

Standard Summary Project Fiche

Project number: TR 0305.01
Twinning number: TR03-SPP-01

1. Basic Information

1.1 Title: SUPPORT TO THE STATE PLANNING ORGANIZATION GENERAL DIRECTORATE FOR REGIONAL DEVELOPMENT AND STRUCTURAL ADJUSTMENT FOR STRENGTHENING INSTITUTIONAL AND ADMINISTRATIVE CAPACITY

1.2 Sector: Regional Policy

1.3 Location: Turkey – Public Administration at Central and Regional level.

2. Objectives

2.1 Overall Objective:

To assist the authorities in Turkey to strengthen integrated mechanisms for the development and implementation of regional policy and the institutional capacity for the management and co-ordination of regional development policies and the implementation of projects supported with EC Funds.

2.1 Project Purpose:

Support the SPO to:

A. improve regional and central policy and planning aspects of the implementation of the Accession Partnership, the NPAA and the National Development Plan.

B. develop legal and organisational structures for regional development (including regional development agencies and on institutions and processes involved in the management of the Structural Funds.

C. improve capacity for co-operation between central and regional levels in implementing regional development programmes and projects.

2.2 Accession Partnership and NPAA priority

Accession Partnership

According to the 2003 Accession Partnership, the short term priorities in the field of regional policy include: 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; and, Strengthen the administrative structures for managing regional development; and, Adopt a legislative framework that would facilitate the implementation of the acquis. Medium-term priority: Economic and social cohesion: Developing the implementation of a Regional Development Programme and Community

Initiatives; improving administrative structures, organising the budgetary system and its procedures according to EU funding standards, including appraisal and evaluation. The project contributes to achieving these objectives.

Turkish National Programme for the Adoption of the Acquis:

The project contributes to the realisation of a series of NPAA chapter headings including: “Alleviating regional disparities to increase economic, social and cultural opportunities for all citizens”; Small and medium-sized enterprises” – especially with a view to increasing SME competitiveness; “regional policy” – with a view to supporting regional-level economic development.

2.3 Contribution to the National Development Plan and 8th Five Year Development Plan 2001 – 2005

The assistance offered will be provided in the context of the National Development Plan which is currently under preparation and scheduled to be published by the end of 2003. The project will also contribute to the priorities of the Five Year Development Plan concerning reduction of inter regional imbalances and its principles of sustainability, inter regional integration, provision of social and economic balances, improvement of the quality of life, equal opportunities, cultural development and participation.

3. Description

3.1. Background and justification:

While Turkey has experienced economic transformation in recent decades, the majority of this activity and employment generation has been concentrated in large cities. Major development imbalances exist within and between regions, which have resulted in substantial social, employment and infrastructure disparities.

On a strategic level, this widening gap is a cause for serious concern in terms of Turkey’s progress towards accession to EU membership. Since the 1960’s, Turkey has developed extensive experience in promoting regional development. Through the SPO, a series of 8 five year plans have been prepared, and mechanisms for effective cooperation between the centre and the provinces have been developed. Nevertheless, it is clear that much still needs to be done to address the issue of regional development policy if it is to satisfy the fundamental principles of EU Regional Policy. It is evident that new initiatives are needed if long standing problems of regional inequality and underdevelopment are to be addressed successfully. These include, for example, having clearly defined structures and objectives, a suitable legislative and institutional capacity and appropriate administrative capacity in the sphere of regional development vis-à-vis EU funding.

An important step was recently taken with the decision to break seven very large planning regions up into 26 smaller NUTS II level units. This is the level at which future structural funds projects will be implemented. One of the main functions of the NUTS II level regions will be regional development planning and investment implementation and monitoring. For the purposes of decision-making, efforts are underway to prepare the State Planning Organisation (SPO) to play the leading role in coordinating these efforts, and to support provincial administration in implementing regional development programmes and projects. Despite these steps, it is clear to all interested parties that regional development will be

seriously hampered for the foreseeable future unless it is guided and funded at the central level.

