

FINANCING AGREEMENT

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY"

on the one part, and

The Government of the Republic of Turkey, hereinafter referred to as "THE RECIPIENT"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Agreement. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 14 May 2004 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Agreement and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: 2006/018-079
Title: 2006 National Programme for Turkey – PART I a
Duration: Until November 30, 2008
(Expiry Date for Contracting)

Only the financing of project TR 06 04 01 "Promotion of the Civil Society Dialogue between EU and Turkey" is covered by the present Financing Agreement. The remainder of the 2006 National Programme for Turkey – PART 1b will be the subject of a separate Financing Agreement.

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of €21.500.000 hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 30 November 2008 subject to the provisions of this Agreement. All contracts must be signed by this date. Any balance of funds of the EC GRANT, which have not been contracted by this date shall be cancelled.

The deadline for execution of contracts of THE EC GRANT is until 30 November 2009.

THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the contract execution period, should this be requested in due time and properly justified by THE RECIPIENT. Disbursements of funds may continue for up to 12 months after the deadline for the execution of contracts to meet liabilities properly incurred through the execution of the contracts entered into under this programme. This Financing Agreement shall expire once those disbursements have been completed. All the funds which have not been disbursed by that time shall then be returned to the Commission.

ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

for the COMMUNITY:

*Delegation of the European Commission in Turkey
Ugur Mumcu cad. No. 88/4
Gazi Osman Pasa 06700
Ankara Turkey
Fax: (+90.312) 446 6737*

for THE RECIPIENT:

*The Secretariat General for European Union Affairs
Eskisehir Yolu
9.km.06900
Ankara, Turkey*

ARTICLE 5 - NUMBER OF ORIGINALS

This Agreement is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE

This Agreement shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Agreement.

Done at ...Ankara
Date 25.08.2006

Done at ...ANKARA
Date 19/8/06

for THE RECIPIENT

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for THE COMMUNITY

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Annexes

1. Framework Agreement
2. Special Provisions
3. Visibility/Publicity

FRAMEWORK AGREEMENT

The Commission of the European Communities, hereinafter referred to as "the Commission", acting for and on behalf of the European Community, hereinafter referred to as "the Community",

of the one part, and

The Government of the Republic of Turkey, hereinafter referred to as "Turkey",

of the other part,

and together, jointly referred to as "the Contracting Parties",

Whereas Council Regulation (EC) No 1488/96 of 23 July 1996¹, as amended by Council Regulation (EC) No 2698/2000 of 27 November 2000, hereinafter referred to as "the MEDA Regulation", defined the rules relating to the implementation of financial and technical co-operation to underpin economic and social reform under the EuroMediterranean partnership;

Whereas Turkey and the Community and the European Investment Bank concluded on 17 September 1999 a Framework Convention on the implementation of financial and technical co-operation under the Meda Programme and under other Financing Agreements of the EIB in Mediterranean countries, hereinafter referred to as "the Framework Convention";

Whereas Council Regulation (EC) No 390/2001 of 26 February 2001 on assistance to Turkey in the framework of the pre-accession strategy, laid down the legal basis for the establishment of the Accession Partnership between Turkey and the Community and the single framework for co-ordinating all sources of pre-accession financial assistance;

Whereas Council Regulation (EC) No 2500/2001 of 17 December 2001², hereinafter referred to as "the Pre-accession Regulation", set the principles, priorities and rules for the pre-accession financial assistance to Turkey and provided for the gradual decentralization of this assistance to Turkey;

Whereas in the light of both the MEDA Regulation and the Pre-accession Regulation, it is needed for programmatic reasons to establish a single framework for the implementation of those Financing Agreements which Turkey and the Commission concluded under the Meda Regulation and whose projects are currently under implementation by the Commission, and those Financing Memoranda/Agreements which Turkey and the Commission conclude under the Pre-accession Regulation, (hereinafter assistance under both Regulations referred to as "the Financial Assistance"). These Financing Memoranda/Agreements should be implemented on a decentralised basis by Turkey through the Central Finance and Contracts Unit and the National Fund once these bodies have been set up and accredited by the Commission.

¹ Council Regulation (EC) No 1488/96 of 23 July 1996 defining the rules relating to the implementation of Financial and Technical Co-operation to underpin economic and social reform under the Euro-Mediterranean partnership. OJ L 189, 30.7.1996, p. 1. as amended by Council Regulation (EC) No 2698 of 27 November 2000, OJ L 311, 12/12/2000, p. 1.

² Council Regulation (EC) No 2500/2001 of 17 December 2001 setting the principles, priorities and rules for the Pre-accession Financial Assistance to Turkey. OJ L 342, 27.12.2001, p. 1.

Whereas Turkey and the Commission signed on 14 February 2002 a Memorandum of Understanding on the establishment of a Central Finance and Contracts Unit and a Memorandum of Understanding on the establishment of the National Fund in order to implement Financial Assistance to Turkey on a decentralised basis within a single framework as set up by the Accession Partnership.

HAVE AGREED AS FOLLOWS

ARTICLE 1

1. The purpose of this Framework Agreement is to set out and agree on the rules for administrative co-operation concerning Financial Assistance to Turkey between Turkey and the Community and, accordingly, to amend the provisions in the Framework Convention for those Financing Agreements and MEASURES as listed in Annex C binding Turkey and the Community in accordance with Article 12 of the Framework Convention. Consistent with this, the provisions in the Framework Convention binding Turkey and the EIB, and the Commission and the EIB, remain unchanged and are therefore not affected by this Framework Agreement.

2. The scope of this Framework Agreement concerns:

(a) previously concluded MEASURES or set of MEASURES enshrined in Financing Agreements or other instruments under the MEDA Regulation and which are listed in Annex C to this Agreement. The terms of these MEASURES as listed in Annex C shall be automatically amended by this Framework Agreement subject to the Memoranda of Understanding on the establishment of the Central Finance and Contracts Unit and the National Fund as signed by Turkey and the Commission on 14 February 2002 once these decentralised bodies mentioned in Article 4 hereto have been accredited² by the Commission.

(b) MEASURES or set of MEASURES being or to be established under Council Regulation (EC) No 2500/2001 of 17 December 2001 and whose specific details shall be set out in an Agreement to be agreed between the Community and Turkey (hereinafter referred to as "the Financing Agreement"). To this effect the projects included in the MEASURES will be implemented by Turkey subject to the Memoranda of Understanding on the establishment of the Central Finance and Contracts Unit and the National Fund as signed by Turkey and the Commission on 14 February 2002 once these decentralised bodies mentioned in Article 4 hereto have been accredited by the Commission.

For the purposes of this Agreement, MEASURES are considered to be Financing Agreements or programmes jointly agreed by Turkey and the EC and/or EC-funded projects to be implemented in Turkey in the context of Meda and/or pre-accession assistance.

(c) MEASURES also include projects, actions and activities to be financed under the Framework Agreement on the General Principles for the participation of the Republic of Turkey in Community programmes which Turkey and the Commission signed on 26 February 2002 and the relevant Memoranda of Understanding for specific programmes, as well as EC-funded projects to be implemented in Turkey under other relevant EC Programmes.

3. Turkey shall take all necessary steps to ensure the proper execution of the MEASURES.

² "Accreditation" being the formal approval by the Commission of the decentralisation of implementation tasks as set out in Article 164 of the Financial Regulation and Article 35 of the Implementing Regulation.

ARTICLE 2

1. Each MEASURE which is financed within the framework of this Agreement shall be implemented in accordance with the General Principles set out in Annex A hereto, which shall be deemed to be incorporated in each Financing Agreement. The Financing Agreement may vary or supplement the General Principles as may be necessary for the implementation of the MEASURE.

2. However, in terms of participation in invitations to tender and contracts, and origin of supplies thereto, MEASURES approved under the MEDA Regulation will have to abide by Regulation (EC) 1488/1996 as amended by Council Regulation (EC) No 2698/2000 of 27 November 2000, MEASURES approved under Regulation (EC) No 257/2001 of 22 January 2001 regarding the implementation of measures to promote economic and social development in Turkey³ will have to abide by this Regulation, MEASURES approved under Council Regulation (EC) No 764/2000 of 10 April 2000 regarding the implementation of measures to intensify the EC-Turkey customs union⁴ will have to abide by this Regulation, whereas MEASURES to be approved under the Pre-accession Regulation will have to abide by Council Regulation (EC) 2500/2001.

ARTICLE 3

For matters relating to the MEASURES financed within the framework of this Agreement, the Commission shall be represented in Turkey by its Representation in Ankara which shall ensure that every MEASURE is executed in accordance with sound financial management practices. Turkey shall ensure that every MEASURE is executed in accordance with sound financial management practices.

ARTICLE 4

Once the decentralised bodies mentioned in this Article have been accredited by the Commission, the Contracting Parties agree that the COMMISSION will delegate responsibilities for implementation of a MEASURE or a set of MEASURES to the National Aid Co-ordinator, the National Authorising Officer, the Central Finance and Contracts Unit and the National Fund in Turkey in accordance with the Memoranda of Understanding on the establishment of the CFCU and the NF as concluded by Turkey and the Commission on 14 February 2002.

ARTICLE 5

1. The National Aid Co-ordinator shall act as the sole representative of Turkey in respect of overall responsibility for programming, monitoring, evaluation and overall co-ordination of pre-accession assistance to Turkey. The National Aid Co-ordinator is also responsible for the signature of the specific Financing Agreements referred to in Article 2.1.

2. The Commission and the National Aid Coordinator shall hold regular exchanges of views on:

³ Regulation (EC) No 257/2001 of the European Parliament and of the Council of 22 January 2001 regarding the implementation of measures to promote economic and social development in Turkey. OJ L 39, 9.2.2001, p. 1.

⁴ Council Regulation (EC) No 764/2000 of 10 April 2000 regarding the implementation of measures to intensify the EC-Turkey customs union. OJ L 94, 14.4.2000, p. 6.

- the priority development objectives adopted at national level;
- the specific objectives and sectors of activities on which the Community's financial co-operation will focus in the light of other donors' operations at bilateral or multilateral level and of other Community instruments;
- the measures which will best contribute to the attainment of the specific objectives mentioned above or broad outlines of programmes in support of the policies defined by the Government or public authorities in the areas in question.

3. Under the arrangements for monitoring Financial Assistance the Commission, the National Aid Coordinator and the National Authorising Officer shall inform each other as necessary, but in any case not less than twice a year, on its implementation and shall take the necessary measures to ensure its proper execution.

4. The National Authorising Officer (NAO) as Head of the National Fund and overall responsible for the financial management of the MEASURES will be in charge of, and be held responsible for, the integrity of EU funds and the relating financial reporting to the Commission. This is without prejudice to other responsibilities of the NAO under the Memorandum of Understanding on the establishment of the National Fund as concluded by Turkey and the Commission on 14 February 2002.

5. The Commission and the National Aid Coordinator shall ensure that adequate arrangements are made to publicise and promote awareness of cooperation projects or operations financed by the Community in order to raise the profile of the partnership between the Community and Turkey.

6. Turkey shall provide in the annual budget the necessary appropriations for the budget of the National Fund (within the Undersecretariat of Treasury) to meet its co-financing obligations including any amount related to irregularities and foreign exchange losses to be borne by the RECIPIENT.

7. The RECIPIENT shall exempt EC-financed projects from procedures requiring the transfer of the price of goods and/or services to EC contractors abroad through banks or financial institutions operating in Turkey.

ARTICLE 6

1. Taxes, customs and import duties and levies and/or taxes of equivalent effect shall be charged neither to the Grant nor to the co-financing contribution provided by Turkey.

2. Taxes and customs provisions applied by Turkey to contracts and contractors financed by the Community are set out in the General Principles of Cooperation at Annex A to this Framework Agreement. Turkey shall take all necessary measures to ensure prompt and effective implementation of these provisions.

3. Article 6 of this Framework Agreement and Article 8 of the General Principles of Cooperation at Annex A to this Framework Agreement shall have effect as from 10 September 2000.

ARTICLE 7

Any dispute between the Community and Turkey arising from the implementation of this Framework Agreement which is not settled within a reasonable time by negotiations between the Parties shall be settled according to the arbitration procedure referred to in Annex B.

ARTICLE 8

This Framework Agreement is drawn up in duplicate in English and Turkish. The English version shall prevail in case of differences of interpretation.

ARTICLE 9

1. This Agreement shall take effect on the date on which the Republic of Turkey informs the EC through diplomatic channels that its internal ratification process has been completed.
2. Subject to paragraph 1 above this Agreement may be amended in writing by mutual agreement between the Contracting Parties. However, amendment of Annex C can be made by an exchange of letters between the National Aid Co-ordinator of the Republic of Turkey and the responsible Commissioner at the European Commission.
3. The Agreement shall continue to be in force for an indefinite period unless terminated upon written notification by one of the Contracting Parties to the other.
4. On termination of this Agreement in accordance with Article 9.3 any MEASURE still in the course of execution shall be carried out to its completion in accordance with the terms of the Financing Agreement relating thereto, and of the General Conditions set out herein.

