Project Fiche – IPA National programmes / Component I

(*Maximum 12/15 pages without the annexes /1500 characters no space per page*)

1 IDENTIFICATION

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Programme	*National Programme for Turkey under IPA- Transition Assistance and Institution Building Component I for the year 2012 ESEI*
Project Title	*Capacity Building Concerning Presentation and Usage of the General Government Financial Statistics*
CRIS Decision number	*23651*
Project no.	*TR 12 IB ST 01*
MIPD Sector Code *The numbering is for the sake of EU statistics and does not need to correspond with the numbering in the beneficiary MIPD*	*9. Support and other activities*
Twinning sector	*Statistics (ST)*
ELARG Statistical code	*18*
DAC Sector code	*See CRIS DAC Form*
Total cost (VAT excluded)[1]	*1.058.768 EURO*
EU contribution	1.005.830 EURO
Management mode	*Decentralised*
Centralised mngmt: **EU Delegation in charge** *Decentralised mngmt:* **Responsible Unit or National**	CFCU will be the 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 director of the CFCU will act as Programme Authorizing Officer (PAO) of the project.

[1] The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

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Implementing modality	*Stand alone project, …*
Project implementation type	*Twinning*
Zone benefiting from the action(s)	*Turkey*

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

Directorate General of Public Accounts, Ministry of Finance has a comprehensive database including financial statistics based on accounting records of general government sector, payroll and moveable information of general budget agencies. However available data are thought not to be used efficiently. A classical method has been used in the presentation of data until today. Considering that the different types of user groups have different requirements, the necessity of diversified presentations of data emerged.

"Solid financial management" and "transparency" are among the main principles of the budgeting and budget implementing process in the Financial Regulation no 1605 dated June 25, 2002 which is the relevant acquis of the "Financial Control" chapter. Effective internal audit and an account presentation system independent from other activities are stated as precondition for the harmonization to the principles. Moreover, it is stated that accounting arrangements about presentation of accounts should enable reflecting actual usage amount of the funds in the records and ensure reaching of the citizens to the information at the level foreseen by the legislation.

Also, it is foreseen that statistical results are open to the citizen's access in accordance with the transparency principle in the Council Regulation no 2223 dated June 25, 1996 about the European System of National and Regional Accounts which is the relevant acquis of the "Statistics" chapter.

The project aims to presenting the general government financial statistics according to the demands of different beneficiaries and thus making progress in these two chapters which are under the positive agenda.

With this project; harmonization to the standards of European Union and International data dissemination and presentation is aimed and within this context, obtaining following 4 main results with an idea taking into account the different user groups requirements is expected:

1-Implementation of the Data Mining Method: Making more detailed studies for transforming available data to useful information and submitting them for researcher's, academician's and director's information.

2-Building up an Early Warning System: Submitting the financial risk areas via databases for financial and economic management's information and building up a supporting mechanism which is essential in decision making process.

3- Improvement of the Public Financial Analysis Techniques: By researching the European Union practices in this area, improving public financial analysis techniques through basic financial tables produced from general government sector, enriching the concept of public sector financial analysis.

4- Publishing a Citizen's Budget: With the aim of providing information to the citizens, who assume financing of the public services, about how public resources are used; publishing a plain citizen's budget document in parallel with international practices.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

Development Plan: It is stated in the i. Purpose and Scope of the Program subtitle of 1.10 Statistical Information Infrastructure Improvement Program sub-section of the 10th Development Plan of Turkey including 2014-2018 years that "Accordingly, it is important to improve statistical information infrastructure, to plan, conduct, and monitor statistic processes of all institutions, notably the Turkish Statistical Institute, playing role in producing statistical information. The Directorate General of Public Accounts (DGPA) under the Ministry of Finance is one of the important institutions playing role in producing public financial statistical

information. In addition to producing statistical information, the DGPA is responsible for preparation and dissemination of these statistical data as tables. This statistical information includes national tables related expenses, the GFS tables sent to the IMF and the Turkish Statistical Institute, and financial tables sent to the Central Bank. It is expressed under the same subtitle that "Increasing the number and quality of reliable statistics obtained by scientific methods and participative, cooperation based and planned statistics production process brings extension of statistic ranges that should be produced according to national and international requirements". Within the scope, harmonization to the EU standards in terms of publication time and type of public financial statistics is among the specific targets of the project. .

Within the scope of the 4th component "Controlling Current Expenses" of 1.5 Public Expenditure Rationalization Program, Program Components of the Development Plan, it is stated that

- Avoiding wastage and awareness of savings shall be raised in public,
- Current expenses shall be reported in accordance with the international standards.

