

# ANNEX C1

## STANDARD TWINNING PROJECT FICHE

### 1. Basic Information

1.1 Publication reference: EuropeAid/ 138-429/IH/ACT/TR

1.2 Programme: Annual Action Programme for Turkey (2014)

1.3 Twinning Number: TR 14 IPA FI 01 16

1.4 Title: Improved Monitoring of Financial Management And Control

1.5 Sector: Finance, internal markets and economic criteria (Democracy and governance/Public Finance Management)

1.6 Beneficiary country: Turkey

### 2. Objectives

2.1 Overall Objective(s): To strengthen the public internal control system.

2.2 Project purpose: To increase administrative capacity of Central Harmonization Unit for Financial Management and Control for strengthening its monitoring function.

2.3 Contribution to National Development Plan/Cooperation agreement/Association Agreement/Action Plan

National documents such as The Tenth Development Plan of Turkey (2014-2018), Turkey's 2015 Pre-Accession National Economic Reform Program, Medium Term Programme (2015-2017) and Medium Term Fiscal Plan (2016-2018) prepared bearing in mind that European Commission's 2015 Turkey Report which emphasizes the administrative capacity of the CHUs needs to be strengthened gradually. The Tenth Development Plan of Turkey (2014-2018) emphasizes an efficient public financial system. Turkey's 2015 Pre-Accession National Economic Reform Program and Medium Term Programme (2015-2017) aim at improving the compliance level of the public administrations' operations with the standards of internal control and internal audit. Besides in the Medium Term Fiscal Plan (2016-2018) internal control is one of the main policy areas on budget expenditure, which includes strengthening the monitoring function of the Central Harmonization Unit.

### 3. Description

3.1 Background and justification:

Turkey implements a public internal financial control system, which is a requirement of Chapter 32: Financial Control. This system is established in harmony with EU requirements. The system has three functions. The first two are financial management and control, and internal audit. The third one is the central harmonisation of each two functions. General Directorate of Budget and Fiscal Control of the Ministry of Finance performs the central harmonisation of financial management and control.

Being responsible for preparing legislation, capacity building and monitoring, Central Harmonisation Unit (CHU) for Financial Management and Control (FMC) under General Directorate identifies standards and methods; coordinates, harmonises and monitors the implementation; ensures communication and information exchange between relevant actors; raises awareness among managers and staff of the public administrations related to FMC and develops trainings.

The monitoring function is maintained through tools such as conferences, meetings and customer satisfaction surveys. Particularly, annual meetings of Strategy Development Unit (SDU) managers of the public administrations enable to strengthen cooperation and communication among the SDUs, to share best practices, to discuss the challenges emerged during implementation and to develop recommendations.

Although these tools are utilised regularly, the inadequate administrative capacity of CHU for FMC prevents sufficient monitoring of the public administrations. Thinking the huge number of public administrations (approximately, 200 central government administrations, 1500 local administrations) to be monitored by CHU for FMC, a monitoring function executed properly will enhance efficiency in financial management and control and so will increase soundness of public financial control system. An efficient monitoring established with this action will provide the full implementation of FMC operations in pilot SDUs. These experiences will be disseminated to the public sector as best practices.

### 3.2 Linked activities (other international and national initiatives):

Turkish Ministry of Finance DG Budget and Fiscal Control implemented a twinning with the French Ministry of Economy, Finance and Industry Public Accounting General Directorate between the dates March 2005 to December 2006 (Twinning Code TR03-FI-01). The project objective was “establishing a revamped PIFC system including financial management and control and internal audit systems in Turkey in compliance with international standards and EU practices”. During that period Turkey has established and strengthened the PIFC system in line with recommendations under Chapter 32.

Besides, twinning project titled “Strengthening the Public Financial Management and Control System in Turkey” (Twinning code: TR 07 IB FI 02) has been conducted between the years 2009-2011 by the above mentioned DG of the Ministry of Finance. Thanks to this project, efficiency and effectiveness of financial management and control implementation was increased. Particularly published FMC Manual (namely public internal control manual) raised awareness of managers and personnel of public administrations.

Experiences gained in above mentioned projects will be benefitted during the improvement of monitoring capacity of CHU for FMC by the contributions of experts worked on those projects.