The SPO, which operates under the auspices of the Office of the Deputy Prime Minister, is responsible for managing the issues of national and regional development in Turkey. The SPO has recently taken on a new role in managing the overall process of preparing the NDP. The Directorate General of Economic Models and Research has been given the task of coordinating efforts for the preparation of the NDP. A new Department of EU Regional Programmes has been created within the Directorate General for Regional Development and Structural Adjustment. The result should be a high quality, integrated, plan which can contribute to the development of the country as a whole.

The SPO is currently preparing its first National Development Plan, through a working group which has been created to draft a preliminary NDP. In the medium term, the NDP will play a critical role in integrating the various sectoral and regional policies and so help to ensure a co-ordinated approach to investment and strategic planning. The EU is currently assisting the Turkish authorities to conduct regional SWOT analyses in a number of regions. This initiative will be expanded in the future to encompass further regions. Sector-based SWOT analysis and HERMIN type modelling will be needed in future to assist in forecasting economic scenarios and the impact of future EU financial assistance.

The newly created EU Regional Programmes Department of SPO's General Directorate of Regional Development and Structural Adjustment has been charged with preparing a conceptual proposal on the harmonisation of competencies in the area of regional policy and the eventual co-ordination of EU structural funds in Turkey. The Department cooperates with the other Directorates as well as with local administration and the regions. Any decisions taken as a result of these activities in the SPO will of course have an impact on the role of the project team upon their arrival in Turkey.

The present project will review the existing situation and processes in the area of regional development and focus on strengthening the structure needed for the management of regional policy and the co-ordination of EU Funds.

3.2. Linked activities:

The project is designed to address gaps in the processes established for elaborating comprehensive policies, supported by impact analysis, to address regional disparities and promote harmonized economic development with the eventual goal of the country becoming a member of the European Union.

Major projects funded from Turkish or outside sources have included: (A) the `GAP Regional Development Programme` with a duration of 5 years and a total cost of euro 44.610.000 and an EU contribution of 47 million euro. (B) the `Eastern Anatolia Development Programme` (EADP) with a duration of 3 years and a projected EU contribution of 45.000.000 euro. Pilot regional development programmes, have also been prepared for the Erzurum, Kastamonu and Samsun regions following the EU model.

A review of existing Master Plans for four regions of Turkey and the preparation of operational development plans on this basis is being undertaken as part of a current framework contract (AMS 451 2002 52819).

3.3 Results

Results:

- Responsibilities for the management of the EU Funds established.
- Updating and further elaboration of the NDP.
- Overall capacity for regional development planning, implementation and monitoring increased.
 - Administrative capacity for the sound and efficient implementation of the EU Funds strengthened.

Outputs:

- Framework for regional policy and EU Funds management improved.
- Structured framework for co-ordination of sectoral and regional policies elaborated.
- Capacity for implementation of regional development programmes and projects at regional level developed.
- Coordination of regional policy both at the national level and at the regional level improved.

3.4. Activities

To address the problems mentioned, a covenant will be negotiated with a selected Mandated Institution from a member state, which will provide twinning assistance through the services of a Pre-Accession Adviser (PAA - 18 m/m) supported, where appropriate, by short term experts.

The twinning covenant will define the detailed activities to be undertaken by the PAA and short term experts.

Profile of the Mandated Institution:

- Experience in carrying out similar studies in Objective 1 areas in EU Member-States
- Ability to establish an EU and local (candidate state) partnership for the purpose of undertaking the study
- Multi-sectoral experience
- Experience of undertaking ex-ante assessment of planning documents prepared for use in EU funds programming process

Tasks of PAA:

The three main tasks of the PAA will be to assist the SPO

- ❖ with the analysis of the current institutional and legal framework and administrative structures both existing and planned in order to help identify areas where the current arrangements need to be strengthened in order to ensure compliance with the acquis.
- ❖ with the review of the NDP prepared in 2003 and identification of areas where coverage needs to be expanded and strengthened when drafting subsequent NDPs.

- ❖ to assist in defining the roles and responsibilities of new administrative structures to be established at NUTSII level to implement EU funded programmes and, on accession, structural funds.