In this framework, decreasing wastage of public resources and providing savings are expected as a result of precautions taken by risk-based auditing and early warning system by using data mining system, which is one of the project outputs.

"Budgets shall be transformed into more plain and understandable documents that show performance of public service programs and can be evaluated by citizens" is stated under the 2.1.15 Strategic Management in Public title of the Development plan. This project aims to present Citizen's Budget to citizens who contribute in public expenditure by paying taxes. Citizens shall observe usage purposes of public resources they finance through citizen's budget that allow more simple and understandable presentation. Thus, it will contribute in raising tax awareness of citizens as feeling themselves being involved in the system.

National Programme for the Adoption of the Acquis (NPAA): In the Program, Priority 18.1 "Producing timely key national accounts indicators in accordance with ESA 95" is envisaged under Statistical Chapter. In this context, "Compiling the accounting data of all the institutions included in General Administration and capacity building to develop statistical tables harmonised with ESA 95" is envisaged as the fourth requirement in accordance with the schedule of the institutional capacity building requirements necessary for the harmonization and enforcement of the law. This was fulfilled between 2009 - 2011.

This project aims fulfillment of this priority effectively by developing the presentation of statistical tables to different users.

2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

2012 Regular Progress Report for Turkey: It is stated in the report that *"Four years after the adoption of the Public Financial Management Law, some components are still missing, in particular measures to enhance the accountability, efficiency and transparency of the budgeting process"*. Also, "*Consolidated general government accounts according to international accounting standards are still not regularly published. This makes it difficult for citizens to hold the government accountable for its management of public money*." The process of preparing general management financial statistics according to international arrangements has been completed to a large extent. This project will ensure more clear and simple presentation of public financial statistics for citizens by removing technical terms from already published public financial statistics. Therefore, citizens, who contribute to financing of public expenditure by taxes, will analyze collected taxes and public expenditure better. Thus, it will also allow raising

tax awareness of citizens by increasing transparency in public financial management and accountability of the government in terms of tax income management.

2007 Accession Partnership Document for Turkey: Within the framework of pre-accession strategy, the principles, priorities and conditions of the Accession Partnership were updated in 2008 by decision of the EU Council. "*Pursue reform of public administration and personnel policy in order to ensure greater efficiency, accountability and transparency*" was stated as a priority in "Public Administration" section of "Short Term Priorities" title of reviewed Accession Partnership. Decision support mechanism to be created following the project will present risky areas in terms of revenue and expense to the decision-makers. Accordingly, more healthy decisions will be taken in financial management, and this will serve the financial responsibility, which is one of the most important points of public financial management, therefore, efficiency in public administration will increase. Also, financial transparency will be increased by an understandable citizen's budget to be prepared for citizens as a result of the project.

Europe 2020 Strategy: The EU has built a sound and efficient economy management in order to ensure harmonization in policy activities at the national and EU level for the effective realization of the EU 2020 Strategy. "Stability and Growth Pact" including a number of rules was signed among 28 member states for creating and sustaining more sound public finance. This Pact was supported by amendment proposals in some areas such as improving national budget framework referring predictions implementations, accounting and statistics. The process of preparing and publishing general management financial statistics in accordance with international legislation and regulations has been completed to a large extent. This project will move our country, which is in the EU accession process, forward in statistics. Moreover, public data received as a result of works in data mining during the project will be used in making predictions in the field of finance. The project will contribute strengthening public finance in Turkey which is in the EU membership process.

2.4 PROBLEM ANALYSIS

Directorate General of Public Accounts has a rich database which is comprised by asset, liability, revenue and expenditure information of the general government sector, and different information of the general budget institutions staff. With reference to the information, the activity of preparing and publishing general government financial statistics foreseen by national and international regulations continues. However, considering the fact that said data have different users and these users have different needs, the database does not have presentation richness in proportion to its own richness. Within this framework;

- Since the financial statistics have technical content, the citizens providing financing of the public services need more understandable and simple presentation type supported by visual elements.
- Basic tables such as balance sheet, operating results table have been commenced to be produced by starting using accrual accounting. However, financial table analysis techniques used commonly in the private sector could not be made use of in public sector. Financial table analysis techniques are required to be developed especially within the purposes and activities of the public sector. After that, financial analysis restricted to the budget practice results will be diversified.
- Immediate data on the financial practices is stored at the database of the Directorate General of Public Accounts. Storing immediate data allow for designing a decision

support system which can give immediate information to the financial management. Presenting information in the capacity of early warning for especially expenditures and revenues will be beneficial for policy makers.