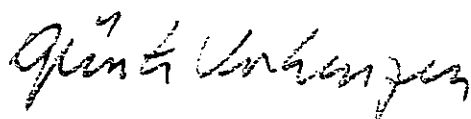
ARTICLE 10

The following Annexes shall be deemed an integral part of this Agreement:

- General principles of cooperation
- Arbitration procedure
- Scope of the Framework Agreement

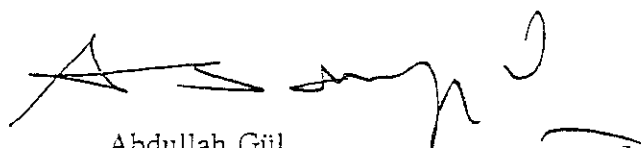
Done at Ankara on the 14th day of May in the year 2004

For the Commission



Guenter Verheugen

For the Republic of Turkey



Abdullah Gül

ANNEX A

GENERAL PRINCIPLES OF COOPERATION

Financing Agreements will include the following principles. In these General Principles the term "beneficiary" shall be understood as referring to the Government of Turkey.

TITLE I - FINANCING OF PROJECTS

ARTICLE 1 - DURATION

Each Financing Agreement will specify a maximum period for implementation of contracts and/or disbursement of funds relating to these contracts.

TITLE II - IMPLEMENTATION

ARTICLE 2 - GENERAL

1. Unless otherwise specified in the specific Financing Memorandum governing a project or programme, procurement of works, supplies, services and grants shall follow the rules and procedures set out in the Financial Regulation applicable to the general budget of the European Communities (Council Regulation (EC, Euratom) 1605/2002 of 25 June 2002) and its implementing rules (Commission Regulation (EC, Euratom) 2342/2002 of 23 December 2002), in particular Part 2, Title IV, "External actions", and the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities in the context of cooperation with third countries, approved by the Commission on 6 March 2003 (C(2003)697).

2. THE BENEFICIARY commits itself, for the purpose of implementing the above rules, to abide by the guidelines and templates provided for in the revised Practical Guide to EC External Aid Contract Procedures (or any update subsequently provided by the Commission) whose English versions are available at the websites <http://europa.eu.int/comm/europeaid/> and <http://europa.eu.int/comm/europeaid/tender/>. A non-official Turkish version of the Practical Guide to EC External Aid Contract Procedures is available at <http://www.deltur.cec.eu.int/mali-klavuz.html>

3. Payments for those MEASURES which are implemented on a decentralised basis upon the accreditation of the National Fund (NF) and the Central Finance and Contracts Unit will be carried out following the Memorandum of Understanding for the establishment of the NF concluded between the Commission and Turkey on 14 February 2002.

ARTICLE 3

Provisions concerning, inter alia, the European Community's financial commitment, prevention of fraud and irregularities, follow-up measures and the clearance of accounts, recovery of funds unduly paid, inspection and audit, including the Community's right to undertake these activities, and suspension, termination or amendment of a Financing Agreement will be set out in each Financing Agreement.

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TITLE III - GRANT OF FACILITIES

ARTICLE 4- GENERAL PRIVILEGES

Personnel taking part in Community financed MEASURES and members of their immediate family will be accorded benefits, privileges and exemptions equivalent to those usually accorded to other expatriates employed in the state of THE BENEFICIARY under any other bilateral or multinational agreement or arrangements for economic assistance and technical cooperation programmes.

ARTICLE 5 - ESTABLISHMENT, INSTALLATION, ENTRY AND RESIDENCE FACILITIES

1. In the case of works, supply, service and grant contracts, natural or legal persons eligible to participate in tendering procedures shall be entitled to temporary installation and residence where the needs of the contract so require. This right shall be acquired only after the invitation to tender has been issued and shall be enjoyed by the technical staff needed to carry out studies preparatory to the drawing up of tenders; it shall elapse one month after the contractor is designed.

2. THE BENEFICIARY shall permit personnel taking part in works, supplies, services and/or grant contracts financed by the Community, and members of their immediate family, to enter the state of THE BENEFICIARY, to establish themselves in the State, to work there and to leave the said State, as the nature of the contract so justifies.

ARTICLE 6 - IMPORT AND RE-EXPORT OF EQUIPMENT

1. THE BENEFICIARY shall grant the permits necessary for the importation of professional equipment including motor vehicles required to execute THE MEASURE, subject to existing laws, rules and regulations of THE BENEFICIARY.

2. THE BENEFICIARY shall further grant natural and legal persons who have executed works, supplies, services and/or grant contracts the permits required to re-export the said equipment.

ARTICLE 7 - IMPORTS AND EXCHANGE CONTROL

1. For the execution of MEASURES, THE BENEFICIARY undertakes to grant import authorizations and authorizations for the acquisition of the foreign exchange without discrimination between:

- for MEASURES approved under the Meda Regulation, the countries of the European Union, and the MEDA partner territories and countries eligible under the Meda Regulation.

- for MEASURES approved under the Pre-accession Regulation, the countries of the European Union, the MEDA partner territories and countries eligible under the Meda Regulation, the countries of Central and Eastern Europe eligible under the PHARE Regulation¹ and the countries eligible under the CARDS Regulation².

¹ Council Regulation (EC) No 3906/1989 of 18 December 1989 on economic aid for certain countries of central and eastern Europe. OJ L 375, 23.12.1989, p. 11.

² Council Regulation (EC) No 2666/2000 of 5 December 2000. OJ L 306, 7.12.2000, p. 1.

2. THE BENEFICIARY shall grant the permits necessary to repatriate funds received in respect of THE MEASURE in accordance with the foreign exchange control regulations in force in the state of THE BENEFICIARY.

3. The BENEFICIARY shall exempt EC financed projects from procedures requiring the transfer of the price of goods and/or services to EC contractors abroad through banks or financial institutions operating in Turkey.

ARTICLE 8 - TAXATION AND CUSTOMS

1. Taxes, customs and import duties and levies and/or taxes of equivalent effect shall be charged neither to the grant nor to the co-financing contribution provided by Turkey.

2. All imports by EC contractors shall be allowed to enter Turkey without being subject to customs or import duties, charges, VAT and the Special Consumption Tax or to any other similar tax, duties or charges. Such exemption shall only be applied to the imports in connection with the goods supplied and/or services rendered and/or works executed by the EC contractor under the EC contract. Turkey shall ensure that the imports concerned will be released from the point of entry for delivery to the EC contractors as required by the provisions of the contract and for immediate use as required for the normal implementation of the contract, without regard to any delays or disputes over the settlement of the above-mentioned duties, taxes or charges.

3. EC contractors shall be exempted from VAT for any service rendered or goods supplied or works executed under the EC contract. Goods supplied or services rendered or works executed by a contractor to the EC contractor shall also be exempted from VAT. Such exemption shall only be applied to the goods supplied or services rendered or works executed which are connected with the goods supplied or services rendered or works executed by the EC contractor under the EC contract.

Any EC contractor or contractor supplying goods and/or rendering services and/or executing works for an EC contractor who is entitled to the exemption, as provided in this Agreement, shall be entitled to offset or deduct any VAT paid in connection with the goods supplied and/or services rendered and/or works executed which are exempted from VAT, as provided in this Agreement, against any VAT collected by them for any of their other transactions. Should the EC contractor or contractor not be able to make use of this possibility, they shall be able to obtain a VAT refund directly from the tax administration in a maximum period of ten (10) days upon submission of a written request to the tax administration attaching the necessary documentation required under Turkish law for the refund of VAT.

Exemption from VAT shall also apply to any similar tax which may be instituted after the date of signature of this Agreement in addition to, or in replacement of, existing VAT.

The relevant tax authority shall provide EC contractors who are entitled to the exemption within this Agreement with a certificate confirming such exemption upon submission by the relevant EC contractor of a written request; the request should include documentation to confirm the identity and status of the requesting EC contractor. The tax authority shall deliver the certificate or refuse it upon justification within 30 calendar days maximum.

4. EC contracts shall not be subject in Turkey to stamp or registration duties, or to any other charge having an equivalent effect thereto, whether such charges exist or are to be instituted.

5. Expenditures of EC contractors shall be relieved from the Special Consumption Tax. This relief shall only be applied to the expenditure in connection with the goods supplied and/or services rendered and/or works executed by that EC contractor under the EC contract.

6. Natural persons not nationals and not residents of Turkey carrying out service and/or works and/or grant and/or twinning contracts financed by the Community and the eventual co-financing contribution provided by Turkey shall not be subject to income tax in Turkey for the income generated by this type of contract.

Legal persons will be subject to the same above provision provided that they do not have their permanent establishment or fixed base in Turkey.

Profit and/or income arising from EC contracts shall be taxable in Turkey in accordance with its tax system if the natural and/or legal persons making such profit and/or income have their permanent establishment or fixed base in Turkey according to the provisions of the applicable double taxation agreements as ratified by Turkey.

7. Personal and household effects imported for personal use by natural persons (and members of their immediate families) other than those recruited locally, carrying out tasks defined in service and/or works and/or grant contracts and/or twinning contracts or covenants shall be exempted from customs duties, import duties, taxes and other fiscal charges having equivalent effect, the said personal and household effects being either re-exported or disposed of in the state in accordance with the regulations in force in Turkey after termination of the contract.

8. Natural and legal persons importing professional equipment shall, if they so request, benefit from the system of temporary importation as defined by the national legislation of Turkey in respect of the said equipment.

9. Those benefiting from the MEASURES shall be exempted from "Inheritance and Transfer Tax" resulting from goods transferred to them without consideration in any way under the MEASURES.

10. In the implementation of these exemptions, Article 9 about the origin of materials and supplies will be applied.

11. Turkey shall issue the necessary secondary legislation to make the tax provisions established in this Agreement effectively applicable soon after this Agreement comes into force. Tax exemptions to be provided under this Agreement shall be on an ex-ante basis.

12. For the purposes of this Agreement, the term "EC contractors" shall be construed as natural and legal persons, supplying goods and/or rendering service and/or executing works and/or executing a grand contract under EC contract. The term "EC contractor" also covers pre-accession advisors, also known as resident twinning advisers, and experts included in a twinning covenant or contract.

The term "EC contract" means any legally binding instrument financed out of the grant and possible co-financing and signed by the EC or the CFCU or an Implementing Agency or a grant beneficiary.

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TITLE IV - EXECUTION OF CONTRACTS

ARTICLE 9 - ORIGIN OF SUPPLIES

THE BENEFICIARY agrees that, save when otherwise authorized by THE COMMISSION, materials and supplies required for execution of contracts must originate in:

- for contracts approved under the Meda Regulation, the countries of the European Union, and the MEDA partner territories and countries eligible under the Meda Regulation;
- for contracts approved under the Pre-accession Regulation, the countries of the European Union, the MEDA partner territories and countries eligible under the Meda Regulation, the Candidate countries of Central and Eastern Europe eligible under the PHARE Regulation and the countries eligible under the CARDS Regulation.

ARTICLE 10 - PAYMENT PROCEDURES

1. For MEASURES, tenders and contracts shall be drawn up either in EURO, or in accordance with the foreign exchange laws and regulations of THE BENEFICIARY in the currency of THE BENEFICIARY.
2. Invoices and payments shall be issued and made in the currency of the contract.
3. For contracts drawn up in local currency, the conversion into EURO obtained using the EURO rate fixed by the European Central Bank for the month in which the Contracting Authority has signed the contract, shall establish the maximum amount to be financed. Any exchange losses shall be borne by the BENEFICIARY.
4. THE BENEFICIARY and THE COMMISSION shall take all measures necessary to ensure execution of payments to contractors under the Financial Assistance within the shortest possible time.

TITLE V - GENERAL AND FINAL PROVISIONS

ARTICLE 11 - CONSULTATION - DISPUTES

1. Any question relating to the execution or interpretation of a specific Financing Agreement and/or these General Principles shall be the subject of consultation between THE BENEFICIARY and THE COMMISSION, leading, where necessary, to an amendment of the Financing Agreement.
2. Where there is a failure to carry out an obligation set out in the Financing Agreement and these General Principles, which has not been the subject of remedial measures taken in due time, THE COMMISSION may suspend the financing of THE MEASURE, after consultation with THE BENEFICIARY.
3. THE BENEFICIARY may renounce in whole or in part the execution of THE MEASURE. The Contracting Parties shall set out the details of the said renunciation in an exchange of letters.

ARTICLE 12 - NOTICE - ADDRESSES

1. Any notice and any agreement between the parties provided for herein must be the subject of a written communication referring explicitly to the number and title of THE MEASURE. Such notices or agreements shall be made by letter sent to the party authorized to receive the same, and sent to the address notified by the said party. In case of urgency, telefax, telegraphic or telex communications shall be permitted and deemed to have been validly served, provided that they are confirmed immediately by letter.
2. The addressees are set out in each Financing Agreement.

ANNEX B - ARBITRATION

Any dispute between the Contracting Parties, arising out the Framework Agreement or a Financing Agreement, which is not settled by applying the procedures laid down in Article 11 of the General Principles of Cooperation, shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

The parties to such arbitration shall be THE BENEFICIARY on the one side and THE COMMISSION on the other side.

