PROJECT FICHE

SUPPORT TO SPO TO BUILD CAPACITY AT CENTRAL, REGIONAL AND LOCAL LEVEL TO IMPLEMENT ECONOMIC AND SOCIAL COHESION MEASURES IN LINE WITH THE pNDP

PROJECT NO: TR 0405.01

1. Basic Information

1.2 Title: Support to SPO to build capacity at central, regional and local level to implement economic and social cohesion measures in line with the pNDP

1.3 Sector:

1.4 Location: Turkey, Ankara

1.5 Duration:

2. Objectives

2.1 Overall Objective(s):

To build capacity within central regional and local administrations to prepare to implement economic and social cohesion measures in line with the pNDP and to prepare Turkey for future Structural Funds

2.2 Project Purpose:

The project purposes are;

- to support effective implementation of ESC measures in line with the pNDP,
- to support preparation of the following NDP,
- to improve the capacity to absorb and manage Structural Funds upon accession to the EU

2.3 Accession Partnership (AP) and NPAA priority

This project proposal is linked to implementation of ESC measures in line with the pNDP which is a framework for the ESC priorities in the period 2004-2006, as underlined in the Accession Partnership (AP) and the National Programme for the Adoption of the Acquis
Both documents recognize the importance of improving the administrative capacity including programming in different areas.

**Accession Partnership**

According to the 2003 Accession Partnership, the short term priorities in the field of regional policy and coordination of structural instruments are: to start to develop a national policy for economic and social cohesion aimed at reducing regional disparities through a National Development Plan, and the establishment of regional development plans at the NUTS 2 level; strengthen the administrative structures for managing regional development; and, to adopt a legislative framework that would facilitate the implementation of the acquis. Medium-term priority is to set up regional branches at NUTS 2 level to implement regional development plans.

**National Programme for the Adoption of the Acquis**

The project contributes to the realization of the NPAA priority which is stated at chapter 21 that “Establishment of a legislative and administrative framework and necessary mechanisms for the programming, implementation, monitoring and evaluation of regional programmes consistent with Community Standards”.

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

The project is derived from the pNDP and clearly matches to the priorities in the Plan. In the pNDP, it is indicated that the ability to use EU financial assistance and to increase the absorption capacity of all related parties highly depends on the establishment and/or development of the necessary institutional capacity of these parties. Within this context, it is stated that “the development of the capacity of the State Planning Organization (SPO), which will function as pNDP Managing Authority is of primary importance.”

The project will contribute directly to the effective implementation of the pNDP through further development of administrative and institutional capacities of the SPO and relevant
central and regional institutions regarding management, programming, monitoring and evaluation.

This project will also contribute to preparation of well-designed investment projects to be financed under the pre-accession financial assistance.

2.5 Cross Border Impact: "Not applicable".

3. Description

3.1 Background and justification:

The pNDP forming a strategic framework for usage of pre-accession financial assistance in the area of ESC was submitted to the European Commission in December 2003. The SPO is the main responsible institution for the preparation of the National Development Plans covering sectoral and regional dimensions of development as the present pNDP which has three sectoral and one regional development axes:

- Enhancing the Competitiveness of Enterprises,
- Developing the Human Resources and Increasing the Employment,
- Improvement of Infrastructure Services and Environmental Protection,

In the context of the pNDP, it is considered that improvement of the institutional capacity on planning, programming, project development, implementation, monitoring and evaluation at central and regional levels in line with the EU policies and rules, is one of the important goals for the period 2004-2006.

In 21. chapter of the 2003 Regular Report, it is stated that there have been no developments as regards monitoring and evaluation, and financial management and control. It is also concluded that considerable efforts are still necessary to develop sufficient capacity to implement regional policy at central and regional level and
necessary institutions need to be created endowed with adequate human and financial resources.

Furthermore, Turkey has initiated a broad base public administration reform putting more emphasis on decentralization. Besides the draft law for the establishment of Regional Development Agencies at NUTS 2 level is under preparation. Therefore building up the capacity necessary at regional level as well as at local level is of increasing importance.

Considering low rate of the absorption capacity by now, it is evident that new initiatives are needed to implement ESC policy successfully. These include, for example, clearly defined structures and objectives, suitable legislative and institutional capacity and appropriate administrative capacity in the sphere of ESC vis-à-vis EU funding.

The present project will review the existing structure and processes in the area of ESC and focus on strengthening the existing capacity for the effective management of the pNDP, as well as improving the capacity for the preparation of the following NDP. This project will also contribute to preparation for necessary structures that will be needed for the management of Structural Funds in the future.

The objectives of this project are to support effective implementation of ESC measures in line with the pNDP, to support preparation of the following NDP, to improve the capacity to absorb and manage Structural Funds upon accession to the EU.

In order to achieve above-mentioned purposes, this project consists of three major components; “Effective Implementation of ESC measures in line with the pNDP”, "Preparation of the Following NDP" and “Preparation for the Structural Funds”.