- Risk based new audit understanding and the principle of using audit resources more efficiently has started to come into prominence. Determining risky areas from databases and focusing routine financial audit on risky areas by using data mining opportunities have become our priorities.
- Reaching a level at the EU standards on dissemination and publication of the general government financial statistics is important for all user types.

Therefore, development of table, analysis and presentation techniques to be able to meet the requirements of different groups is needed.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

1st Twinning (Capacity Building for the Compilation of Accounting Data in All Institutions and Agencies within General Government Sector in the Context of E-Government)

- Determining the Scope of the general government sector within ESA 95 criteria,
- Compiling financial data of the units within the determined criteria regularly,
- Converting compiled accounting data into ESA 95 detail codes,
- Producing the general government basic financial statements foreseen by the EU are aimed.

Within this framework

- The scope of the general government sector is determined and issued as communique in accordance with ESA 95 criteria with the joint works of the Ministry of Finance, the Ministry of Development, the Treasury, the Central Bank of the Turkish Republic, and the Turkish Statistical Institute.
- The data of the general government sector is compiled regularly in quarter periods.
- The bridge table converting compiled data into ESA 95 detail codes was prepared.
- EDP tables and ESA tables are sent to the EUROSTAT annually with the joint work of the Ministry of the Finance, the Treasury and the Turkish Statistical Institute.

2nd Twinning (Improving Data Quality in Public Accounts)

- Raising awareness for increasing accounting data quality in the public administrations within the scope of the general government and developing systems related to that are aimed.

Within this framework

- Automatized software detecting accounting record errors in the public administrations within the scope of the general government was acquired and begun to be used actively. Moreover, awareness was created significantly for correcting errors in the reporting units within the scope.

The scope of general government sector was determined by the first twinning project and the compilation of the financial data related to the general government sector was commenced. The

quality of the data was increased by the second project. Thus the Directorate General of Public Accounts had a rich and qualified database. At this stage, the requirement of presenting mentioned data appeared. Presentation of these data to different user groups according to their different requirements and meeting the deficiency in the field via building usage capacity are aimed by the intended third project. This project will be the complementary and the last step of these two projects.

2.6 Lessons learned

The Ministry of Finance is the only unit responsible for compiling and disseminating GFS and, the DGPA should compile accounting data received from all government institutions and agencies in the scope of general government definition.

Generating accrual based financial reports and tables in time which are accurate, reliable, consistent, and analytically classified in accordance with the EU standards was aimed by the first project.

However, in order to produce data in accordance with the EU classification and qualification standards in the government accounting system and to set up a quality control system including a whole process starting from data collection to publication and to provide assurance of accurate and reliable information, there was a strong need for building a capacity that widely employs the EU best practices related to data collection, compilation, and dissemination processes in the public accounting system. Besides, some common terms like ESA95 and GFS in the international system had not been assimilated by the data producers. The second twinning project was conducted in order to meet these deficiencies.

The aim of the second project was to provide understandable and easily accessible financial statistics to the users; but, government financial statistics were still in need of some improvement in terms of reliability, completeness and transparency. However, since data quality was the main focus of the second project, very restricted results in the presentation of statistical data to satisfy different needs of the users effectively could be obtained.

Since the benefit expected from the studies in the direction of data compilation and data quality improvement conducted within the scope of other two projects was directly related to the effective presentation of the data, the third project was required.

It is important to focus on training of trainers method which is more effective and practicable in order to maximize expected benefit of the project, Dissemination of information obtained by less cost to large mass was aimed by the method.

Moreover, the method of performing workshops with shareholders depending on final report prepared by participants of study visits is another innovation preferred in the project. Reaching to final results in a more participatory manner by report outputs to be prepared as a result of the method was aimed.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

General objective is to increase financial transparency by producing information adjusted according to different user needs and contribute to risk based management and audit.

4 SPECIFIC OBJECTIVE(S) OF THE PROJECT

Specific objective is to align the publication and presentation of general government financial statistics with the EU standards by developing the legislation and improving the reporting capacity.

4.1 RESULTS

By creating decision support mechanism, support is provided to decision makers for improving efficiency of public administration and data is provided for risk based audit. Qualified, detailed and reliable solutions are generated for public financial data needs of academia and NGOs. Preparation of a citizen oriented, clear, efficient, simple and timely budget guide contributes to financial transparency.

- **1-The legal framework is improved.**

  Current secondary legislation is harmonized according to the needs in order to reach objectives of the project via gap analyzing method. Accrual based accounting implementations were enforced in Turkey; but improvement of financial tables produced by institutional units such as universities and municipalities, and enrichment of financial analysis to be made on these financial tables are considered. A draft including revisions for the Public Financial Management and Control Law (No: 5018) about the citizen's budget and for implementation is planned. In order to determine the framework, a communique will be issued by the second half of 2017 by the DGPA, the Ministry of Finance. This communique will include provisions about standards of public financial analysis techniques.