The arbitration tribunal shall consist of three arbitrators appointed as follows:

- one arbitrator shall be appointed by THE BENEFICIARY.
- a second arbitrator shall be appointed by THE COMMISSION
- the third arbitrator (hereinafter called "THE UMPIRE") shall be appointed by agreement of the parties or, if they shall not agree, by the Secretary-General of the United Nations.

Each arbitrator shall be appointed by the Parties within 30 days of the submission by one of the said Parties of the dispute to arbitration. This deadline may be extended by the common consent of the two Parties. If either side fail to appoint its arbitrator, such arbitrator shall be appointed by the Secretary General of the United Nations.

Arbitration procedures shall be agreed by the parties. Failing to have a mutual agreement thereto on arbitration procedures, UNCITRAL procedures will apply.

Should any arbitrator appointed in accordance with this provision resign, die or become unable to act, another arbitrator shall be appointed in the same manner as the arbitrator whose place he takes: such successor shall have all the powers and duties of the original arbitrator.

ANNEX C

SCOPE OF THE FRAMEWORK AGREEMENT (Article 1)

- Financing Agreements or any other instruments concluded between the Republic of Turkey and the EC under the Meda Council Regulation (EC) No 1488/96 of 23 July 1996 defining the rules relating to the implementation of Financial and Technical Co-operation to underpin economic and social reform under the EuroMediterranean partnership.
- National Pre-accession Financial Assistance Programmes for the Republic of Turkey concluded under Council Regulation (EEC) No 2500/2001 of 17 December 2001 concerning pre-accession financial assistance for Turkey or under any other Regulation amending or replacing this Regulation.
- Projects, actions and activities to be financed under the Framework Agreement on the General Principles for the participation of the Republic of Turkey in Community programmes as signed by the Republic of Turkey and the European Commission on 26 February 2002 and the relevant Memoranda of Understanding for specific programmes.
- EC-funded projects implemented or to be implemented in Turkey under other relevant EC Programmes such as MEDA, including Meda Regional Programmes, Regulation EC N° 764/2000 of 10 April 2000 regarding the implementation of measures to intensify the EC-Turkey customs union, and Regulation EC N° 257/2001 of the European Parliament and of the Council of 22 January 2001 regarding the implementation of measures to promote economic and social development in Turkey.

SPECIAL PROVISIONS

PRE-ACCESSION FINANCIAL ASSISTANCE: 2006 NATIONAL PROGRAMME FOR TURKEY - PART 1A

These Special Provisions concern the implementation of the 2006 National Programme for Turkey - PART 1a, covering the financing of project *TR 06 04 01 "Promotion of the Civil Society Dialogue between EU and Turkey"* (as described in section 4). The remainder of the 2006 National Programme for Turkey - PART 1b - will be the subject of a separate Financing Agreement.

1. SUMMARY

As indicated in the Planning Document presented to the Phare Management Committee on February 17, 2006, some EUR 450-470 million, out of an overall pre-accession assistance envelope of EUR 500 million, will be available for the Turkey 2006 National Programme. (Emergency assistance to Turkey addressing the outbreak of Avian Influenza is the subject of a separate Financing Decision within the overall 2006 pre-accession assistance envelope). Given the considerable budget of the 2006 National Programme, this will be the subject of two Financing Decisions. The present Financing Proposal represents the first part of the 2006 National Programme. It includes some initial actions to promote the Turkey-EU Civil Society Dialogue, which the Commission wishes to launch as soon as possible, and it also takes up projects that were deferred from the 2005 programme as well as recurring programme needs.

2. STRATEGY

The preparation of the 2006 pre-accession financial assistance programme takes into account several developments in EU-Turkey relations. These include the opening of accession negotiations, the assessment provided by the 2005 Progress Report, the Commission's Communication on the Civil Society Dialogue adopted in June, 2005, the adoption of the revised Accession Partnership, and the planned introduction -- as of 2007 -- of the Instrument for Pre-accession Assistance (IPA).

The priorities, reflecting the Commission's pre-accession strategy for Turkey set out in its recommendation of October 6, 2004, and unchanged with respect to the 2005 programme, are:

- The political criteria, including some closely-related subjects in the sector of Justice, Liberty and Security;
- Economic and Social Cohesion, targeted on the poorest regions in Turkey, and emphasising strategic planning, capacity building and project preparation;
- Implementation of the *acquis*, with projects being developed in 2006 in the sectors such as Customs Union, Internal Market Agriculture Environment, Energy, Transport, Social policy and Statistics;
- EU-Turkey Civil Society Dialogue

The promotion of Civil Society Dialogue represents a new development in pre-accession assistance. The long-term objective of the dialogue is to prepare civil society from the EU and candidate countries for future enlargement, by encouraging a societal debate around related issues and allowing a wide participation and information of civil society during the enlargement process. In this first year of implementation, the programme will target youth, universities, professional organisations, municipalities, and NGOs.

In accordance with the guidelines established for the programming and implementation of assistance to Turkey, an approximately even allocation among themes of institution building, investment in the *acquis*, and investment in economic and social cohesion (i.e. approximately one third to each theme) will be sought.

Part I of the National Programme concentrates on:

- A pilot Civil Society Dialogue project. The activities to be financed under the 2006 programme will tend to have a pilot character: depending on the results, more ambitious actions may be considered under future programmes, on the basis of the experience gained;
- projects deferred from the 2005 programme, due to lack of maturity or failure to reach agreement on critical issues;
- Some recurring programme needs (continuation of Jean Monnet scholarships).

In view of continuing deficiencies in the administrative structures for programme implementation, the present Financing Proposal will be implemented through 2 separate Financing Agreements. The first Financing Agreement, covering the 2006 Turkey National Programme – Part 1a (project *TR 06 04 01 Promotion of the Civil Society Dialogue EU-Turkey*, described in section 4) will be signed between the Commission and the Turkish authorities as soon as possible in order to permit an early launch of the Civil Society Dialogue. The second Financing Agreement, covering the 2006 Turkey National Programme – Part 1b (the remaining projects described in section 4) will be signed between the Commission and the Turkish authorities only when the conditionality formulated in section 4 has been met.

3. OBJECTIVES AND DESCRIPTION

2006 Turkey National Programme- Part 1a

Objective 4: Promotion of the EU-Turkey Civil Society Dialogue and Support for the European Integration Process

TR 06 04 01 Promotion of the Civil Society Dialogue between EU and Turkey

The objective of this project is to strengthen contacts between civil society in the Member States and Turkey, thereby fostering a better understanding of Turkey within the European Union and better knowledge of the European Union within Turkey. It answers to a short term priority of the Accession Partnership to facilitate and encourage open communication and cooperation between all sectors of Turkish civil society and European partners. This project will be implemented through separate grant schemes supporting cooperative projects implemented by Turkish and EU counterparts within four target groups: Local administrations, Universities Professional Organisations and Youth. In addition the project will establish a translation and interpretation facility in order to assist Turkish civil society in establishing contacts with EU counterparts.

Turkey National Programme- Part 1b

Objective 1: Addressing the Copenhagen political criteria, including some closely-related subjects in the sector of Justice, Liberty and Security

TR 06 01 01 Support to the set up an Asylum and country of origin and information (COI) system

The main purpose of this project is to enable the Turkish Ministry of Interior to implement and use a Country of Origin Information (COI) system and get full ownership of the Refugee Status Determination (RSD) procedure in Turkey, while carrying out training of staff for a future asylum unit. It builds on a 2002 project (*TR0204.02 Support for the development of an Action Plan to implement Turkey's asylum and migration strategy*) and thereby addresses an Accession Partnership priority to continue efforts to implement the National Action Plan on Migration and Asylum. The activities are intended to result in fully functioning COI and asylum information systems, into which individual asylum files are scanned and from which access is ensured to the relevant users. The project will increase the capacity within the Turkish administration as regards EU administrative law, including appeals procedures for asylum and migration cases, and EU and international human rights law. The strengthening of the asylum administration in Turkey, resulting from this project, will have a cross border impact, both on the inflow of asylum seekers and illegal migrants to Turkey and the pattern of population movements in the region. This project is composed of a Twinning element, a service contract for language training, and an investment component.

Objective 2: Economic and Social Cohesion

TR 06 02 01 Nevsehir Wastewater Treatment Plant Project

This project will assist Turkey to achieve a high level of environmental protection and compliance with the EU directives concerning water quality. It addresses a short term priority of the Accession Partnership, namely the continuation of implementation of the acquis related to legislation on water quality. The project aims at improving the water quality of Kizilirmak River, through a significant reduction of the pollution loads from Nevsehir municipality. The main project activity will be the construction of a Waste Water Treatment Plant for the municipality of Nevsehir. The treatment plant will be an extended aeration activated sludge plant with physical and biological stages servicing a population of 125,000 persons and 9,000 industrial p.e. The discharge will meet the effluent requirements of the EU UWWT directive as well as Turkish effluent requirements. Training and institutional strengthening of the municipality and supervision of the WWTP construction will be provided through technical assistance. The main source for lessons learned regarding project design and preparation is the ISPA assistance to Central and Eastern Europe. The project will be implemented through one work contract and one service contract.

TR 06 02 02 Tokat Wastewater Treatment Plant Project

This project will assist Turkey to achieve a high level of environmental protection and compliance with the EU directives concerning water quality. It addresses a short term priority of the Accession Partnership, namely the continuation of implementation of the acquis related to legislation on water quality. The project aims at improving the water quality of Yeşilirmak River, through a significant reduction of the pollution loads from Tokat municipality. The main project activity will be the construction of a Waste Water Treatment Plant for the municipality of Tokat. The treatment plant will be a Biological Nitrogen Removal plant with physical and biological stages servicing a population of 200,000 persons, and 33,000 industrial p.e. It will lead to increasing the overall effectiveness and efficiency of water management in the region and will help improve the health standards of the public on the downstream. The project will be implemented through one work contract and one service contract.

The discharge will meet the effluent requirements of the EU UWWT Directive as well as Turkish effluent requirements. Training and institutional strengthening of the municipality and supervision of the WWTP construction will be provided through technical assistance.

Objective 3: Approximation to the *acquis communautaire*

TR 06 03 01 Establishment of a pilot Turkish Farm Accountancy Data Network (FADN)

The overall objective of the project is to establish a Farm Accountancy Data Network (FADN) at regional and farm level in compliance with the EU requirements. This will help to provide reliable information on the Turkish agricultural and rural sectors to the EC and Turkish policy makers, thereby addressing a short term priority of the Accession Partnership to set up suitable administrative structures to operate EU instruments related to rural development. In particular, it aims at introducing the FADN system in 9 pilot provinces with the implementation of pilot studies and establishment of legal and administrative framework in accordance with the relevant EU legislation. Under this project, the administrative body for the implementation of the FADN system will be established and the required infrastructure will be improved. Training will be provided to staff on data collection and its organization at central level, and on the introduction of FADN to farmers to encourage them to participate in the network. Project activities will be carried out through equipment supply and twinning.

TR 06 03 02 Control of Foot and mouth disease in Turkey

The overall objective of the project is to eradicate Food and Mouth Disease (FMD) in Turkey to ensure a high level of animal health status like in the EU. This will help to provide reliable information on the Turkish agricultural and rural sectors to the EC and Turkish policy makers, thereby addressing a short term priority of the Accession Partnership to reinforce the development of agricultural statistics. The project aims in particular to control the FMD in Turkey through a mass vaccination policy in accordance with other EU control measures such as animal identification and movement and market controls. The actions will comprise vaccination, sero surveillance, control measures and disinfection. Activities will be carried out through supply of laboratory equipment. The vaccination campaign for bovine and ovine animals will be carried out under the control of veterinarians for 3 years. Based on the experience gained through a similar project in 2002, the full eradication of FMD in Turkey will represent a substantial financial burden and requires an eradication programme to be implemented for 8 years. The competent authorities will also gain experience regarding the eradication of other animal diseases through the implementation of this project. The project will be implemented through 5 supply contracts.

TR 06 03 03 Improvement of the conditions for cross-border electricity trade in Turkey in compliance with the best practice in EU

Within the overall objective of fully integrating the Turkish electricity market to the EU Internal Electricity Market, this project aims to establish a cross-border electricity trading environment in Turkey by removing legal and administrative restrictions. This project tackles a short term priority of the Accession Partnership to support the creation of a gradually integrated regional energy market as part of a wider European energy market

and to remove restrictions on cross-border trade and third party access. Earlier projects addressing technical issues of synchronous interconnection. However, experience of cross border trading in isolated systems in Turkey and abroad shows that unless legal and administrative restrictions are also removed, the integration of national markets with the internal EU Electricity Market will not provide desired results. The project will be implemented through a Twinning.