### 3.3 Results:

Result 1: Technical capacity for monitoring is improved.

This Project will enhance CHU for FMC’s systematic and continuous monitoring of public administrations by developing tools such as monitoring report templates, monitoring database and quality assurance programme. On the other hand, the Project will strengthen the relationship between CHU for FMC and Strategy Development Units by sharing information and experiences and by setting up a sound communication network to overcome

implementation problems by organising monitoring visits and forums. In this context, thanks to developed monitoring tools CHU for FMC will better coordinate all other public administrations in the long term.

Result 2: Organisational structure for monitoring is improved

The Project strengthens administrative capacity of the department responsible for monitoring with the activities such as providing training, organising study visits and internships in EU members. Then, thanks to gained experience and knowledge, staff of monitoring department will prepare a Monitoring Manual that help to coordinate all other public administrations in the long term.

3.4 Activities:

**The activities listed hereunder represent the minimum activities to be implemented in the course of the Twinning project. Member State(s) may propose additional activities in line with the methodology elaborated in its proposal.**

Activities to achieve Result 1 - Technical capacity for monitoring is improved:

Activity 1.1 Performing a needs analysis on the current implementing legislation and institutional framework of FMC for CHU's monitoring system and on this basis drafting an action plan for a future direction

Means: Needs analysis and action plan by means of workshops and expert analysis

Activity 1.2 Introduction of the new roadmap and action plan for FMC system to the managers and staff of the pilot institutions

Means: One-day conference for app. 100 participants

Activity 1.3 Development of the monitoring report templates (including internal control evaluation reports)

Means: Three five-day seminars with the staff of CHU for FMC and SDUs for app. 20 participants.

Activity 1.4 Development of the monitoring report templates for SDUs in order them to evaluate respective spending units

Means: Three five-day seminars with the staff of CHU for FMC and SDUs. for app. 20 participants

Activity 1.5 Establishing of monitoring database for the use of CHU for FMC and Strategy Development Units together.

Means: A five-day seminar to app. 30 participants from CHU for FMC and pilot SDUs

Activity 1.6 Preparation of quality assurance programme in order to coordinate FMC system

Means: Two five-day seminars with the staff of CHU for FMC for app. 20 participants

Activity 1.7 Planning and putting in order regular monitoring visits to other public administrations

Means: Two five-day seminars with the staff of CHU for FMC for app. 15 participants

Activity 1.8 Enhancing communications among CHU for FMC and SDUs by forums etc.

Means: Two five-day seminars with the staff of CHU for FMC for app. 20 participants

Activities to achieve Result 2 - Organisational structure for monitoring is improved:

Activity 2.1 Providing general training for the staff in CHU for FMC and SDUs on monitoring function

Means: A five-day training seminar for app. 50 participants

Activity 2.2 Providing five five-day study visits to different Member States for each to observe relationship between CHU for FMC (or any other corresponding unit/organization) and spending agencies (their financial services and control units)

Means: 15 participants divided into five groups

Activity 2.3 Providing 3 one-month-internships in different Member States for each with active involvement in the CHU for FMC's monitoring implementations.

Means: 9 participants divided into three groups

Activity 2.4 Preparation of Monitoring Manual

Means: Six five-day seminars with the staff of CHU for FMC

3.5 Means/ Input from the MS Partner Administration:

#### 3.5.1 Profile and tasks of the Project Leader

The PL has broad knowledge and experience in the area of PIFC and will devote all of the necessary time to conceive, supervise and co-ordinate the overall thrust of the Member State input.

He will allocate a minimum of 3 days per month in his home administration for the project and visit Turkey at least every 3 months as long the project lasts.

Tasks:

- Overall project co-ordination and monitoring on a continuous basis;
- Working in close co-operation with the BC PL and RTA;
- Co-chairing, with the BC PL, the regular project implementation steering committee meetings;
- Mobilising short- and medium term experts;
- Advising on future plans, and reporting to relevant authorities on the progress of the project;

- Executing administrative issues (i.e. signing official documents including reports, side letters etc)

### 3.5.2 Profile and tasks of the RTA

RTA will be seconded to this twinning project on a full-time basis for 24 months and will work in the Ministry of Finance of Republic of Turkey during all of this period.