- **2- Data mining software design is created**
  - Studies on **data mining,** modeling for future usage and predicting by discovering unknown relations between financial data are conducted. Accounts of extra-budgetary institutions, social security institutions and municipalities are produced in the internet-based Public Expenditure and Accounting Information System (KBS) by the Directorate General of Public Accounts, Ministry of Finance. These data are related to expenditure and accounting processes. According to the World Bank experts, say2000i program, that is basis of the KBS system, was one of five software programs designed in this field in 2000 in which the system was started to be used. This financial management system can obtain data from all institutions within the general government sector. Data of 5250 administrations within the general government related to revenue, expense, asset, liability, and equity; product and barcode based movable information of administrations within the central administration; and data regarding salaries of staffs within the general budget will be used as database of data mining system. A software design will be created in 2017 by national resources as a result of workshops with shareholders depending on final report outputs to be created after training programmes. Within the scope of software design, a data warehouse will be established and it is ensured that suitable algorithms used in data mining system will be chosen and used in 2017. Data Warehouse Unit will be established in the DGPA and experts in a sufficient number will be employed in the unit for running data mining system. Internal and external audit units will be benefited from the data mining system in order to make risk based auditing. Also, this system will present richer and more detailed data to public administrators in determining fiscal policies. Besides, it will present richer data to the authority preparing and planning budget especially in terms of savings in public expenditure. If required, information received from the system can be submitted to academicians. The implementation of the data mining system will be seen on site in countries using

the system by on-site training best. Then, workshops will be organized in order to receive concrete results with the participation of experts from shareholder countries, auditors, public administrators, and academicians who will use the system in Turkey for adapting the system in Turkey. The activities during the data mining works will greatly contribute to the determination and prevention of errors and irregularities. Activities within the data mining system will contribute to determining illegitimate operations, irregularities, and risky areas. Examples of risky areas are as follows:

- Ineffective usage of staff
- Determination of surplus movables
- Not being able to use inactive funds for meeting cash requirements
- insufficient investment plans

Mentioned areas are based on estimated information. It is considered that country implementations are examined on-site within the project and thus, illegitimate operations, irregularities, and risky areas will be extended with more details.

- Also, data mining implementation is a methodology assisting detection of contradictions in data. These contradictions may be resulted from insufficient qualities of data as well as financial transactions related to data. 12th Principle of 15 standards (The European Statistics Code of Practice) and principles, which were created by the ESSC (European Statistical System Committee) and prepared for developing, issuing and publishing the European Statistics, was determined as "Accuracy and Reliability". Within this framework, the contribution of the data mining implementation to data quality comes into prominence. 13th Principle of these principles was entitled as "Timeliness and Punctuality". Instant detection of risky transactions in the electronic system wherein financial data are produced thanks to the contribution of data mining implementation is significantly important in terms of taking preventive precautions. Accordingly, data mining appears to be an important means with respect to arrangements recommended by the EU.
- **3- A decision support mechanism and an early warning system are established.**

A decision support mechanism which is necessary for presenting fields posing financial risk to finance and economy management via analysis being done on the public financial data will be established in 2017. A software design is created as a result of final report outputs to be created after the study visit depending on workshops with shareholders. Accordingly, an infrastructure allowing users to create their own reports for analysis is established. These users are public sector bodies and government departments such as audit units, policy makers and institutional managements. Also, establishment of monitoring and warning systems allow each institution to foresee risky and abuse areas. For example, it can be possible to take precautions by instant monitoring of expenditure limits that are given to the public administrations by the budget, and reporting public administrations that tend to exceed expenditure limits to administrators in decision making process by early warning system. As a result, saving in expense, increase in revenue performance and efficiency in movable system will be provided.

- **4- A guideline of public financial analysis techniques' standards is created.**

Financial analysis techniques from the basic financial statements produced in the public sector are developed, and financial indicators for researchers and decision makers through enhancing public **sector financial analysis** concept are created. A guideline of public financial analysis techniques' standards will be created in 2017 as a result of workshops with shareholders depending on final report outputs to be created after study visit. At least 30 ratios will be prepared for using in the analysis of basic financial tables. "Score cards" which indicate financial performance comparing nearly 2000 municipalities will be formed within the public financial analysis techniques and determined ratios at the end of 2017. Counseling service will be taken from local or foreign experts in the field of public financial analysis techniques on the financial analysis techniques in 2017.