3.2 Sectoral rationale : "Not applicable".

3.3 Results

3.3.1 Effective Implementation of ESC Measures in Line with The pNDP
3.3.1.1 **Purpose:** to support effective implementation of ESC measures in line with the pNDP.

3.3.1.2. **Results:**
- Designing of a well-defined framework for the management of the pNDP with a particular emphasis on programming, coordination, monitoring and evaluation
- Strengthened capacity of the SPO and relevant institutions (central, regional and local institutions) for the project appraisal, development, implementation, monitoring, evaluation and guidance to potential project generators
- Increased awareness of potential beneficiaries and public about the pNDP
- A documentation center established
- Interim evaluation of the pNDP implementation

3.3.2 **Preparation of the Following NDP**

3.3.2.1 **Purpose:** to support for preparation of following NDP and relevant studies.

3.3.2.2. **Results:**
- Regional Development Strategy at National Level prepared
- Improved capacity of the SPO and relevant institutions for preparation of the NDP
- Ex-ante evaluation of the NDP

3.3.3 **Preparation for the Structural Funds**

3.3.3.1 **Purpose:** to support the capacity development to absorb and manage Structural Funds upon accession to the EU.

3.3.3.2. **Results:**
- A strategy document on the gradual preparation for the Structural Funds completed
- Capacity of the SPO and other related central and regional institutions improved

3.4 **Activities (including Means)**
Technical Assistance is provided with this component of the project will indicatively include following activities;
3.4.1 Effective Implementation of ESC Measures in Line with the pNDP

- To identify structures to be involved in the pNDP management
- To prepare an Action Plan addressing the identified gaps and training needs based on the gap analysis and the need assessment referred in the linked activities (3.5)
- To train the trainees in SPO and other relevant institutions
- To establish “trainers pool” in SPO and other relevant institutions
- To prepare training manuals to be used by trainers
- To organize workshops, training courses, seminars and study visits in accordance with the Action Plan
- To prepare a report for the management of the pNDP with a particular emphasis on programming, coordination, monitoring and evaluation
- To improve mechanisms for an effective partnership among all relevant central, regional and local stakeholders in the area of ESC
- To prepare training guidelines, manuals and formats needed for the implementation of ESC measures
- To design an IT based system for efficient management, monitoring and evaluation of the pNDP
- To organise activities for raising awareness about pNDP (seminars, conferences, web pages, etc…)
- To identify and compile the documents and materials needed for the documentation centre
- To conduct interim evaluation of the pNDP in cooperation with the SPO staff (on the job training)

3.4.2 Preparation of the following NDP

- To conduct ex-ante evaluation of the NDP in cooperation with the SPO staff (on the job training)
- To develop a mechanism needed for an effective partnership in the preparation of the NDP
• To organize training courses, workshops, seminars, internships and study visits
• To integrate the supporting documents such as SMEs Strategy, Industrial Strategy, Employment Strategy, Regional Development Strategy, etc… in the NDP

3.4.3 Preparation for the Structural Funds

• To prepare an assessment report on the administrative capacities of the related central and regional institutions in terms of Structural Funds requirements
• To identify the needs for the preparation for the Structural Funds
• To prepare a strategy document and Action Plan for the gradual preparation for the Structural Funds
• To finalize a strategy document
• To assess the short-term and long term training needs
• To design and set up training system
• To design training programmes (training courses, workshops, study visits, internships)
• To train the staff of the SPO and other relevant institutions
• To develop a human resources development strategy in the field of ESC in Turkey

3.5 Linked Activities:

At present, the SPO is responsible for the management of several regional development programmes including TA components, co-financed by the EU within the context of ESC.

There have been several PCM seminars organized by EUSG in cooperation with the Commission. These activities intended to support administrative staff to become more capable of preparing adequate project proposals and other documents related to international financing.

In the 2001 MEDA Annual Financing Plan an amount of 5 million Euro is committed for “Overall Allocation for Pre-Accession Assistance” that also aims at increasing the quality of pre-accession projects design, appraisal, and implementation.
In the 2002 and 2003 EU-Turkey Financial Package, 8 million Euro (4 million each year) has been allocated to the projects of “Support Activities to Strengthen EU Integration Process” which has component of “Project Preparation Facility” / “Pre-Accession Programming Facility”. However, “Project Preparation Facility” / “Pre-Accession Programming Facility” concentrate mostly on project preparation activities in the central level.

In the 2003 EU-Turkey Financial Package 800,000 Euro has been allocated to the project of “Support to the State Planning Organization General Directorate for Regional Development and Structural Adjustment for Strengthening Institutional and Administrative Capacity”. This Twinning project provides support to strengthen integrated mechanisms for the development and implementation of regional policy and institutional capacity for the management and coordination of regional development policies and the implementation of the regional projects supported by EU.

In 2002 and 2003 programming process, a number of project preparation activities have been financed by the Administrative Cooperation Fund, Overall Allocation and Support Activities to Strengthen EU Integration Process.