In addition to the above the PAA will be expected to:

- Assist in the application of EU principles and procedures to the management of EU funds at regional level relating to such aspects as:
 - Goals, Principles, Concepts
 - Programming and project preparation
 - Implementation of regional development plans including delivery mechanisms
 - Incentives – Sources, Eligibility, Allocations,
 - Special Development Needs – Economic Black-Spots, Isolated regions
 - Reporting mechanisms – steering Committees,
- Advise on ways and means adopted in EU member states to improve coordination between ministries at central level on regional policy and on setting up effective coordination channels between central institutions and regional administrations.

The Regional Policy PAA should also carry out the overall leadership of the twinning project. Possibilities for attracting additional short term or local expertise to cope with ongoing operational tasks should be explored within the framework of the twinning covenant.

The PAA should report to the SPO-GDRDSA working group on all the issues mentioned above. The SPO working group should consider reports and recommendations prepared by the PAA and decide on further steps for implementation.

Profile of the PAA:

- Background in economic and regional planning.
- Minimum 10 years of experience of working in national/central authorities.
- Experience in the preparation of strategic planning documents (development plans national and/or regional) and development of legislation.
- Experience of working with EU structural funds, preferably in Objective 1 areas.
- Experience in working on the management of inter-institutional co-ordination functions at central government level.
- Good communication and team building skills.
- Computer literate and proficiency in the English language.

Supporting the institutions for regional development at national and regional level.

One of the challenges facing the planning and implementation of regional policy in Turkey is the strengthening of a suitable legal and institutional framework. There is an urgent need to coherently define essential functions in the field of regional development and EU Funds management, in order to improve efficiency and cost effectiveness and to ensure that various interests are reflected in the strategic planning process.

The primary task of the experts in this area will be to assist the SPO to carry out a detailed assessment of the conditions prevailing concerning the creation of institutional mechanisms for the design of a balanced national and regional development policy and to propose changes needed to address problems identified and the establishment of mechanisms required for applying EC support.

One of the fundamental aims of the project will be to encourage a two-way flow of information and debate on issues ranging from strategic direction and goals to project design, preparation and approval. It is extremely important that the agreed structure facilitates both a top-down and bottom-up style, to ensure that there is a balance between the needs and aspirations of the regions and the overall strategic goals. A system must be in place which, while satisfying all EU requirements in this area, is also customised to match the unique situation in Turkey.

To assist with the strengthening of the national structures responsible for regional development programmes and projects, a number of capacity building activities should be carried out through this project. Institutional building efforts should take part through the GDRDSA, but should also address the issue of building proper partnerships of bodies involved in the planning, co-ordinating and implementing of regional policy.

One difficulty facing the process of regional development in Turkey is the weakness of capacity at regional level for preparing and implementing regional development programmes funded by the EC. While regional development plans are aimed at stimulating competitive, sustainable development and lasting growth; creating jobs and assisting in economic and technology innovation; and promoting inter-regional co-operation between communities and local development actors, capacity must exist to achieve these goals. The twinning Partner institution will, therefore, assist in capacity building for the regions.

The twinning project will have a term of 18 months..

Indicatively, the PAA, assisted by short terms experts will assist SPO in:

reviewing the situation in Turkey and in other candidate countries and Member States (especially as regards Objective I Regions) in relation to:

1. regional policy and planning aspects of the implementation of the Accession Partnership, the NPAA and the National Development Plan;
2. legal and organisational structures for regional development (including regional development agencies);
3. institutions and processes involved in the management of the Structural Funds.

The review will include opportunities for representatives of the twinned institution to study the situation in other candidate countries and in Member States at first hand through study visits. The short term experts, guided by the PAA, will be responsible for drafting a series of reports and recommendations covering the areas under review.

The PAA, assisted by short term experts will also support institution building within the SPO-GDRDSA in the fields such as:

1. Developing the capacity at regional level for participatory development strategy formulation
2. EU funded regional development programmes
3. Coordination between the centre and the regions

The PAA will prepare a report containing a proposal for future work particularly at the regional level for approval by the twinned institution (SPO) and by the Representation of the European Commission.