- **5- A citizen's budget report is published.**

  A **citizen's budget report,** which will be prepared in 2017 as a result of final report outputs to be created after study visit depending on workshops with shareholders, clarified from technical expressions and in parallel with international applications to the citizens undertaking the financing of the public services publicized. These shareholders are academicians, media organizations, parliament, economic units, chiefs of village, and NGOs from different groups in Turkey. A citizen's budget will be published annually before budget talks in the parliament. . Citizens in a certain number and profile can reach this report. Citizens having access to the internet will be informed about the citizen's budget through website of the Directorate General of Public Accounts, the Ministry of Finance, and the Directorate General of Budget and Fiscal Control so that citizen budget will be seen by at least 200.000 internet users annually by 2017 electronically while citizens not having access to the internet and living in rural areas will be informed by Governorates in cities, district governorates in districts, village chiefs in villages; also citizens living abroad will be informed by representatives in foreign countries. While the budget including technical information can be understood only by a specific sector, a citizen's budget having more plain and simple visual presentation can be understood and evaluated by large masses. This case will contribute to improving citizen awareness.

- **6- Harmonization to data dissemination standards is ensured**

  A final report to be the basis of arrangements done following the study visit is prepared. Our data dissemination standards will be harmonized with the EU standards in using **metadata** and in the **data publication calendar in 2017.** Detailed metadata document will be prepared for each data set and announced to the public in 2017. The Ministry data and report publication calendar will be prepared within the international good practice examples.

- **7- Dissemination of training's and study visit's results is arranged.**

One participant from each province determined from seven different geographical regions is trained. These participants inform their own units on the subjects about which they have been trained.

4.2 MAIN ACTIVITIES

Legislation review, study visits, workshops, and trainings are foreseen in order to reach envisaged results in the project. In order to ensure that project budget is used efficiently and effectively, it is planned that components such as legislation review, workshops and trainings will be held inside the country while study visits are planned to be made abroad.

9742 officers work in central, provincial, and district administrations of the DGPA but the number of the personnel foreseen to join these study visits is 68. The ratio of the experts attending to the study visits to total personnel number is nearly 0.7 %. Considering the number of personnel working in the institutions to which data are presented in addition to number of personnel to be trained within the project by the DGPA, the ratio of the personnel attending in the study visits is very small.

Turkish Statistical Institute, the Central Bank, the Undersecretariat of Treasury, and the Ministry of Development use data compiled by the DGPA of the Ministry of Finance as major provider. Foreseen study visits are important in terms of detecting how coordination is provided between data providing institutions and other ones publishing financial statistics in the EU member states as well as on-site examination of whether model country implementations can be practiced in Turkey. It is necessary to examine on-site technical means of the institutions by which they realize information exchange as well as software and hardware technical infrastructure used during the process.

The perspective of the project activities can be summarized such that experience to be obtained from study visits will be matured through workshops at national level, and then, obtained output will be disseminated. Choosing model EU countries having best practices related to following subjects is considered to be more useful within the scope of the study. In terms of project components, the reasons of the study visits aimed to be made abroad are as follows:

- Data warehouses and data mining implementations are non-public systems. Different solution architectures, IT infrastructures, and implementation examples should be seen onsite.
- While early warning systems are used for detecting irregularities and corruptions, decision support mechanism indicates fields which will be exposed to financial risks by means of analysis on public financial data being presented to finance and economy administrators. Since information security constitutes basis on these fields, the systems used for related processes are conducted non-publicly. Accordingly, it is necessary to make on-site examinations for process analysis of the systems.
- Financial analysis techniques can only be applied to private sector in Turkey. There is limited number of financial analysis techniques to be applied in the public sector. Applying analysis techniques of the private sector to the public sector does not give significant results. Therefore, it is necessary to make on-site examinations together with member state experts in order to see which one of the public financial analysis techniques that are used within the EU member state's statistics system can be applicable in Turkish Reporting System. Moreover, it is required to make on-site examinations of financial rules and finance structures related to financial transactions of public institutions of the EU Member State in different administrative structure. Within this scope, it is necessary to examine the role of financial analysis ratios in measuring financial performance during financial administration and particularly of the Municipalities, and the criteria considered while measuring in an institution to be determined as pilot during study visit together with relevant experts.
- Global international finance organizations and NGOs incite governments to provide more detailed budget information to public. One of these NGOs, Open Budget Initiative of the International Budget Partnership (IBP) presents the extent to which the governments reflect

budget results of the countries to public in form of reports by conducting worldwide broadly participated questionnaires in 2006, 2008, and 2010. Publication of the Citizen's Budget is one of the criteria to be scored in the Open Budget Questionnaire of the IBP. Since Turkey does not publish Citizen's Budget, Turkey has not been graded from this criteria. In order to align with international standards, Turkey needs to carry out Citizen's Budget implementation into effect under the guidance of the EU implementations. Accordingly, it is necessary to primarily examine budget systems and results of an EU Member State in comparison with budget system and results of Turkey. Moreover, it is significantly important to make on-site examinations for preparing Citizen's Budget by simplifying the language without using technical terminology, and for analysing quality, kinds and publication types of the reports issued in this period as well as attending organizations, which are held for raising awareness of citizens and ensure citizen's participation to the budget process, as observer. Therefore, on-site examination of an EU member state having reached to international standards in terms of publishing Citizen's Budget will make great contribution to develop a Citizen's Budget which will be suitable for public finance structure of Turkey.