By the end of 2004, gap analysis and needs assessment of the SPO and other relevant institutions at central and regional level within the framework of the pNDP management and implementation of ESC measures is planned to be undertaken in the framework of “Support Activities to Strengthen the European Integration Process” project.

In the 2004 programming, a project, “Support Activities to Strengthen EU Integration Process”, is also being prepared by EUSG. This project will include a component on providing support to feasibility studies to the projects in field of ESC (including ISPA and SAPARD type projects). Beneficiary of this component will be the SPO.

A Technical Assistant Project for the strengthening institutional capacity of SPO to be financed under the German-Turkish Framework Agreement on Technical Cooperation was prepared. If this project was approved by German side it would be complimentary to "The Support to SPO to build capacity at central, regional and local level to implement economic and social cohesion measures in line with the pNDP project".

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3.6 Lessons Learned:

In the years 2001-2003, in fact, considerable work has been done – or is under way - to build up project development capacities in Turkey. There were organized a number of project preparation activities (workshops, PCM courses). However, the participants still need technical assistance and guidance to transfer the acquired theoretical knowledge into practice. The training activities provided in this regard were concentrated on the central institutions; therefore, this project should focus on not only at central level institutions but also regional and local institutions. In this context, training materials produced under this project will be used not only for training purposes but also for guiding the final beneficiaries in the regions.

The previous Technical Assistance and training programmes concentrated on general topics at theoretical level, therefore, there is need to focus on more technical and practical aspects.

4. Institutional Framework

The SPO will be responsible for co-ordination and successful implementation of activities undertaken within the framework of the component 1, 2 and 3.

The SPO, which operates under the auspices of the Office of the Deputy Prime Minister, is responsible for managing national and regional development policies in Turkey. In this framework the SPO is managing the overall process of preparing the pNDP which should be an integrated plan of high quality that can contribute to the development of the country as a whole.

The SPO, acting as the managing authority at central level, is responsible for the preparation, monitoring and evaluation, coordination, and management of the pNDP which is currently being drafted as a road map for economic and social cohesion within the process of pre accession.

In the process of integration with the EU, the SPO is the major responsible institution for assuring the quality of project content and project documentation in investment projects proposed for EU funding in the field of ESC. It is deemed as the SPO’s responsibility to guide
the investing institutions in their fulfilling the requirements of decent project proposals. In this regard establishment of a sound project pipeline and delivery mechanism is very crucial for the implementation of the ESC measures in line with the pNDP. As it is mentioned in the Linked Activities, the project of “Support Activities to Strengthen EU Integration Process” will contribute to establishment of a sound project pipeline.

As regards the territorial organization, an important step was taken with the classification of 26 NUTS II level regions at which regional programmes will be implemented. Regional development planning, implementation and monitoring will be carried out at NUTS II level regions. Nevertheless, it is also clear to all interested parties that regional development will be seriously hampered in the foreseeable future unless it is properly guided at the central level. In this context, efforts are underway to prepare the SPO to play a leading role in coordinating these activities, and to support RDAs in implementing regional development programmes and projects. As mentioned before, the SPO is currently drafting the legislation for the establishment of RDAs at NUTS 2 level. In cooperation with the SPO, RDAs will be responsible for designing of the regional programmes and projects to be financed within the framework of the Turkey-EU financial cooperation.

The SPO will support the implementation of this project by ensuring the necessary organizational environment, making available the necessary personnel and covering the necessary running and administrative costs.

5. Detailed Budget

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<tr>
<th>Year 1/Phase 1</th>
<th>EU Support</th>
<th>Total EU (=I+IB)</th>
<th>National Co-financing*</th>
<th>IFI*</th>
<th>TOTAL</th>
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<tbody>
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<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
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<tr>
<td>1) Effective Implementation of ESC Measures in Line with the pNDP</td>
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<td>2) Preparation of following NDP</td>
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<td>3) Preparation for Structural Funds</td>
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6. Implementation Arrangements
6.1 Beneficiary
The Beneficiary for all sub-components will be the SPO.

Contact:
The State Planning Organization
General Director: Cevdet YILMAZ (General Director of EU Affairs)
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National Authorizing Officer (NAO)
The State Minister responsible for the Treasury heading the NF. The NAO has the overall responsibility for the financial management of EU financial assistance.

6.2 Implementing Agency
The Central Finance and Contracts Unit (CFCU) will be the Implementing Agency and is responsible for all procedural aspects of the tendering process, contracting matters and financial management (including payments) of the project activities.

Contact:
PAO: Ercan Tortop
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6.3. Twinning
Not Applicable
6.4. Non-standard Aspects
Not Applicable. The project will be managed according to the Decentralized Implementation System.

6.5 Contracts
One Technical Assistance Contract

7. Implementation Schedule
Start of tendering/call for proposals: First quarter of 2005
Start of project activity: Third quarter of 2005
Project completion: Fourth quarter of 2007

8. Equal Opportunity
Equal opportunity will be guaranteed

9. Environment
Not Applicable

10. Rates of return
Not Applicable

11. Investment criteria
Not Applicable

12. Conditionality and sequencing
There is no conditionality.