TR 06 03 04 Capacity building support to the water sector in Turkey

This project aims overall to introduce a water management system at river basin level in Turkey through strengthening of the relevant institutions and water management instruments and to facilitate the design of a framework for action in the field of water policy. It addresses a short term priority of the Accession Partnership to adopt a revised programme for transposition and implementation of the acquis and to continue to transpose and implement the acquis related to the framework legislation on water quality. The project will include a legal and institutional analysis of the Water Framework Directive (WFD), the Urban Waste Water Treatment Directive (UWWTD), and the Dangerous Substance Directive (DSD) in the Turkish context, as well as the development of implementation plans for the WFD and DSD. It will also undertake pilot implementation of the principles of the WFD, UWWTD and DSD in the Buyuk Menderes River Basin. The project will be implemented through Twinning and a supply contract.

Objective 4: Promotion of the EU-Turkey Civil Society Dialogue and Support for the European Integration Process

TR 06 04 02 Continuation of the "JEAN MONNET" Scholarship Programme for post-graduates in Turkey

The objective of the project is to support Turkey in its efforts towards accession by raising awareness and understanding of European integration and by developing trained human resources in disciplines relevant to the EU integration process. It answers to a short term priority of the Accession Partnership to facilitate and encourage open communication and cooperation between all sectors of Turkish civil society and European partners. It aims 1) to broaden young people's perspectives and perceptions of European integration through post-graduate studies and 2) to strengthen the bonds between young Turkish citizens (civil servants, graduates and those working in the private sector or in NGOs) and EU citizens by providing them with the experience of living and studying in one of the member states of the European Union. The project will be implemented through a grant scheme to finance some 100 post-graduate scholarships (including publication of the scholarship competition, selection of candidates, identification of EU universities and institutions meeting the needs of the scholars and the objectives of the scholarship programme, and establishment of an alumni network). In addition, the implementation of the scholarship programme will be supported by technical assistance procured through a service contract.

References to the number and nature of contracts expected in the implementation of a particular project are of an indicative nature. The exception is where the means of implementation is specified as twinning or twinning light or where reference is made to direct agreements.

Lessons learned

In designing the 2006 programme, careful account has been taken of the results of projects programmed in previous years, particularly since 2002 since the programmes prior to 2002 had socio-economic development objectives that were not directly related to the institution building focus of pre-accession financial assistance. 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 and the Interim Evaluations of programme implementation. Relevant information in that respect is provided in each project fiche.

Project preparation in the environment sector, undertaken in the frame of the 2002 programme, has led to the development of several infrastructure projects that will be represent an important component of the 2006 programme. Similarly, the National Action Plan for Asylum and Migration, developed under *TR0204.02 Support for the development of an Action Plan to implement Turkey's asylum and migration strategy*, has guided the development of the project in this area included in the present proposal.

Conditionality

Agreement on the 2006 pre-accession financial assistance programme will depend on the Turkish authorities' commitment to the continued forceful implementation of the pre-accession strategy, giving attention to the establishment of adequate administrative structures for programme implementation, in order that EU financial supports are used in the most effective manner.

Before the Financing Agreement for the 2006 Turkey National Programme – Part 1b between the Commission and the Government of Turkey is signed, the National Aid Co-ordinator will satisfy the Commission that adequate steps are being taken to maintain and resource adequately the National Fund, CFCU, and other agencies involved in implementing this programme, and that findings of the DIS follow-up audit carried in the autumn of 2005 are being appropriately addressed. It is expected that the CFCU will reach a level of around 100 staff through phased recruitments in the course of 2006.

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.

4. BUDGET

4.1. Budget Table

Turkey National Programme- Part 1a

CRIS Code	DAC Code	Objective	Pre-accession instrument Funding			Total Co-financing of Project	Total (EU plus Co-financing)
			Institution Building	Investment	Total (IB & INV)		
2005-.....	43010	Objective 4 <i>Promotion of the Civil Society Dialogue EU-Turkey</i>	21.500.000	0	21.500.000	0	21.500.000
		TOTAL	21.500.000	0	21.500.000	0	21.500.000

(The distribution of figures between the budget lines is indicative within the limits of Art. 5 MoU NF)

Turkey National Programme- Part 1b

CRIS Code	DAC Code	Objective	Pre-accession instrument Funding			Total Co-financing of Project	Total (EU plus Co-financing)
			Institution Building	Investment	Total (IB and INV)		
2005-.....	15130	Objective 1 Addressing the Copenhage n political criteria and JLS issues	3.020.000	6.773.250	9.793.250	2.257.750	12.051.000
2005-.....	16100	Objective 2 Economic and Social Cohesion	0	16.800.000	16.800.000	5.600.000	22.400.000
2005-.....	15040	Objective 3 Harmonisa	3.980.000	49.933.350	53.913.350	16.644.450	70.557.800

DP

		tion with the acquis					
2005-.....	43010	Objective 4 CSD and support for European Integration	3.350.000	0	3.350.000	0	3.350.000
		TOTAL	10.350.000	73.506.600	83.856.600	24.502.200	108.358.800

(The distribution of figures between the budget lines is indicative within the limits of Art. 5 MoU NF)

Turkey National Programme- Part 1a and 1b

Objective	Pre-accession instrument Funding			Total Co-financing of Project	Total (EU plus Co-financing)
	Institution Building	Investment	Total (IB & INV)		
Total P.1a	21.500.000	0	21.500.000	0	21.500.000
Total P.1b	10.350.000	73.506.600	83.856.600	24.502.200	108.358.800
TOTAL P.1a & P.1b	31.850.000	73.506.600	105.356.600	24.502.200	129.858.800

4.2. Principle of Co-Financing

In accordance with the Phare Guidelines, all investment projects supported by the Turkey pre-accession instrument must receive co-financing from national public funds.

The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing.

Co-financing for Institution Building projects is provided by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of pre-accession instrument assistance.

5. IMPLEMENTING AGENCIES

The Implementing Agency responsible for the programme is the Central Finance and Contracts Unit of Turkey.

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6. IMPLEMENTATION ARRANGEMENTS

6.1. Method of Implementation

Implementation of the programme will follow Art. 53 (1) b (second alternative) of the Financial Regulation¹.

The Beneficiary Country will continue to ensure that the conditions laid down in Art. 164 (1) (a) - (e) of the Financial Regulation are respected at all times.

Prior to the accreditation of Implementing Agencies foreseen by Art. 7 (2) of Regulation 2500/2001, project selection, tendering and contracting by the Beneficiary Country will be subject to ex-ante approval by the Commission.

6.2. General rules for Procurement

Procurement shall follow the provisions of Part 2, Title IV of the Financial Regulation and Chapter 3 of Part 2, Title III of its Implementing Rules², as well as the Commission Decision SEC (2003) 387/2³.

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 financed from the general EC budget in the context of external actions" ("Practical Guide") as published on the EuropeAid website⁴ at the date of the initiation of the procurement or grant award procedure.

6.3. Grant Schemes

For grant schemes the precise implementation arrangements will be specified in the relevant project fiches in line with the following principles:

The procedures and formats to be used in the implementation of the schemes and award of the grants will follow the procurement rules for External Actions. In particular, due care will be given to the selection process of the projects. Grants will be awarded in conformity with the provisions of chapter 6 of the Practical Guide, and following the principles of Phare decentralised management. Prior to EDIS accreditation, the ex-ante approval of the Commission Delegation in Ankara will be required.

The competent PAO for the programme under which the grant scheme is financed has to retain his/her contractual and financial responsibility for the implementation

¹ Council Regulation (EC, Euratom) 1605/2002 of 25 June 2002: OJ L 248; 16.9.2002; p. 1

² Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 as amended by Commission Regulation (EC, Euratom) No 1261/2005 of 20 July 2005, Official Journal L 201, 02/08/2005 p. 3

³ Commission Decision SEC (2003) 387/2 on Rules and procedures for service, supply and works contracts financed from the general budget of the European Communities in the context of co-operation with third countries, adopted on March 25, 2003

⁴ Current address: http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm

of the schemes. In particular, the PAO has to formally approve the call for proposals, application forms, evaluation criteria, as well as the selection process and results. The PAO also has to sign the grant agreements with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.

The implementation of selected projects through provision of works, supplies and services, which are sub-contracted by the final beneficiaries of the individual grants, shall be subject to the procurement rules for External Actions at the time of implementation. Following a positive assessment of the Implementing Agency's capacity to operationally and financially manage the schemes in a sound and efficient manner⁵, the Commission Delegation may decide to waive its ex-ante approval of sub-contracting carried out by the final beneficiaries of the individual grants. The detailed provisions governing the role of the Delegation in the above-mentioned sub-contracting phase will be specified, as appropriate, in the Exchange of Letters between the Delegation and the national authorities following the above-mentioned assessment exercise.

Grant schemes will not involve projects for which the pre-accession instrument contribution is below € 50.000 or above € 2 million. This lower limit may be waived as a result of the above-mentioned assessment of the Implementing Agency's capacity of giving assurance of sound financial management. The lower limit is not applicable in the case of NGOs.

The financial commitments will take effect at the date of signature of the grant agreements by the competent PAO. The projects should be fully implemented before the expiry date for contract execution of the corresponding Financing Agreement.

6.4. Implementation Principles for Twinning Projects

Twinning projects are set up in the format of a grant contract (twinning contract) whereby the selected Member State administration agrees to provide the requested public sector expertise (including the long term secondment of an official assigned to provide full time counsel to the beneficiary administration as Resident Twinning Advisor) against the reimbursement of the expenses thus incurred. This twinning contract is in line with the provisions of Article 27 of the Financial Regulation and of Part One, Title VI on grants of the Financial Regulation and its Implementing rules.

Further to the provisions of Article 160, first paragraph of the aforementioned Implementing Rules, the Contracting authority shall use the rules and proceedings set out in the regularly updated Twinning Manual (which includes a system of fixed rates and prices for the reimbursement of the provided public sector expertise by the selected Member state administration for launching, selection, implementation and closing of twinning projects).

⁵ see section 11 and Annex 4 of the 2004 Phare Programming Guide

LIST OF PROJECTS FOR 2006 – PART I – INVOLVING TWINNING

Project code	Twinning code	Project Title
TR 06 01 01	TR 06 IB JH 01	Support to the set up an Asylum and Country of Origin Information (COI) system
TR 06 03 01	TR 06 IB AG 01	Establishment of a pilot Turkish Farm Accountancy Data Network (FADN)
TR 06 03 03	TR 06 IB EY 01	Improvement of the conditions for cross-border electricity trade in Turkey in compliance with the best practice in EU
TR 06 03 04	TR 06 IB EN 01	Capacity building support to the water sector in Turkey

7. MANAGEMENT OF ASSISTANCE

7.1. Project Management

7.1.1. Responsibilities

The National Aid Co-ordinator (NAC) will have overall responsibility for programming and monitoring of pre-accession instrument programmes.

The NAO and the Project Authorising Officer (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the instructions of the Commission. They will also ensure that all contracts required to implement the Financing Agreement are awarded using the procedures and standard documents for External Actions in force at the time of implementation, and that EU state aid rules are respected.

7.1.2. Project Size

All projects will be greater than 2 M €, except the following:

TR 06 03 01 *Establishment of a pilot Turkish Farm Accountancy Data Network (FADN)*

TR 06 03 03 *Improvement of conditions for cross-border electricity trade in Turkey in compliance with the best practice in EU*

In the case of the first two projects listed, the activities concern relatively specialised areas of acquis implementation, and in the opinion of the Commission services larger projects are not warranted.

The third project represents the final of 3 projects related to the interconnection of the Turkish electricity grid with neighbouring networks.

7.1.3. Deadline for contracting and execution of contracts, programming deadline

(1) All contracts must be concluded by no later than November 30, 2008. In no case can the contracting period for projects implemented under this programme exceed three years after the date of the global commitment (Art. 166 (2) FR).

(2) All contracts must be executed by no later than November 30, 2009 with the following exceptions: for projects *TR 0602.01* and *TR 0602.02* the execution deadline for contracts will be November 30, 2010.

Budgetary commitments which have not given rise to payments during three years counted from the date of the legal commitment will be decommitted (Art. 77 (3) FR).

(3) Under DIS, a complete tender dossier must be submitted to the Delegation for approval by no later than 31 May, 2007. In case of non-compliance, the Beneficiary Country will inform the JMC, which may recommend reallocation of funds in accordance with Art. 5 of the MoU on the National Fund.

7.1.4. Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive⁶ are fully applicable for all investment projects under the pre-accession instrument. If the EIA-directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive. If a project would fall within the scope of annex 1 or annex 2 of the EIA-directive, the carrying out of the EIA-procedure must be documented⁷.

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-directive must be documented⁸.

All investments shall be carried out in compliance with the relevant community environmental legislation. The project fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

⁶ DIR 85/337/EEC; OJ L 175/40; 5.7.1985, as amended

⁷ In Annex EIA to the corresponding investment project fiche.

⁸ in Annex Nature Conservation to the corresponding investment project fiche

7.2. Financial Management

7.2.1. *Principles and Responsibilities*

The National Fund in the Undersecretariat of Treasury, headed by the NAO, will supervise the financial management of the programme, and will be responsible for reporting to the European Commission. The NAO shall have the overall responsibility for financial management of the Phare/ pre-accession instrument funds, and the full accountability for the Phare/ pre-accession instrument funds of a programme until the closure of that programme.