- It is necessary to see on-site what the publication types of data dissemination and publication standards are: if electronic publication is made, internet or intranet infrastructure should be seen; or if printed publication is made, the service types and how procurement process is conducted should be seen. Also, timing of the study visit should be arranged in order to see all the processes of before loading data in the system as well as all processes of actual publication and afterwards on-site.
- DGPA is a unit sending financial data to the international organizations due to its working field. In this framework, staffs having required international terminology and meeting experience for following trainings and meetings arranged by the organizations are frequently needed. It is considered that the experiences of the staffs obtained during the trainings within the project will be beneficial for further works.
- It is important to follow the EU and international implementations in order to ensure sustainability of the project outputs. The experiences of the experts, who will be sent abroad within the project, will contribute in following developments of the EU and other countries and thus adaptation of them in Turkey. The experiences of experts, who will join trainings and seminars abroad, will be beneficial for these experts while attending international meetings and seminars later. Also, the network which will be established during study visits will be advantageous in further works.

The proposal made by the MS should include the activities they propose to achieve the results listed in the fiche.

Main activities planned within the scope of the ESEI project "Capacity Building Concerning Presentation and Usage of the General Government Financial Statistics" are as follows:

- **Kick Off Event**

  Kick off event will be in the form of an event.

- **1- Review Legislation comprised by three subactivities such as;**

1.1. Reviewing national legislation (2 months for the activity of detecting deficiencies with respect to the international financial statistics legislation by reviewing primary and secondary national legislation for 7 experts from DGPA (MoF)

1.2. Reviewing international legislation (3 months term for the activity of examining international financial statistics dissemination and publication legislation for 7 experts from DGPA (MoF),

1.3. Remedying deficiencies in the national legislation (2 months term for the activity of creating comparison and deficiency detection report to be formed after the comparison of the first and second activity for 7 experts from DGPA (MoF),

- **2- Data Mining and Technical Infrastructure are comprised by the following subactivities;**

2.1 On-site training activity to be organized on data mining and technical infrastructure (10 experts for the first 10 week days and 10 experts for the next 10 week days of the same training), last 3 days of each 10 week days international technical infrastructure research (activity of examination for the optimal technical infrastructure needs by the on-site visit to an implementing country example).

It is foreseen that trainings within on-site training programmes will be conducted as follows;

	Training Name
1	**Theoretical Training**
1.1	Data Preprocessing
1.2	Data Warehousing and Online Analytical Processing
1.3	Data Cube Technology
2	On-site Observation of Information Infrastructure of Different Public Institutions in which Data Mining is used
2.1	Examination of Data Warehousing Structures
2.2	Examination of Means used for reporting
3	On-site examination of Institutional Organization Structures of Different Public Institutions in which Data Mining is used
3.1	Examination of Unit Task Descriptions
3.2	Examination of Personnel Structure and Task Distribution
4	Examination of Work Processes and Model Practices in Different Public Institutions in which Data Mining is used
4.1	Observation of Analysis Periods
4.2	Observation of Design Periods
4.3	Examination of Data Security and Quality Periods

2.2 Forming a final consolidated report with reference to the evaluation reports to be prepared by experts of the training activity (1 month term),

2.3 Conducting workshop with reference to the report outputs with nearly 30 people including IT staffs, experts from BC and MS, the Ministry of Internal Affairs (the Directorate General of Local Administrations), municipalities and affiliated units of the Ministry of Finance (1 month term in Turkey), designing software necessary for running the application in Turkey (1 month term).

2.4. Designing software necessary for running the application in Turkey (1 month term).

- **3- Early Warning System is comprised by following subactivities;**

3.1 Conducting workshop with nearly 50 people including IT staffs and experts from BC and MS (1 month term in Turkey),

3.2 Organizing a study visit:

- To a member state with 12 experts for five week days from DGPA will be made in order to observe and evaluate member state's practices related to early warning system in the field of government accounting system. During this study visit, the way of modelling data warehouse and the kind of report for providing decision support will be worked.