RTA will co-operate with the short-term experts and relevant Turkish officials and coordinate the implementation of the project to achieve the expected results. He is responsible for the management and supervision of the project activities.

The RTA has broad knowledge and experience in the area of PIFC. Preferably;

- Graduate or Master's Degree in a relevant field such as public financial management, public administration, administrative sciences, public management, public policy, administrative law. In the absence of required degree, the expert will have an equivalent professional experience of minimum 5 years in the relevant fields
- Experience in public financial management projects funded by EU
- Experience as a team leader in EU funded projects
- Good command of written and spoken English

will be an asset.

Tasks:

- Regular preparation and submission of reports on the development of the project to beneficiary institution and to the project leaders;
- Implementation and timely completion of the project works, particularly updating the activity plans and timetables, supervising the work of short-term experts, organising and coordinating the meetings and the trips of the short-term experts;
- Arrangement of professional translation and the interpretation facilities during the project activities;
- Participation in the necessary working meetings and Steering Committee meetings.

### 3.5.3 Profile and tasks of the short-term experts

Short term experts will contribute particular activities with their profession, knowledge and experience. The Short term experts has broad knowledge and experience in the area of PIFC. Preferably;

- Graduate or Master's Degree in a relevant field such as public financial management, public administration, administrative sciences, public management, public policy, administrative law. In the absence of required degree, the expert will have an equivalent professional experience of minimum 4 years in the relevant fields.

- Experience in public financial management or internal control
- Having published studies on public financial management or internal control
- Experience in public financial management projects funded by EU.
- Good command of written and spoken English.

will be an asset.

#### 4. Institutional Framework

Beneficiary Institution: Ministry of Finance, DG Budget and Fiscal Control

Results of the project will not lead to a change of the institutional framework as described.

#### 5. Budget

<b>Total cost</b>	1.785.000 €
<b>EU IPA contribution</b>	1.695.750 €
<b>National Contribution</b>	89.250 €

#### 6. Implementation Arrangements

6.1 Implementing Agency responsible for tendering, contracting and accounting

Contracting authority under indirect management: Central Finance and Contracts Unit (CFCU)

Mrs. Emine Döğer

Acting PAO and Director of CFCU

Address: Eskişehir Yolu 4 Km. 2180 Cad. No: 63 C-Blok 06510 Söğütözü / Ankara

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6.2 Main counterpart in the BC

BC Project Leader: Mr. Mehmet BÜLBÜL

Head of Department

DG Budget and Fiscal Control, Ministry of Finance

Address: TC Maliye Bakanlığı, Bütçe ve Mali Kontrol Genel Müdürlüğü, İlkadım Cad. No: 2 Dikmen, ANKARA

RTA Counterpart: Mrs. Nihal SALTİK TURAN

Finance Expert

DG Budget and Fiscal Control, Ministry of Finance

Address: TC Maliye Bakanlığı, Bütçe ve Mali Kontrol Genel Müdürlüğü, İlkadım Cad. No: 2 Dikmen, ANKARA

6.3 Contracts

## **7. Implementation Schedule (indicative)**

7.1 Launching of the call for proposals: October 2016

7.2 Start of project activities: Q1 2017

7.3 Project completion: Q3 2018

7.4 Duration of the execution period: 24 months

## **8. Sustainability**

The project covers capacity building, tool development and strengthening the monitoring department in line with the EU Acquis and international best practices. All of those activities consist of long term outcomes that will be conducted by monitoring department and it will contribute to sustainability of the project purpose.

## **9. Crosscutting issues**

Gender Mainstreaming

Equal participation of women and men shall be ensured in the design and implementation of this project and for access to the opportunities it offers. The principle of ensuring equal access for men and women will be established as one of the main criteria in the selection of participants for the project's activities. All persons irrespective of gender enjoy equal opportunities when applying for training or work. Related gender-differentiated data shall be recorded (e.g. for participation in trainings) for monitoring purposes and be presented as part of progress reports and during the project's Steering Committee meetings. In case of imbalances, the Steering Committee may suggest corrective actions. All training activities and communication materials used in the project will be gender-sensitive.

Equal Opportunities

Selection of participants to activities will be based on objective assessments of qualification and experience, without regard to gender. The main criteria for staff recruitment will be appropriate qualifications and experience in similar actions, not sex or age. Both men and women will have equal opportunities and salaries.