3.5 Lessons learned

“Lessons learned” is largely limited to the involvement of the beneficiary in the programming process – note that projects described under section 3.2 “Linked activities” have not been fully evaluated or are only about to start. The SPO as well as local stakeholders including local authorities, the private sector and local community organisations participated in a series of workshops in all concerned NUTS II regions and thus contributed to the programming process leading to the Outline Regional Development Programmes and the subsequent Project Fiche. Experience from the candidate countries demonstrates the potential of such schemes in promoting regional economic development including strengthened regional capacities – provided that transparent and efficient selection, implementation and monitoring / evaluation structures are established.

4. Institutional Framework

Established in 1960, the State Planning Organisation SPO operates under the auspices of the Prime Minister’s Office. Amongst other responsibilities, it manages the issues of planning and programming at national and regional levels. The SPO is responsible for the preparation, monitoring, coordination and evaluation of long-term national development plans and regional development plans and annual programmes. The SPO has to date prepared eight development plans. The, current, 8th Five Year Development Plan covers the period 2001-2005.

Within SPO, responsibility for regional policy lies with the Directorate General for Regional Development and Structural Adjustment. Its responsibilities include: research, planning and programming at the regional level; facilitating the implementation of structural adjustment policies; identifying priority development areas; and coordinating regional development projects. The Directorate General (GDRSA) includes three Departments: the Department of EU Regional Programmes (GDRDSA-EU); the Department for Less Developed Regions; and the Department for Regional Development.

This project will aim to strengthen the SPO-GDRDSA and all main stakeholders involved at the national and regional levels and to make proposals for coherent overall institutional structures and legislation to deal with regional development issues in line with EU requirements.

The Government has recently established new NUTS II level planning regions in Turkey. Institutional structures called “Service Unions” have also been established in some regions. Co-operation between the SPO-GDRDSA and the “Service Unions” can be ensured through the co-operation mechanisms established during the National Development Plan elaboration process. The SPO is currently examining possible models for Regional Development Structures with a view to determining which would be most appropriate for Turkey, with a view to preparing appropriate legislation. The Project will assist with this process.

5. Detailed Budget

in Meuro

	EU Support			National Cofinancing *	IFI*	TOTAL
	Investment	Institution Building	Total Phare (=I+IB)			
Twinning Covenant	Nil	800.000	800.000	Nil	Nil	800.000
Total		800.000	800.000			800.000

6. Implementation Arrangements

6.1. Implementing Agency

The Implementing Agency will be the CFCU (contractual and financial only). The PAO is Erkan Tortop of the CFCU. Overall technical responsibility will be under the SPO-GDRDSA.

6.2. Twinning

The Candidate Country twinner will be the State Planning Organisation.

6.3. Contracts

There will be 1 twinning covenant:

Twinning covenant - 800.000 EUR

6.4. Implementation Schedule

	Twinning Covenant
7.1 Start of tendering/call for proposals	Immediately after signature of the Financing Memorandum
7.2 Start of project activity	At latest 6 months after signature of the Financing Memorandum
7.3 Project Completion	18 months after the start of project activity

7. Equal Opportunity

Through the duration of the project, steps will be taken to guarantee equal opportunity of access to project activities and benefits. Due attention will be paid to promoting the adoption of equal opportunities in the policy areas concerned.

List of annexes:

1. Logframe
2. Time Schedule
- 2a Detailed Implementation Schedule

3. Cumulative Contracting and disbursement schedule
4. List of relevant laws and regulations

Annex 1 to Project Fiche		Programme name: and number:	Date of drafting: April 2003
LOGFRAME PLANNING MATRIX FOR <i>Development of Institutional and Administrative Capacity for Regional Development</i>		Contracting period expires:	Execution period expires:
<i>Project Number</i>		Total Budget:(MECU) 800,000	EU contribution: (MECU) 800,000
Overall Objective	Indicators of Achievement	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks
<ul style="list-style-type: none"> To support the authorities in charge of regional development in Turkey to strengthen integrated mechanisms for the development and implementation of regional policy in order to build the institutional capacity for regional policy and for the management and co-ordination of development policies and implementation of projects supported with EC Funds 	<ul style="list-style-type: none"> Legal and institutional framework for management of EC funded regional development policies in Turkey. Structures and procedures for improved NDP development 2001-2005 revised and implemented by end 2005. 	<ul style="list-style-type: none"> SPO Regular Progress report. 	<ul style="list-style-type: none"> Support from the Government in relation to the regional policy development and implementation in terms of EC funding regulations
Project purpose	Indicators of Achievement*	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks
<ul style="list-style-type: none"> Improve the legal framework relating to EU funding rules and the institutional capacity for regional development at central and regional levels. Assist the ongoing process relating to EU rules, and the administration and implementation of EU Funded projects at national and regional level. Assist in improving capacity to create stable co-operation between central and regional levels in implementing regional policy. 	<ul style="list-style-type: none"> Review of existing legislative infrastructure in relation to EU acquis on Regional Policy completed. Recommendations presented by March 2005 Fully fledged NDP prepared taking on board recommendations made following analysis of preliminary NDP by end 2003 Effective lines of communication and coordination on regional policy clearly defined and operational at central level by end 2004 Division of responsibilities between central and regional structures defined by March 2005 	<ul style="list-style-type: none"> SPO Covenant reports and monitoring Regular Progress Report Accession partnership Statistical reviews 	<ul style="list-style-type: none"> Effective co-operation of public institutions Qualified staff is retained in the involved institutions SPO and other staff is trained
Results	Indicators of Achievement*	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks
<ul style="list-style-type: none"> Recommendations on appropriate modifications to legal framework to accommodate EU regional acquis formulated Recommendations on NDP made Framework for regional policy and EU Funds management developed. Structured framework for co-ordination of regional policies elaborated. Appropriate negotiation mechanisms between central and regional authorities, as well as among regional and local authorities established. 	<ul style="list-style-type: none"> Recommendations taken into account in the preparation of new legislation Advice on NDP taken on board in new drafts Successfully functioning co-ordination mechanisms Regular meetings and exchanges at central and regional level on regional policy coordination. The nature of the support to be provided by the Pre-Accession advisor – i.e. continuous support with drafting and daily advice during meetings on the development of regional policy – makes it difficult to define objectively verifiable indicators. Indicators will largely be measured on the basis of the regular progress reports in which the Pre-Accession Advisor will document the results and impact of his activity. The regular progress reports will include an ongoing assessment of the SPO's capacity to implement accession related requirements in the area of regional policy based on DG REGIO / DG ENLARGEMENT's method for assessing the Candidate Countries' capacity to manage the Structural Funds ("Key Indicators for Candidate Countries to effectively manage the Structural Funds"). 	<ul style="list-style-type: none"> Government SPO Regional Administration 	<ul style="list-style-type: none"> NDP 2001 finalized and accepted by European Commission Appropriate budgetary resources available in involved institutions Institutions involved participate in fulfilment of set tasks

Activities	Indicators of Achievement	How, When and By Whom Indicators will be Measured	Assumptions and Risks
<ul style="list-style-type: none"> 1 Regional Policy Planning Advisor and medium term and short term twinning assistance from EU MS partner institution 	<ul style="list-style-type: none"> Timely and adequate advice provided to all institutions; Institutions trained and capacity enhanced. 	SPO, regional authorities	<ul style="list-style-type: none"> Advice/training is relevant, timely and consistent

Tables

Annex 2: Time Schedule

	2003			2004									2005												
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	
Twining Covenant																									
<i>Design and Selection</i>	X	X	X	X	X	X																			
<i>Commencement of activities</i>							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Annex 3

CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (€million)

	Date													
	30.09.02	31.12.02	31.03.03	30.06.03	30.09.03	31.12.03	31.03.04	30.06.04	30.09.04	31.12.04	31.03.05	30.06.05	30.09.05	31.12.05
<i>Total</i>														
Contracted									800,000					
Disbursed									150	250	350	500	600	750

Annex 4

List of relevant Laws and Regulations

Relevant Government Strategic plans and studies

1. National Regional Development Programme
2. Profiles of Turkish public sector projects for foreign funding in 2002, SPO General Directorate of Economic Sectors and Coordination, April 2002
2. GAP Regional Development Programme East Anatolia Development Programme (EADP)
3. Long Term Strategy and Eighth Five Year Development Plan 2001-2005