference to the total IPA contribution of the entire FP

3.2. Principle of Co-Financing applying to the projects funded under the programme

The EU contribution, which represents 65.0 % 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. Co-financing requirements at project level have been complied with for all projects except project TR080209. This project is implemented by centralised management, which would imply the need for parallel co-funding. Since the project is implemented through a single administrative arrangement with the European Commission-JRC, parallel co-funding is not possible (see also Art. 67.3 IPA IR).

In the case of grants, final grant beneficiaries should contribute with a minimum of 10 % of the total eligible cost of the project, both for investment and institution building projects and a minimum of 5% of the eligible expenditure in the case of twinning. An exception to this rule in 2008 concerns the grant scheme under project TR080108 – "Civil Society Development for Active Participation" involving grass-roots level NGOs, for which no co-funding will be required. This exception is justified by the fact that grass-roots level NGOs, often young organizations, do not have sufficient own funds to co-finance activities. In 2008, the eligible costs of twinning will be exceptionally financed 100% by EU funds.

Final grant beneficiaries will finance directly part of the overall project's eligible costs with their co-funding.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of Implementation

This programme shall be implemented by decentralized management except for project TR 08 02 09 "Improving radiation metrology" which will be implemented by centralised management, in accordance with article 53c of the Financial Regulation² and the corresponding provisions of the Implementing Rules³. 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 Commission shall apply to the tendering of contracts, launch of call for proposals and the award of contracts and grants until the Commission allows for decentralised management without *ex ante* controls as referred in Article 18 of the IPA Implementing Regulation.

4.2. 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

² Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1) as last amended by Regulation (EC, Euratom) No 1525/2007 (OJ L 343, 27.12.2007, p.9)

³ 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).

Communities for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C (2007)2034).

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 Development and Cooperation - EuropeAid website⁴ at the date of the initiation of the procurement or grant award procedure.

In case of projects containing the works/supervision of works component, the FIDIC conditions of contracts will be followed.

4.3. 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

4.4. Environmental Impact Assessment and Nature Conservation

All investments shall be carried out in compliance with the relevant European Union environmental legislation in particular the EIA and the Habitats and Birds Directives.

An appropriate nature conservation assessment shall be made for any project, equivalent to that provided for in Art. 6 of the Habitats Directive⁵, that is likely to affect sites of nature conservation importance.

⁴ Current address: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

⁵ 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). Directive as last amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p. 1).

5. MONITORING AND EVALUATION

5.1. Monitoring

Programme implementation will be monitored through the IPA monitoring committee, assisted by the 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 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.

5.2. 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 the 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 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 Commission may also carry out strategic evaluations.

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

6.1. 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 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 Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the European Union, the 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.

6.2. 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 European Union financial 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.

6.3. 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.

6.4. 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 Commission services without delay. Should there be no suspected or actual cases of fraud or irregularity to report, the Beneficiary Country shall inform the 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.

⁶ Council Regulation (EC, Euratom) 2185/96 of 11. November 1996, OJ L 292; 15.11.1996; p. 2.

⁷ OJ L371, 27.12.2006, p. 1.

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.

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 EU'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 EU'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 Commission immediately of any such conflict of interest or any situation likely to give rise to any such conflict.

6.5. Financial corrections

In order to ensure that the funds are used in accordance with the applicable rules, the 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 Commission and the beneficiary country [*or, where the latter does not exist, in the Financing Agreement implementing this programme*].

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 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 Commission following the criteria and procedures provided for in the IPA Implementing Regulation).

7. NON SUBSTANTIAL REALLOCATION OF FUNDS

The Commission authorising officer by delegation (AOD), or 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, 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 ADJUSTMENTS IN THE IMPLEMENTATION OF THE PROGRAMME

Limited adjustments in the implementation of this programme affecting 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 Commission 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.