Minorities and vulnerable groups.

According to the Turkish Constitutional System, the word 'minorities' encompasses only groups of persons defined and recognized as such on the basis of multilateral or bilateral instruments to which Turkey is a party. This project has no negative impact on minority and vulnerable groups.

## **10. Conditionality and sequencing**

## ANNEXES TO PROJECT FICHE

### Annex 1. Logical framework matrix in standard format

<b>OVERALL OBJECTIVE</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>	<b>SOURCES OF VERIFICATION</b>	
To strengthen the public internal control system.	Progress made towards meeting accession criteria	DG NEAR –Progress Reports	
<b>SPECIFIC OBJECTIVE</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
To increase administrative capacity of CHU for FMC for strengthening its monitoring function.	940 public administrations monitored by 2020.	Annual monitoring report of CHU for FMC	Public administrations are committed to support the monitoring function of CHU for FMC.  Collaboration and confidence between CHU for FMC and line ministries SDUs are ensured.
<b>RESULTS</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
Result 1: Technical capacity for monitoring is improved	Two monitoring report templates prepared, one monitoring database established and a quality assurance programme prepared at the end of action.	Action reports	Action Plan is timely adopted.  Participation to seminar and conference is ensured by the management.
Result 2: Organisational structure for monitoring is improved.	50 experts participated in general training, 15 experts attended study visits, 9 experts performed internships at the end of the action.  A monitoring manual prepared at the end of the action.	Participation lists  Certificates	An adequate number of staff assigned to monitoring department and necessary qualification of these personnel is ensured.  All formal procedures necessary for the study visit and internships are timely completed.



## Annex 2: List of relevant Laws and Regulations

No	Title of regulation
1	Public Financial Management and Control Law (Law no:5018)
2	Procedures and Principles on Internal Control and Ex-Ante Financial Control
3	By-Law on the Working Procedures and Principles of Strategy Development Units
4	By-Law on the Accountability Reports to be Prepared by the Public Administrations
5	By-Law on Financial Services Expert Profession
6	Procedures and Principles on the Training of Assistant Financial Services Experts
7	Communiqué on the Public Internal Control Standards
8	Action Plan Guide for Harmonisation with Public Internal Control Standards
9	Circular on Compliance with Public Internal Control Standards
10	Public Internal Control Manual
11	Internal Control and Internal Audit Manual for Top Managers
12	General Communiqué on Authorising Officers (Serial no:1)
13	General Communiqué on Authorising Officers (Serial no:2)
14	Decision of the Council of Ministers No. 2006/10103 on the Allocation of Financial Services Expert Posts to the Public Administrations

Detailed information: [http://kontrol.bumko.gov.tr/?\\_Dil=2](http://kontrol.bumko.gov.tr/?_Dil=2)

### **Annex 3: Reference to relevant Government Strategic Plans and studies, and other key references**

The Tenth Development Plan of Turkey (2014-2018) emphasizes an efficient public financial system. Turkey's 2015 Pre-Accession National Economic Reform Program and Medium Term Programme (2015-2017) aim at improving the compliance level of the public administrations' operations with the standards of internal control and internal audit. Besides in the Medium Term Fiscal Plan (2016-2018) internal control is one of the main policy areas on budget expenditure, which includes strengthening the monitoring function of the Central Harmonization Unit.

Indicative Strategy Paper for Turkey 2014-2020 and EU Enlargement Strategy 2015 assign priority to public administration reform. Public financial management is an integral part of the public administration reform efforts. Improving public financial management is of fundamental importance for the functioning of the state and for implementing the reforms needed for EU integration. The acquis requires the existence of efficient, effective and transparent financial management and control systems, centralised harmonisation of methodologies and standards. Therefore significant efforts are needed to implement public internal financial control. IPA II will support measures taken to align Turkish law and build capacity to meet acquis requirements in public internal financial control. Additionally, 2015 Annual Progress Report for Turkey states that the administrative capacity of the CHUs needs to be strengthened gradually.

Accession Partnership Documents for Turkey aim at ensuring timely implementation of the Law on Public Financial Management and Control.

Finally, Turkey's European Union Strategy, Pre-accession Economic Programmes, National Development Plans and Annual Programmes also deal with the supportive efforts of Ministry of Finance in this area.