3.3 Forming a final consolidated report with reference to the evaluation reports to be prepared by the participants of the study visit (1 month term),

3.4. Designing software necessary for running the application in Turkey (1 month term).

- **4- Public Financial Analysis Techniques are comprised by the following activities;**

4.1 Organizing a study visit:
-To a member state with 12 staffs for five week days
who produce public financial tables and work for analysing them from DGPA will be made in order to observe and evaluate member state practices related to public financial analysis techniques done through the country's accrual based reporting. The aim of the study visit is to examine public financial tables in the country with the staffs producing and analysing these tables in that country, and to exchange views.

4.2 Forming a final consolidated report with reference to the evaluation reports to be prepared by the participants of the study visit (1 month term),

4.3. Conducting workshop with academicians, economy units, the Central Bank, Turkish Statistics Institute, the Ministry of Development, the Undersecretariat of Treasury, and DGPA with reference to the report outputs (1 month term in Turkey),

4.4 Publishing a document determining standards for the Public Financial Analysis Techniques with reference to the workshop outputs (1 month term).

- **5- Citizen's Budget is comprised by the following subactivities;**

5.1 Conducting workshop with nearly 30 people with the participation of the BUMKO (Directorate General of Budget and Fiscal Control),the SGB (Strategy Development Unit), Social Security Institution and Local Administrations, Revenue Administration, and DGPA with reference to the report outputs (1 month term in Turkey).

5.2 Organizing a study visit :
- To a member state with 12 experts for five week days,
from DGPA will be made to observe and evaluate a member state practice related to citizen budget. Examining journals and websites related to informing citizens, and exchanging views with the experts preparing them in the country to be visited will be provided.

5.3 Forming a final consolidated report with reference to the evaluation reports to be prepared by experts of the study visit (1 month term),

5.4 Publishing citizen's budget report to be prepared with reference to the workshop outputs (2 months term).

- **6- Harmonization to the Data Dissemination Standards is comprised by the following subactivities;**

6.1 Organizing a study visit:

- To a member state with 12 experts for five week days,

from DGPA will be made to observe and evaluate a member state practice related to harmonization to the Data Dissemination Standards. The aim of the visit to be paid to prominent country in terms of DDS foreseen by the Eurostat is to see reflection of publication standards on the implementation on-site, determine deficiencies of the implementation in Turkey, and make consultations with experts. .

6.2 Forming a final consolidated report with reference to the evaluation reports to be prepared by the experts of the study visit (15 days).

- **7- Dissemination training is comprised by a single sub-activity of training of trainers** (1 month term of informing one participant from each province determined from seven different geographical regions by a training program to be prepared in Turkey within the project outputs).

- **Closing Event**
  Closing event will be in the form of an event.

4.3 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT (WHERE APPLICABLE)

Impacts of the Project: The project will improve the process of converting data into useful information that will be reached to policy makers, academicians, media groups, civil societies and citizens. Also, public control will be ensured by informing public service beneficiaries. Presentation of public financial statistics according to the same standards with the EU and other international organizations in terms of publication time and type will improve the capacity of the Ministry for fulfilling this duty both in Turkey and in international arena.

Catalytic Effect*: The project will contribute formation of budget policies by a reporting mechanism providing efficiency in appropriation allocation. Richer data will be present for determining risk in risk based auditing approach. Accordingly, the audit will be effective and productive, and efficient usage of the public resources will be ensured. Providing indicators for analysing financial situation of its own administration to reporting units will contribute participatory budget process. Citizen's budget will contribute to informing citizens; thus contribute to increase tax conscious.*

4.4 SUSTAINABILITY

Decision support department has been built in the DGPA and improving the capacity of the department within the project is needed. Reports that will be issued therefrom will contribute to

decision making administrators in public and auditing activities. Job definition of the unit will be made and submitted to the approval of the top management. Regular training activities, discussion of requirements, review of software, and update of reports will be provided annually.

The infrastructure of publishing citizen's budget report annually and regularly will be established by arranging the legislation.

Financial Analysis Standards Guideline to be prepared will be attached to the annex of the legislation to be issued; thus, implementation of the Standards and sharing the results with public will be obligatory.

4.5 ASSUMPTIONS AND PRE-CONDITIONS[2]

Relevant institutions, DGPA, the Ministry of Development, the Treasury, Central Bank, the Turkish Statistical Institute, Provincial Bank, other economy units related associations, universities and local administrations will act in harmonization in workshops.

Necessary interest and attention from relevant governmental institutions, sector associations and NGO's will be shown.

DG of Public Accounts will show organizational flexibility in the project process. Besides, DGPA will be willingness to prepare secondary legislation drafts to accommodate for the outcome of project results.