The NAO shall ensure that the Phare rules, regulations and procedures pertaining to reporting and financial management are respected, and that a reporting and project information system is functioning.

The Commission will make payments to the NF in accordance with the Memorandum of Understanding signed between the Commission and Turkey on 14 February 2002, and amended on 3 September 2003.

Payments will be made following requests from the NAO onto a separate bank account, denominated in €, which will be opened and managed by the National Fund in the Central Bank of Turkey.

According to Articles 3 & 4 of the implementing rules of the Financial Regulation accrued interest is the property of the Beneficiary Country. The NAO must however ensure that the accrued interest is actually registered in its entirety as revenue in the national budget. Furthermore the NAO will ensure a regular reporting of the interest via Perseus.

7.2.2. *Payments to the National Fund*

A first payment⁹ of up to 20% of the funds to be managed locally¹⁰ will be sent to the NF following signature of the Financing Agreement and the Implementing Agreements between the NF and the Central Finance and Contracts Unit (CFCU). Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the CFCU and the manner in which the payment function between them will be carried out.

Two further payments¹¹ of up to 30% of the funds to be managed locally¹² will be made. The second payment will be triggered when 5 % of the total budget in force¹³

⁹ Representing pre-financing as defined in Art. 105 (1) of the Implementing Rules to the Financial Regulation

¹⁰ excluding the amount foreseen for Community Programmes

¹¹ Representing interim payments or the renewal of pre-financing as defined in Art. 105 (1) of the Implementing Rules to the Financial Regulation

¹² excluding the amount for Community Programmes

¹³ excluding the amount for Community Programmes

has been disbursed by the CFCU. The third payment may be requested when 35% of the total budget in force¹⁴ has been disbursed.

A final fourth payment will be made when 70 % of the total budget in force¹⁵ has been disbursed and all contracts have been signed.

Exceptionally the NAO may request more than the percentage agreed where it can be demonstrated by a cash-flow projection that the cash-flow requirements in the subsequent period will exceed such percentage. In cases where the aggregate of the funds deposited in the NF and CFCU accounts exceeds 15% of the total budget in force for the programme the Commission may exceptionally authorise a payment, if the NAO provides duly substantiated evidence that contractual obligations cannot be met with the funds available.

7.2.3. Payments from the National Fund to the Implementing Agency

The National Fund will make payments to the CFCU, in accordance with Implementing Agreements signed between the NF and the CFCU. Bank accounts for sub-programmes shall be opened in the name of the CFCU in charge of financial management of the sub-programme in line with Art. 13 of the MoU on the National Fund.

As long as implementation follows DIS, each individual Implementing Agreement must be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU there will be no payments from the NF to the CFCU. The CFCU must be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all operations carried out by the CFCU.

7.2.4. Payments in Case of Contractual Retention Clauses

For those contracts with contractual retention clauses (e.g. funds retained for a warranty period), the Implementing Agency assumes full responsibility for managing the funds until final payment is due, as well as for ensuring that the said funds will only be used to make payments related to the retention clauses.

The IA further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission.

7.2.5. Closure of Expenditure and Clearance of Accounts

No later than 16 months after the end of the execution of contracts, the NF will submit a final declaration of expenditure and a final progress report covering both Turkey pre-accession instrument support and co-financing and an attestation regarding the regularity, accuracy and veracity of the accounts transmitted. The final certified expenditure should at this point equal the original value of the contracts minus any deductions and savings agreed with contractors in the course of

¹⁴ excluding the amount for Community Programmes

¹⁵ excluding the amount for Community Programmes

implementation. This should also equal payments made plus any sums outstanding on account of contractual retention.

If the payments received from the Commission exceed the final certified expenditure, the NF shall return the excess to the Commission at the time of submitting the final declaration. If there are any outstanding payments (with the exception of contractual retention funds), the NF should provide an explanation and a forecast when payment will be finalised. The NF shall report on progress on contractual retention funds and outstanding payments on a quarterly basis. If they are not paid to the contractor, they shall be returned to the Commission.

After evaluation of the final declaration, the Commission will state its view on any expenditure to be excluded from Community funding, where it finds that expenditure has not been executed in compliance with Community rules.

The results of the Commission's checks and its conclusions to exclude expenditure from financing will be notified in writing to the NF, which shall be given one month to transmit its reply in writing.

If no agreement is reached within one month of receipt of the NF's written reply, the Commission shall decide and establish the amounts to be excluded, having regard in particular to the degree of non-compliance found, the nature and gravity of the infringement as well as the financial loss suffered by the Community.

Following the decision about amounts to be excluded, all ineligible expenditure will be recovered without prejudice to the treatment of irregularities and subsequent financial corrections stipulated below.

The funds will be recovered either by direct reimbursement from the NF or by compensation in accordance with Community rules.

8. MONITORING AND EVALUATION

Project implementation will be monitored through the Joint Monitoring Committee (JMC). It includes the NAO, the NAC and the Commission services. The JMC will meet at least once a year to review all pre-accession instrument funded programmes in order to assess their progress towards meeting the objectives set out in the Financing Agreements and the Accession Partnership. The JMC may recommend a change of priorities and/or reallocation of pre-accession instrument funds. Furthermore, the JMC will review the progress of all pre-accession EU-funded assistance programmes once a year.

For the pre-accession instrument programme, the JMC will be assisted by Sectoral Monitoring Sub-Committees (SMSC), which will include the NAC, the PAO of the CFCU and the Commission Services. The SMSC will review in detail the progress of each programme, including its components and contracts, assembled by the JMC into suitable monitoring sectors. Each sector will be supervised by one SMSC on the basis of regular monitoring reports produced by the Implementing Agency, and interim evaluations undertaken by independent evaluators. The SMSC will put forward recommendations on aspects of management and design, ensuring that these are effected. The SMSC will report to the JMC, to which it will submit overall detailed opinions on all pre-accession instrument financed programmes in its sector.

The Commission services shall ensure that this programme will be subject to interim (either centralised or decentralised) and/or ex post evaluations.

9. AUDIT, FINANCIAL CONTROL, ANTI-FRAUD MEASURES, PREVENTIVE AND CORRECTIVE ACTIONS

9.1. Supervision and Financial Control by the Commission and the European Court of Auditors

All Financing Agreements as well as all resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-Fraud Office) and audits by the European Court of Auditors. As long as EDIS is not yet applicable to the Implementing Agencies in the Beneficiary Country, 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 Community, 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) 2185/96¹⁶.

The controls and audits described above are applicable to all contractors and subcontractors who have received Community funds.

Without prejudice to the responsibilities of the Commission and the European Court of Auditors¹⁷, the accounts and operations of the National Fund and, where applicable, the CFCU may be checked at the Commission's discretion by the Commission itself or by an outside auditor contracted by the Commission.

9.2. Obligations of the Beneficiary Country

9.2.1. Audit and Financial Control

In order to ensure sound financial management of the pre-accession instrument funds, the Beneficiary Country must have a system for management and control of assistance in accordance with generally accepted principles and standards in place. This system shall fulfil the requirements set out in Art. 164 of the Financial Regulation and in particular provide adequate assurance of the correctness, regularity and eligibility of claims on Community assistance.

The Beneficiary Country's management and control systems shall provide a sufficient audit trail, as defined in Art. 7 (2) of Commission Regulation 438/2001¹⁸.

The competent national financial control authority shall carry out appropriate financial controls of all actors involved in the implementation of the programme.

¹⁶ Council Regulation (EC, Euratom) 2185/96 of 11. November 1996. OJ L 292; 15.11.1996; p. 2

¹⁷ as referred to in the General Conditions relating to the Financing Memorandum" attached to the Framework Agreement

¹⁸ Commission Regulation (EC, Euratom) 438/2001 of 2 March 2001, OJ L 63; 3.3.2001, p.21

Each year an audit plan and a summary of the findings and main recommendations of the audits carried out and an outline of the follow-up given to past audit recommendations shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

9.2.2. *Preventive Measures*

The Beneficiary Country shall take any appropriate measure to prevent and counter active and passive corruption¹⁹ practises at any stage of the procurement procedure or grant award procedure, as well as during the implementation of corresponding contracts.

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.

9.2.3. *Anti-Fraud Measures and Corrective Actions*

Beneficiary Countries shall, in the first instance, bear the responsibility to ensure investigation and satisfactory treatment of suspected or actual cases of fraud and irregularities following national or Community controls.

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/1994²⁰ as last modified by Commission Regulation 2035/2005²¹.

In particular, all suspected or actual cases of fraud²² and irregularity²³ as well as all measures related thereto taken by the national authority must be reported to the

¹⁹ Active corruption is defined as the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Communities' financial interests.

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

²⁰ Commission Regulation (EC) 1681/94 of 11. July 1994; 12.7.94; p. 43

²¹ Commission Regulation (EC) 2035/2005 of 12 December 2005 ; 15.12.2005 ; p.8

²² 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 Communities or budgets managed by, or on behalf of, the European Communities; 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.

²³ Irregularity shall mean any infringement of a provision of national or Community law, this Financing Agreement or ensuing contracts, resulting from an act or omission by an economic operator, which has,

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.

In case of irregularity or fraud, the Beneficiary Country shall make the necessary financial corrections required in connection with the individual irregularity. The corrections made by the Beneficiary Country shall consist in cancelling all or part of the Community contribution. The Community funds released in this way may be re-used by the NF for the purpose of the programme, in compliance with Art. 5 of the MoU on the National Fund.

9.3. Recovery of Funds in Case of Irregularity or Fraud

Any proven irregularity²⁴ or fraud²⁵ discovered at any time during the implementation of the programme or as the result of an audit will lead to the recovery of funds by the Commission.

If, after completing the necessary verifications, the Commission concludes that:

- (a) The Beneficiary Country has not complied with the obligations to prevent, detect, and correct irregularities or
- (b) The implementation of a project appears not to justify either part or the whole of the assistance allocated or
- (c) There are serious failings in the management or control systems which could lead to irregularities,

The Commission may suspend further financing of the programme in question, and, stating its reasons, request that the Beneficiary Country submit comments and, where appropriate, carry out any corrections within a specified period of time.

If no agreement is reached by the end of the period set by the Commission and if the required corrections have not been made, the Commission may – taking into account any comments made by the Beneficiary Country – decide within three months to:

- (a) Reduce or cancel any payment for the programme in question, or
- (b) Make the financial corrections required by cancelling all or part of the assistance granted to the programme concerned.

The Commission shall, when deciding on the amount of a correction, take into account the principle of proportionality, the type of irregularity and the extent and

or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, by an unjustified item of expenditure. The term "Community law" in this context shall be defined as the entirety of Community rules applicable between the Parties of the Financing Memorandum (e.g. the Europe Agreements, Framework Agreements, the MoU on the Establishment of the National Fund etc.)

²⁴ see definition above

²⁵ see definition above

financial implications of the shortcomings found in the management and control system of the Beneficiary Country.

In the absence of a decision to do either (a) or (b), further financing of the programme shall immediately resume.

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of the notification. If the NAO does not repay the amount due to the Community, the Beneficiary Country shall refund this amount to the Commission.

Interest on account of late payment shall be charged on sums not repaid by applying the rules specified in the Financial Regulation.

10. VISIBILITY AND PUBLICITY

The PAO in charge will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission. Further details are set down in the Annex on Visibility and Publicity.

11. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of Turkey, the Commission may review the programme with a view, at the Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the pre-accession instrument programme.

ANNEX ON INFORMATION AND PUBLICITY FOR THE PRE-ACCESSION PROGRAMMES OF THE EUROPEAN COMMUNITIES

1. Objective and scope

Information and publicity measures concerning assistance from the European Community pre-accession programmes are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the pre-accession programme.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:

- Regulation (EEC) 1159/2000 Official Journal of the European Communities No L130/30, 31 May 2000;
- Commission Decision of 31 May 1994; Official Journal of the European Communities No L 152/39, 18 June 1994.

Specific provisions concerning ISPA are included in:

- Commission Decision of 22nd June 2001, Official journal of the European Communities No L.182/58

Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning pre-accession programmes

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Agreement and shall concern both programmes and other forms of assistance.

The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When pre-accession programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.
- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from pre-accession programmes:

- measures to make potential beneficiaries and the general public aware of pre-accession assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.
- measures targeting applicants for public aids part-financed by pre-accession assistance in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the pre-accession programme in accordance with the provisions outlined above.

4. Visibility of EU assistance in business circles and among potential beneficiaries and the general public

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.

4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the relevant pre-accession programme, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and pre-accession programmes in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the pre-accession programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by pre-accession programmes should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.

Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

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In order to ensure the visibility of measures part-financed by the pre-accession programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

Commemorative plaques

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant pre-accession programme.

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. Final provisions

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.

In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.

Standard Summary Project Fiche
Project number: TR 06 04 01

1. Basic Information

1.1 CRIS Number:

1.2 Title: **Promotion of the Civil Society Dialogue between EU and TK**

1.3 Sector: CSD

1.4 Location: Turkey

1.5 Duration: 2 years

2. Objectives

2.1 Overall Objectives:

- Strengthen contacts and mutual exchange of experience between civil society in the Member States and Turkey.
- Ensure a better knowledge and understanding of Turkey within the European Union, including Turkish history and culture, thus allowing for a better awareness of the opportunities and challenges of future enlargement.
- Ensure a better knowledge and understanding of the European Union within Turkey, including the values on which it is founded, its functioning and its policies.

2.2 Project purpose:

The project will help to establish a framework for cooperation; support the establishment of partnerships; and promote dialogue between the following categories of Turkish and EU counterparts:

- 2.2.1. Component A: Towns and municipalities
- 2.2.2. Component B: Professional Organisations
- 2.2.3. Component C: Universities
- 2.2.4. Component D: Youth Initiatives for Dialogue
- 2.2.5. Component E: Interpretation and Translation facility

2.3 Accession Partnership (AP) and NPAA

Enhancement of freedom of expression and association, as well as the development of civil society dialogue is a significant element in the Accession Partnership (2005). The promotion of a Civil Society Dialogue was specifically endorsed in the conclusions of the European Council (December, 2004).

Accession Partnership 2005

Freedom of expression, association and peaceful assembly
"Facilitate and encourage open communication and cooperation between all sectors of Turkish civil society and European partners"

EU Presidency Council decision December, 2004

On 17 December 2004 the European Council endorsed the European Commission recommendation and broadened its scope by stipulating that "parallel to accession negotiations, the Union will engage with every candidate state in an intensive political and cultural dialogue. With the aim of enhancing mutual understanding by bringing people together, this inclusive dialogue also will involve civil society."¹

2.4 Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)

Not applicable

2.5 Cross Border Impact

This project will foster contacts between Turkey and the EU. While it is not specifically aimed at organisations in the EU-Turkey border regions, their participation is by no means excluded.

3. Description

3.1 Background and justification:

Turkey has a history of close political and economic ties with the European institutions dating back to the signature of an Association Agreement in 1963, which subsequently led to the establishment of a Customs Union in 1995. Close bilateral interaction, at institutional but also at grass-root level, has taken place since the early sixties and has intensified since the official recognition of Turkey as a candidate country in 1999. As indicated below, national and European institutions have developed a number of bilateral activities with Turkey which fall

¹ Presidency Conclusions of the Brussels European Council of 16/17 December 2004 – 1638/04

under the scope of the civil society dialogue. These activities will need to be continued, strengthened, and in some cases streamlined and better promoted.

Member States are quite active in promoting mutual exchanges, including mobility programmes, scholarships, media development, financial support to NGO development, exchanges between professional organisations, school links and so on. In addition, cultural relations between Member States and Turkey are particularly intense and in some cases benefit from the establishment in Turkey of cultural institutes linked to Member States. The Turkish government has also been active in promoting cultural events, public relations activities and parliamentary contacts. It is expected that all these activities will continue, intensify and diversify in the future, thus furthering the development of the civil society dialogue.

Member States and the Turkish authorities, in co-operation with NGOs and civil society organisations, have also been active in facilitating the integration of Turkish communities in their countries of residence. Turkish nationals constitute by far the largest group of third-country nationals in the EU, and the presence of such communities helps shape Turkey's image in the EU². Activities should be further reinforced in this area, to encourage the Turkish communities living in Member States to participate more actively in the EU-Turkey dialogue. Member States should continue to have a leading role in implementing projects, in co-operation with the broadest array of partners ranging from local associations to prominent figures of Turkish origin in host countries, to academic experts.

In October 2004 the Commission's recommendation on Turkey's progress towards accession, proposed the development of a dialogue between EU Member States and Turkey, "where concerns and perceptions can be discussed in a frank and open manner". It noted that "Civil society should play the most important role in this dialogue, which should be facilitated by the EU." The Commission recognised that in the case of Turkey, a dialogue aiming at improving mutual knowledge and encouraging a debate on perceptions regarding society and political issues on both sides is particularly necessary. Public opinion in Turkey is strongly supportive of EU membership, but information on the history, the functioning, rules and policies of the European Union remains poor. Within the EU, public opinion is divided on the issue, with differences of opinion within and between Member States. The lively debate that has been ongoing in this respect focuses on a number of different themes, ranging from questions concerning culture and religion to those of a more practical nature. On the one hand it has been argued that the Turkish State and society have values and practices incompatible with EU standards. On the other hand Turkey has been described as a country with a different cultural background adhering to democratic principles in the same manner as EU Member States. The expected impact of Turkish accession related to the country's size, income, and geographical location is also widely debated.

On 17 December 2004 the European Council endorsed the European Commission recommendation and broadened its scope by stipulating that "parallel to accession negotiations, the Union will engage with every candidate state in an intensive political and cultural dialogue. With the aim of enhancing mutual understanding by bringing people together, this inclusive dialogue also will involve civil society."

In June 2005, the Commission adopted a communication on the civil society dialogue between the EU and Candidate Countries. This should help to promote dialogue between civil society, in a broad sense, in the EU and Turkey, in order to address issues and concerns relating to enlargement. This communication sets out a general framework on how to create and reinforce links between civil society in the EU and candidate countries. The civil society dialogue should contribute to encourage a societal debate around accession, with a view to allowing a wide participation and information of civil society during the enlargement process. The long-term objective of the dialogue is to prepare civil society from the EU and candidate countries for future enlargement. The dialogue will have a special focus on Turkey, as the state of mutual knowledge is particularly weak with that country and misconceptions and concerns more widespread.

The Communication focuses on the broadest and the most inclusive definition of civil society, i.e. all society structures outside of government and public administration (but including local communities). Bilateral exchange projects, aimed at improving mutual knowledge and ensuring collaboration and exchange of expertise, will be a common pattern of projects to be funded. Targets will include NGOs - including women's rights and equal opportunities organisations - professional organisations and business associations, youth, university, culture and the media. About EUR 40 million will be earmarked for civil society dialogue projects and Community programmes in 2006 for Turkey. The Commission also expects that the communication will encourage public and private institutions and civil society organisations both in the EU and in candidate countries to contribute to the dialogue and increase mutual links in the future

The promotion of a civil society dialogue will be a key facilitator in the establishment and development of exchange between EU and Turkish NGOs and other organisations - which are suffering from lack of financial resources and professional staff, making it almost impossible for them to get in to touch with their counterparts in EU member states.

The activities foreseen in this project have a pilot character: depending on the results, more ambitious actions may be considered under future programmes, mainly on the basis of the experience gained.

3.2 Sectoral rationale

Not applicable

3.3 Results

The development of the civil society dialogue with Turkey:

- will contribute to better inform public opinions from the EU and candidate countries, by addressing the opportunities as well as the challenges posed by future enlargement
- will encourage a discussion on perceptions regarding everyday culture and values expressed by the society and the State on both sides
- will increase bilateral exchanges, thereby contributing to the sharing of experience, the adoption of best practices and the increased participation of civil society in the political, cultural and economic development of Turkey

- Will support the further development of a lively and vibrant civil society Turkey, which is key to the consolidation of human rights and democracy, in line with the political criteria for accession.

3.3.1. Component A: Towns and municipalities

Some 20 Turkish cities will establish collaboration with EU municipalities to address topics of common interest such as:

- attraction of investments
- urban planning and zoning regulations
- education
- public transport
- waste management

20 grants @ 300.000 € = 6.000.000 € (number and size of grants indicative)

3.3.2. Component B: Professional Organisations

Contacts will be promoted between 10 Turkish and EU professional organisations active in fields such as:

- bar associations
- agriculture
- liberal professions
- associations of writers, journalists etc

10 grants @ 300.000 € = 3.000.000 € (number and size of grants indicative)

3.3.3. Component C: Universities

Cooperation between 10 - 20 university departments in Turkey and the EU will be supported.

20 grants @ 500.000 € = 10.000.000 € (number and size of grants indicative)

3.3.4. Component D: Youth Initiatives for Dialogue

Establishment of 20 new partnerships and networks of Turkish youth civil society organisations and civil society organisations working in the field of youth with European counterparts according to their field of activity, to initiate a dialogue, to exchange knowledge and information. This thematic dialogue between young people, willing to let others better know their country and to better understand the key questions of the enlargement would permit the initiation of a strong and dynamic dialogue.

20 grants @ 100.000 € = 2.000.000 € (number and size of grants indicative)

3.3.5. Component E: Interpretation and Translation facility

Supporting and facilitating of events/activities that take place in the framework of the Turkey-EU civil society dialogue but are otherwise not supported by EU funds by providing an ad hoc

facility for interpretation and/or translation services as well as for equipment for interpretation and public addresses.

Language barriers to cooperation between NGOs have been overcome.

Turkish NGOs have successfully established communication and professional links with NGOs from Member States.

Joint meetings, workshops or activities have been implemented successfully. The civil society dialogue between Turkey and the EU has been facilitated in terms of technical support.

60 events @ 5.000 € = 300.000 € (number and size of grants indicative)

3.4 Activities (including means)

The development of the civil society dialogue is a long term process which will accompany accession negotiations in the future. Consequently its precise scope cannot be entirely defined in advance, as it is bound to evolve in line with the needs and suggestions expressed by civil society.

In all activities, the European Commission will play a role by facilitating and supporting projects taking place within the framework of the civil society dialogue. It will also help promote the results of the projects. However, it will be up to the actors of civil society to take the initiative, select specific themes to be developed and play an active role in conducting the dialogue.

The project will be implemented through competitive Calls for Proposals except for Component E: Interpretation and Translation Facility which will require one tendered service contract. Individual NGO actions will be supported according to selection criteria which will favour applications that aim to establish long-term cooperation between Turkish organisations and their EU counterparts, going beyond the time frame for EU support provided in the frame of the present project.

COMPONENT A: *TOWNS AND MUNICIPALITIES:*

Eligible activities will include:

- Support for long-term twinning arrangements between EU and Turkish cities (applicants must identify their proposed partners).
- Activities examining issues of common interest (eg., attraction of investments, urban planning and zoning regulations, education, public transport, waste management)
- Organisation of seminars and workshops
- Exchanges of municipal civil servants
- Information campaigns

Investment projects will not be eligible. Preference will be given in the Calls for Proposals to Turkish municipalities that do not already have long-standing twinning agreements with EU partners and to Turkish municipalities from NUTS II regions with low GDP per capita in relation to the national average.

Target group:
Municipalities

COMPONENT B: *PROFESSIONAL ORGANISATIONS*

Eligible activities will include:

- Support long-term partnerships between Turkish organisations and their EU counterparts.
- Develop exchanges between EU and Turkish counterparts particularly in areas such as the agriculture sector, the judiciary, lawyers and their respective associations, particularly on subjects where there is a need for common advocacy or where, on the contrary, there is a perception of competitive challenges between the counterparts.

Target group:
Professional organisations

COMPONENT C: *UNIVERSITIES:*

Eligible activities will include:

- bourses for visiting lecturers and researchers in particular in the subjects of law, economy, social science and history that are relevant to the EU-Turkey dialogue
- Debates such as seminars, conferences, and workshops.
- Awareness-raising activities aimed at wide dissemination of the research results, creating increased awareness and understanding of specific issues related to the EU *acquis* and the candidature of Turkey;
- Accelerating the acquisition by Turkish universities, through cooperation with EU universities, of analytical skills and academic know-how related to the process of European integration and enlargement.

In addition the following activities may be supported:

- Setting up common independent academic institutions open to students from both sides - such institutions should carry out research and teaching activities on EU and Turkish identity, history, culture and civilisation, as well as develop teaching programmes on EU integration;
- Setting up of local branches of graduate and postgraduate EU and Turkish academic institutions;

However, such initiatives are likely to involve considerable costs and it is expected that the grants considered here would only cover a relatively minor portion of these. Activities falling within these categories will need to be supported by detailed preparatory work and have credible long term financing plans to ensure their sustainability.

Target group:
Universities

COMPONENT D: *YOUTH INITIATIVES FOR DIALOGUE*

Eligible activities will include activities such as:

- Conferences, debates, workshops serving the establishment of new networks and fora
- Public information and dissemination campaigns
- Summer universities

Target group:

Youth NGOs and Civil society organisations working in the field of Youth.

COMPONENT E: *INTERPRETATION AND TRANSLATION FACILITY*

- Publication and communication of this facility to a large number of NGOs.
- Setting of eligibility rules, selection criteria and ad hoc application forms.
- Supporting the selected activities in interpretation and/or translation services.

Priority should be given to requests which focus among other criteria on:

- Establishment of joint projects
- Establishment of long term co-operations
- Involving smaller NGOs
- EU accession subjects
- Providing synergy to an existing ECD programme and answering the overall objective of the Civil Society Dialogue
- Explanations and publications of the acquis
- Addressing political priorities identified by the Commission regular Progress Report on Turkey with respect to the political Copenhagen criteria and the enhanced political dialogue

Other criteria to be established.

Target group:

Civil Society Organisations in the widest sense³

3.5 Linked Activities:

EU-Funded ongoing activities

3.5.1 Development of civil society

In the past few years, Turkey has experienced an impressive development of civil society. NGOs covering a broad range of issues have grown increasingly vocal and have been

³ As defined in the COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS on Civil Society Dialogue between the EU and Candidate Countries, 29 June 2005, COM(2005)290final : "Civil society would thus include: the labour-market actors, i.e. the social partners (trade unions and employers federations); organisations representing social and economic players at large (consumer organisations for instance); non-governmental organisations (NGOs) and community-based organisations, i.e. organisations at grassroots level through which citizens participate in local and municipal life (e.g. youth or family associations); religious communities and media."

struggling to become social and political centres of influence. Since 2001, the EU has implemented a Civil Society Development Programme, a sizeable component of which is aimed at strengthening the development of NGOs in Turkey. In addition, the European Initiative for Democracy and Human Rights has focused on Turkey and supported NGOs through micro and macro-projects. The pre-accession financial assistance programme for Turkey provided by the EU will continue to make the strengthening of freedom of association and the development of civil society a priority in the future programming exercises. For 2005 € 8 million are earmarked in this area.

3.5.2 Social dialogue, employment and social affairs

Social partners and social NGOs play a key role in the elaboration and implementation of EU legislation in the areas of labour law, health and safety at work, gender equality and non-discrimination. They are also active in designing, implementing and monitoring employment, social inclusion and social protection strategies and policies. The Commission has as a result always paid great attention to developing contacts with social partners and civil society organisations involved in social fields in Turkey, in particular with a view to bringing them closer to EU standards and ensuring full respect for trade union rights as defined by the International Labour Organisation (ILO).

The Commission will continue its policy of establishing close links and networking activities with such organisations in Turkey. Furthermore, it will strengthen Turkish participation in Community programmes in this area. Turkey already participates in the Community programmes dedicated to gender equality, anti-discrimination, combating social exclusion and Employment Incentive Measures. In this context Turkey should fully participate in all areas of trans-national co-operation, thereby allowing Turkish entities to respond directly to open calls for proposals and fostering the civil society dialogue potential of the programmes. Pre-accession funds should be allocated to finance the related increase of Turkey's financial contribution.

3.5.3 Community programmes Socrates, Youth, and Leonardo da Vinci

Activities carried out in the area of training and education are probably the most suitable to enhance citizens' links and increase mutual knowledge and understanding. Since April 2004 Turkey has participated as full member in Community programmes Socrates, Youth and Leonardo da Vinci. The Socrates programme strengthens the European dimension in education through trans-national projects and promotion of staff and learner mobility throughout the participating countries at all levels of education (school, higher and adult education). The Youth programme gives the opportunity to young people, youth workers and youth organisations to develop trans-national exchanges and non-formal educational activities. Finally, the Leonardo da Vinci vocational training programme promotes trans-national co-operation between institutional players in vocational training, in an effort to increase mobility, to foster innovation and to improve the quality of training.

The significant number of applications and participants during 2004 and the considerable increase of applications further to the 2005 call for proposals show that the Turkish public has great expectations as regards these programmes. It was estimated that a total number of 9000 participants took part in the three programmes during the first year. The National Turkish Agency expects these figures to double by 2006. These programmes have great relevance and potential in Turkey, a country of 17 million students. Furthermore, a lot remains to be done to ensure reciprocity, as in 2004 visiting students to Turkey from other countries remain limited in number. The overall budget allocation for Turkey's participation in the three programmes

amounts to approximately € 30 million in 2005 (almost 2/3 of which provided as pre-accession Community support and 1/3 by the Turkish national budget). The Commission will encourage an enhanced Turkish participation in the programmes for example by examining the possibility to provide additional funding from the pre-accession funds to complement the programme grants.

3.5.4 Other ongoing activities in the academic area

The Jean Monnet Scholarship programme, managed by the EC delegation in Ankara, funds post-graduate scholarships aimed at improving the expertise of Turkish young people in the area of European integration and at strengthening bonds between Turkish and EU citizens. The programme has been running for approximately 15 years and has allowed several hundred Turkish scholars to get acquainted with issues related to European integration and civilization. It also has played a role in strengthening the links between EU and Turkish academic institutions. In the future the Commission will strengthen the programme by increasing its budget allocation. Other related initiatives will be considered, such as the establishment of a Jean Monnet Alumni Association and the extension of the programme to EU applications for study in Turkey.

The Jean Monnet Action "European Integration in University Studies", managed by the European Commission (DG Education and Culture), is an initiative open to Member and non Member States. It aims to stimulate academic excellence in the field of European integration studies and foster academic reflection on current European integration policy priorities. The initiative supports high-level conferences and thematic groups by bringing together Jean Monnet professors, policy-makers and civil society. Currently, there are 7 Jean Monnet Chairs and 26 Jean Monnet Modules or Courses at Turkish universities. As a way to enhance the dialogue on issues concerning European integration between the Turkish academic world and the academics of the European Union, the European Commission invites further participation of Turkish universities.

3.5.6 Human Resources and Mobility Actions in Research (Marie Curie Actions)

Within the framework of Turkey's full association with the Framework Programmes for Research, Technological development and demonstration, the Marie Curie Actions offer a coherent set of structured mobility schemes for researchers geared to the development and transfer of research competencies, the consolidation and widening of career prospects for researchers at all stages and the promotion of excellence in European research.

3.6 Lessons learned:

The enlargement of the European Union to ten new member States on 1 May 2004 further strengthened the unity of the European continent and enhanced peace, stability and security. However, one of the lessons that can be drawn from the previous enlargement is that citizens in EU Member States were not sufficiently informed nor prepared. Any future enlargement of the EU needs to be supported by a strong, deep and sustained dialogue between the societies of the Candidate countries and in the EU member States, as well as with the EU institutions. This would help to bridge the information gap, achieve better mutual knowledge and bring citizens and different cultures, political and economic systems closer together, thus ensuring a stronger awareness of the opportunities as well as the challenges of future accessions.

There is some know how which may guide the implementation of this project. One of these is the Turkish Chamber Development Programme Phases I and II which were implemented by Turkish Union of Chambers and Commodity Exchanges of Turkey (UCCET) in cooperation with Eurochambers. As far as the experience that UCCET has gained so far within the context of implementation of these two projects are concerned, there are some key elements for the success of these kinds of programmes.

Among these key elements, the criteria to be introduced for the eligible partnership projects' beneficiaries are very crucial. It has been recommended by the EC Delegation in Ankara that only the chambers from the less developed regions of Turkey should be included in this programme but it turned out to be that the less developed chambers due to lack of staff who competent in English suffered from communication problems with their counterparts. This has also led the relatively developed chambers in the EU countries not to be willing to enter into partnerships. In this context, the determination of the target group of the individual grants schemes for the implementation of partnership projects is very important for effective matching and communication.

Another element that also has been observed is the fact that, the eligible institutions become more motivated for capacity building measures. In the pre-selection process of the first Chamber Development Programme, some chambers were not qualified because of the lack of the personnel who could communicate in a foreign language. This decision had motivated the chambers that were not selected to recruit the necessary staff for the second phase.

4. Institutional Framework

The beneficiary of the project is the Prime Ministry Secretariat General for the EU Affairs (EUSG). EUSG will coordinate the implementation of the project

The final beneficiaries of the project will be the grant recipients. The Implementing Agency is the CFCU (see sect. 6.1), which may however be assisted in the implementation of certain aspects of the grant schemes (preparation of guidelines and monitoring implementation.) by another institution, to be indicated by the National Aid Coordinator with the approval of the EC Delegation.

A Steering Committee (SC) will be established comprising all components of the project. The SC will provide guidance to improve project implementation especially to determine the selection criteria of grants beneficiaries and their awarding. It will be composed of representatives from the Turkish authorities involved in the implementation of each component, from the Civil Society Development Centre, from the ECD, and possibly from other organisations which will be defined by the SC.

A Technical Assistance (TA) will be established for component A to E in order to assist in the monitoring of the selected projects.

5. Detailed Budget

	Phare/Pre-Accession Instrument support	Co-financing			Total Cost
€M		National Public Funds (*)	Other Sources (**)	Total Co-financing of Project	
Year 2006 - Investment support jointly co funded					
Investment support sub-total					

Year 2006 Institution Building support					
COMPONENT A	6,000,000				6,000,000
COMPONENT B	3,000,000				3,000,000
COMPONENT C	10,000,000				10,000,000
COMPONENT D	2,000,000				2,000,000
COMPONENT E	300.000				300.000
TA for implementation support	200.000				200.000
IB support sub-total	21.500.000				21.500.000

Total project 2006	21.500.000				21.500.000
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(*) contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises (**) private funds, FIs loans to private entities

1. All investment sub-projects supported by the pre-accession fund must receive co-financing from national public funds. Minimum requirement for co-financing from national public funds is 25% of the combined pre-accession assistance and national contributions to the overall investment support.
2. Many Institution building projects will also have a degree of co-financing – this should be quantified and included wherever possible.
3. Expenditure related to equipment (regulatory infrastructure or ESC- related) and to Technical Assistance supporting investment (e.g. pre feasibility study / supervision of works / technical specifications) should be considered as Investment support in the project fiche.

There is some know how which may guide the implementation of this project. One of these is the Turkish Chamber Development Programme Phases I and II which were implemented by Turkish Union of Chambers and Commodity Exchanges of Turkey (UCCET) in cooperation with Eurochambers. As far as the experience that UCCET has gained so far within the context of implementation of these two projects are concerned, there are some key elements for the success of these kinds of programmes.

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Another element that also has been observed is the fact that, the eligible institutions become more motivated for capacity building measures. In the pre-selection process of the first Chamber Development Programme, some chambers were not qualified because of the lack of the personnel who could communicate in a foreign language. This decision had motivated the chambers that were not selected to recruit the necessary staff for the second phase.

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COMPONENT A	6,000,000				6,000,000
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COMPONENT C	10,000,000				10,000,000
COMPONENT D	2,000,000				2,000,000
COMPONENT E	300.000				300.000
TA for implementation support	200.000				200.000
IB support sub-total	21.500.000				21.500.000

Total project 2006	21.500.000				21.500.000
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(*) contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises (**) private funds, FIs loans to private entities

1. All investment sub-projects supported by the pre-accession fund must receive co-financing from national public funds. Minimum requirement for co-financing from national public funds is 25% of the combined pre-accession assistance and national contributions to the overall investment support.
2. Many Institution building projects will also have a degree of co-financing – this should be quantified and included wherever possible.
3. Expenditure related to equipment (regulatory infrastructure or ESC- related) and to Technical Assistance supporting investment (e.g. pre feasibility study / supervision of works / technical specifications) should be considered as Investment support in the project fiche.

4. All co-financing must be provided on a joint basis. Parallel co-financing will, in a principle, not be accepted. Exceptions to this rule have to be agreed with the Commission in advance.
5. All co-financing should be clearly quantified, also the degree of certainty of such co financing (i.e. for National Public Funds: is it already earmarked in local or national budget, for FIs Loans, private funds: are they already approved/ under appraisal, etc...).
6. Where parallel co financing is accepted and justified per exception to the normal rule it should be provided in monetary form. If this is not possible there should be clear criteria set out for the valuation of any non-monetary contributions (that should be quantified in the table)
7. If twinning is involved, clearly state the expected budget of the twinning covenant
8. The financial engineering of the project should be closely monitored against actual delivery during implementation and against the objectives that were set in the project fiche so that corrective actions may be taken where required.

6. Implementation Arrangements

The overall approach will be based on grants, issued on the basis of competitive calls for proposals. In line with the Communication, the calls will require that applicant projects from Turkish civil society organisations must include at least one EU partner, and be based on a long-term co-operation agreement going beyond the strict frame of the project, to ensure sustainability. Furthermore, to ensure impact and to reduce the workload on the implementing Agency, the minimum size of the grants should be relatively large. All efforts should be made to have the first calls for proposals published before summer.

6.1 Implementing Agency

The Central Finance and Contracts Unit (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 Head of the CFCU will act as Programme Authorizing Officer.

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6.2 Twinning

6.3 Non-standard aspects

General principles:

- Grants are to be awarded on the basis of competitive calls for proposals.
- The grant programmes are to be widely publicised.
- The criteria for project evaluation are to be announced together with the call for proposals.
- A specified contribution must be identified from other sources by the recipient organisation.
- Details with regard to all supported projects are to be announced to the general public.
- The ECD ex-ante approves projects for grant support on the basis of the recommendations made by the relevant Evaluation Committees.

Specific arrangements:

- Call for Proposals: The Implementing authority which may be assisted by other institutions, see section 4, will conduct calls for proposals addressing potential beneficiaries in the target regions. Partnerships between local and Member State organisations will be encouraged.
- Guidelines for Applicants: Guidelines will be prepared by the Implementing authority, which might be assisted by other institutions, see section 4. The Guidelines will include a standard application format and detailed eligibility and project evaluation (selection) criteria.
- Eligibility Criteria: Eligibility criteria will be stated in Guidelines for Applicants according to the type of project.
- Evaluation Criteria: Evaluation criteria will include the following: readiness of projects to be implemented; relevance of projects and coherence with the objectives of the schemes; quality, expected impact and sustainability of projects as well as cost-effectiveness.
- Proposals will be evaluated by an Evaluation Committee approved by the Implementing Authority. The Evaluation Committee may be assisted by a team of assessors, charged with the technical assessment of the submitted applications. The entire evaluation procedure will be recorded in an evaluation report, which will be authorised by the PAO. The ECD shall be represented by a designated staff member as observer to the Evaluation Committee.

6.4 Contracts

It is expected that all components will lead to some 130 grant contracts in total plus one framework contract for TA.

7. Implementation Schedule

- 7.1 Start of tendering/call for proposals: April 2006
- 7.2 Start of project activity: October 2006
- 7.3 Project completion: March 2009

8. Equal Opportunity

Equal participation of women and men will be secured through appropriate information and publicity material, in the design of projects and access to the opportunities they offer. An appropriate men/women balance will be sought on all the managing bodies and activities of the programme and its projects.

9. Environment

Not applicable

10. Rates of return

Not applicable

11. Investment criteria (applicable to all investments)

Not applicable

12. Conditionality and sequencing

Not applicable

ANNEXES TO PROJECT FICHE

1. Logframe in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule, by quarter, for full duration of project

Annex 1: Logframe for Phare or Turkey pre-accession scheme projects

Annex 1		Programme name and number	Disbursement period expires: 30.11.2009
LOGFRAME PLANNING MATRIX FOR Promotion of civil society dialogue between EU and Turkey		Contracting period expires: 30.11.2008	EU contribution: € 21,500,000
Overall objectives		Objectively Verifiable Indicators	Assumptions
<ul style="list-style-type: none"> Strengthen contacts and mutual exchange of experience between civil society in the Member States and Turkey. Ensure a better knowledge and understanding of Turkey within the European Union, including Turkish history and culture, thus allowing for a better awareness of the opportunities and challenges of future enlargement. Ensure a better knowledge and understanding of the European Union within Turkey, including the values on which it is founded, its functioning and its policies. 		<ul style="list-style-type: none"> -Increased and improved dialogue between the EU and Turkish civil society. -Improved understanding of the issues and increased acceptance for Turkish accession 	<ul style="list-style-type: none"> EC Regular Report Ex post evaluation report of the grant schemes Public opinion polls (Eurobarometer)
Project purpose		Objectively Verifiable Indicators	Assumptions
<p>To establish a framework for cooperation, support the establishment of partnerships, and promote dialogue between the following categories of Turkish and EU counterparts:</p> <p>Component A: Towns and municipalities</p> <p>Component B: Professional Organisations,</p>		<ul style="list-style-type: none"> Established framework for cooperation and partnerships Enhanced dialogue between EU and Turkish: <ul style="list-style-type: none"> Towns and municipalities Professional Organisations Universities 	<ul style="list-style-type: none"> Adequate interest shown by the stakeholders to call for proposals All related official organisations and NGOs will be active partners and work to implement

<p><u>Component C: Universities, Youth Initiatives for Dialogue, Interpretation and Translation facility</u></p>	<p>o Youth Initiatives for Dialogue</p>		<p>the project.</p>
<p><u>Results</u></p> <p>The development of the civil society dialogue with Turkey:</p> <ul style="list-style-type: none"> o will contribute to better inform public opinions from the EU and candidate countries, by addressing the opportunities as well as the challenges posed by future enlargement o will encourage a discussion on perceptions regarding everyday culture and values expressed by the society and the State on both sides o will increase bilateral exchanges, thereby contributing to the sharing of experience, the adoption of best practices and the increased participation of civil society in the political, cultural and economic development of Turkey o Will support the further development of a lively and vibrant civil society Turkey, which is key to the consolidation of human rights and democracy, in line with the political criteria for accession. 			
<p><u>Component A: Towns and municipalities</u></p>	<p><u>Component A:</u></p> <p>Some 20 Turkish cities will establish a collaboration with EU municipalities to address topics of common interest such as:</p>	<p><u>Component A:</u></p> <ul style="list-style-type: none"> • Evaluation reports of the initiatives 	<p><u>Component A:</u></p> <ul style="list-style-type: none"> • Willingness of EU and Turkish towns and municipalities to collaborate
	<p><u>Objectively Verifiable Indicators</u></p>	<p><u>Sources of Verification</u></p>	<p><u>Assumptions</u></p>

<p><u>Component B: Professional Organisations</u></p>	<ul style="list-style-type: none"> • attraction of investments • urban planning and zoning regulations • education • public transport • waste management <p>20 grants @ 300.000 € = 6.000.000 € (number and size of grants indicative)</p> <p><u>Component B</u> Contacts will be promoted between 10 Turkish and EU professional organisations active in fields such as:</p> <ul style="list-style-type: none"> - bar associations - agriculture - liberal professions - associations of writers, journalists etc 	<p><u>Component B</u></p> <ul style="list-style-type: none"> • Evaluation reports of the initiatives 	<ul style="list-style-type: none"> • Willingness of towns and municipalities to tender • Sufficient quality of tenders • Tenders are timely contracted <p><u>Component B</u></p> <ul style="list-style-type: none"> • Willingness of EU and Turkish professional organisations to cooperate with each other • Willingness of professional organisations to tender • Sufficient quality of tenders • Tenders are timely contracted <p><u>Component C</u></p>
<p><u>Component C: Universities</u></p>	<p>10 grants @ 300.000 € = 3.000.000 € (number and size of grants indicative)</p> <p><u>Component C</u> Cooperation between 10 - 20 university departments in Turkey and the EU will be supported.</p>	<p><u>Component C</u></p> <ul style="list-style-type: none"> • Evaluation reports of the initiatives 	<ul style="list-style-type: none"> • Willingness of EU and Turkish universities to work together • Willingness of universities to tender • Sufficient quality of tenders • Tenders are timely contracted <p><u>Component D</u></p> <ul style="list-style-type: none"> • Willingness to initiate a dialogue, to exchange
<p><u>Component D: Youth Initiatives for Dialogue</u></p>	<p>20 grants @ 500.000 € = 10.000.000 € (number and size of grants indicative)</p>	<p><u>Component D</u></p> <ul style="list-style-type: none"> • Evaluation reports of the initiatives 	<p><u>Component D</u></p> <ul style="list-style-type: none"> • Willingness to initiate a dialogue, to exchange

<p><u>Component E: Interpretation and Translation facility</u></p>	<p><u>Component D</u> Establishment of 20 new partnerships and networks of Turkish youth civil society organisations and civil society organisations working in the field of youth with European counterparts according to their field of activity</p> <p>20 grants @ 100.000 € = 2.000.000 € (number and size of grants indicative)</p> <p><u>Component E</u></p> <ul style="list-style-type: none"> • Ad hoc facility for interpretation and/or translation services will be provided • Ad hoc facility for equipment for interpretation and public addresses will be supplied 	<p><u>Component E</u></p>	<p>knowledge and information.</p> <ul style="list-style-type: none"> • Willingness to tender • Sufficient quality of tenders • Tenders are timely contracted <p><u>Component E</u></p>
<p><u>Activities</u></p> <p><u>Component A</u></p> <ul style="list-style-type: none"> • Designing a grant facility for projects contributing to: <ul style="list-style-type: none"> ◦ Establishment of long-term twinning arrangements between EU and Turkish cities ◦ Development of common projects (urban planning, water treatment, waste management...) ◦ Organisation of seminars and workshops on topics of common interest ◦ Encouraging participation at grass-root level 	<p><u>Means</u></p> <p><u>Component A</u></p> <ul style="list-style-type: none"> • A budget of 6,000,000 euro 		<p><u>Assumptions</u></p> <p><u>Component A:</u></p> <ul style="list-style-type: none"> • Efficient project administration. • Extensive and effective collaboration with interested (concerned) institutions, organisations and NGOs.

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<ul style="list-style-type: none"> o Involvement of municipalities from remote and disadvantaged regions • Applying the grant facility 	<p><u>Component B</u></p> <ul style="list-style-type: none"> • Designing a grant facility for projects contributing to: <ul style="list-style-type: none"> o Establishment of long-term partnerships between TK organisations and their EU counterparts. o Development of exchanges between EU and TK counterparts particularly in areas such as the agriculture sector, the judiciary, lawyers and their respective associations, particularly on subjects where there is a need for common advocacy or where, on the contrary, there is a perception of competitive challenges between the counterparts. • Applying the grant facility. 	<p><u>Component B:</u></p> <ul style="list-style-type: none"> • Efficient project administration. • Extensive and effective collaboration with interested (concerned) institutions, organisations and NGOs.
<p><u>Component C</u></p> <ul style="list-style-type: none"> • Designing a grant facility for projects setting up: <ul style="list-style-type: none"> o courses for visiting lecturers and researchers in particular in the subjects of law, economy, social science and history that are relevant to the EU-Turkey dialogue o Debates such as seminars, conferences, and workshops. o Awareness-raising activities 	<p><u>Component C</u></p> <ul style="list-style-type: none"> • A budget of 10,000,000 euro 	<p><u>Component C</u></p> <ul style="list-style-type: none"> • Efficient project administration. • Extensive and effective collaboration with interested (concerned) institutions, organisations and NGOs.

<p>aimed at wide dissemination of the research results.</p> <ul style="list-style-type: none"> Acquisition by Turkish universities, cooperation with EU universities, of analytical skills and academic know-how related to the process of European integration and enlargement. Applying the grant facility 		
<p><u>Component D</u></p> <ul style="list-style-type: none"> Designing a grant facility for projects planning: <ul style="list-style-type: none"> Conferences, debates, workshops serving the establishment of new networks and fora Public information and dissemination campaigns Summer universities Applying the grant facility 	<p><u>Component D</u></p> <ul style="list-style-type: none"> A budget of 2,000,000 euro 	<p><u>Component D</u></p> <ul style="list-style-type: none"> Efficient project administration. Extensive and effective collaboration with interested (concerned) institutions, organisations and NGOs.
<p><u>Component E</u></p> <ul style="list-style-type: none"> Publication and communication of this facility to a large number of NGOs. Setting of eligibility rules, selection criteria and ad hoc application forms. Supporting the selected activities in interpretation and/or translation services. Applying of the grant facility 	<p><u>Component E</u></p> <ul style="list-style-type: none"> A budget of 300,000 euro 	<p><u>Component E:</u></p> <ul style="list-style-type: none"> Efficient project administration. Extensive and effective collaboration with interested (concerned) institutions, organisations and NGOs.

Annex 2 – Detailed Implementation Chart

Project Title: Promotion of civil society dialogue between EU and Turkey

C – Contracting/Calls for Proposals
I – Implementation

	2006		2006		2006		2006		2007		2007		2007		2008		2008		2008	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Component A		C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Component B	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Component C	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Component D	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Component E	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Service contract	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I

LP

Project Title: Promotion of civil society dialogue between EU and Turkey

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ANNEX 1a

SUMMARY PROJECT FICHES

TURKEY NATIONAL PROGRAMME 2006 – PART 1a

TR 06 04 01 Promotion of the Civil Society Dialogue between EU and Turkey

ANNEX 2a - INDICATIVE CUMULATIVE
QUARTERLY CONTRACTING SCHEDULE
(million Euro) - NP 2006 (PART 1a)

OBJECTIVES & ACTIVITIES	2006				2007				2008				CHECK
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
TR 0604: Promotion of the EU-Turkey Civil Society Dialogue and Support for the European Integration Process													
Promotion of the Civil Society Dialogue between EU and Turkey		0,2		15,5									
TOTAL CUMULATED		0,2		15,5									

ANNEX 2a - INDICATIVE CUMULATIVE
QUARTERLY DISBURSEMENT SCHEDULE
(million Euro) - NP 2006 (PART 1a)

OBJECTIVES & ACTIVITIES	2006				2007				2008				CHECK
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
TR 0604: Promotion of the EU-Turkey Civil Society Dialogue and Support for the European Integration Process													
Promotion of the Civil Society Dialogue between EU and Turkey		0.12	9.3	12.9		12.98	13.1	15.5		21.5			
TOTAL CUMULATED		0.12	9.3	12.9		12.98	13.1	15.5		21.5			

ANNEX 3a

BUDGET BREAKDOWN BY PROJECT – NP 2006 (PART 1a)

Project code	Objective and projects	EU Investment Support	EU Institution Building Support	Total EU Support	National Co-financing	Total project cost
	OBJECTIVE 4: PROMOTION OF THE EU-TURKEY CIVIL SOCIETY DIALOGUE AND SUPPORT FOR THE EUROPEAN INTEGRATION PROCESS					
	Promotion of the Civil Society Dialogue between EU and Turkey	0	€21.500.000	€21.500.000	0	€21.500.000
	TOTAL	0	€21.500.000	€21.500.000	0	€21.500.000