5 IMPLEMENTATION ISSUES

Project will be implemented by twinning materials in order to benefit from the experience of the EU member states.

Beneficiary: Directorate General of Public Accounts (DGPA), Ministry of Finance

5.1 INDICATIVE BUDGET

[2] Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

Indicative Project budget (amounts in EUR) *(for decentralised management)*

PROJECT TITLE					**SOURCES OF FUNDING**								
			TOTAL EXPENDITURE	TOTAL PUBLIC EXPENDITURE	IPA CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Twinning													
Contract 1.1	–	–	1.058.768,00	1.058.768,00	1.005.830,00	*95*	52.938,00	5	52.938,00				–
	–	–											–
	–	–											–
……													
TOTAL IB			1.058.768,00	1.058.768,00	1.005.830,00	*95*	52.938,00	5	52.938,00				
TOTAL INV													
TOTAL PROJECT			1.058.768,00	1.058.768,00	1.005.830,00	**95**	52.938,00	**5**	52.938,00				

The co-financing requirement foreseen under IPA will be considered fulfilled according to the provision of the relevant Financing Agreement.

NOTE: DO NOT MIX IB AND INV IN THE SAME ROW. USE SEPARATE ROWS.

Amounts net of VAT

(1) In the Activity row, use "X" to identify whether IB or INV

(2) Expressed in % of the **Public** Expenditure (column (b))(3) Expressed in % of the **Total** Expenditure (column (a))

5.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Twinning Contract	II Q 2014	IV Q 2014	IV Q 2016

5.3 CROSS CUTTING ISSUES

5.3.1 *Equal Opportunities and non-discrimination*

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed. Male and female participation in the project will be based on the relevant standards of the EU and will be assured by official announcements published to recruit staff for the project. The main criteria for staff recruitment will be appropriate qualifications and experience in similar projects, not sex or age. Both men and women will have equal opportunities and salaries.

5.3.2 *Environment and climate change*

The project has not any negative effect on environment.

5.3.3 *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.

5.3.4 *Civil Society/Stakeholders involvement*

The main users of the general government financial statistics are our stakeholders in the project at the same time. Our stakeholders are as follows:

- Legislative body (commissions and plenary session)
- Financial policy makers and implementers
- Economy units (the Ministry of Development, the Treasury, Central Bank, the Turkish Statistical Institute, Provincial Bank, and other economy units)
- Non-governmental organizations executing fiscal surveillance activities
- Citizens
- Researchers, students, and academicians
- Media organs.
- Audit officer

Their views on what issues are prior for them in the reports or in the early warning system to address will be a principle element in policy development.

ANNEXES

Documents to be annexed to the Project fiche

1. **Log frame**
2. **Description of Institutional Framework**

   (Including composition of the project Steering Committee, Sector Monitoring Sub-Committees, and sectoral working group)

3. **Reference list of relevant laws and regulations only where relevant**
4. **Details per EU funded contract(*) where applicable:**

   For TA contracts: outputs are expected from the contractor and indicative budget breakdown.

   For twinning contracts: main components and activities foreseen, indicative budget breakdown, profile of the MS project leader, resident twinning advisor and key short term experts as well as name and position of the project leader of the BC.

   For grants schemes: components of the scheme, eligible target group and activities (in case of direct grants, justification for selection of grant beneficiary without call for proposal).

   For supply contracts: reference to feasibility study as well as indicative list of items, cost estimate, intended beneficiary, indication on how detailed technical specifications will be prepared, provisions for maintenance + section to be filled in on assets' ownership(**).

   For works contracts: reference to feasibility study for the construction works, identification of the site, indicative list of works to be completed and cost estimate, indication on how technical specifications will be prepared, provisions for maintenance and information on assets' ownership(**); account of services to be carried out for the service part of the contract.

   Please note that feasibility study is a pre-requisite when works and supply contracts are proposed.

   For each activity, describe format and co-financing plan.

   (*) Non standard aspects (in case of derogation to PRAG) are also to be specified.

   (**) Assets' ownership, maintenance plans (applicable to all supply and works contracts**):**
   - Ownership of assets (current and after project completion)
   - Maintenance plans
   - Describe any co-financing arrangement how this will be implemented and by when

5. **Project visibility activities**

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		Capacity Building Concerning Presentation and Usage of the General Government Financial Statistics
		Contracting period expires 2 years after the signature of the Financing Agreement		– Execution period expires 2 years following the end date for contracting Disbursement period expires 5 years after the signature of the Financing Agreement
		Total budget	: 1.058.768,00	
		IPA budget:	1.005.830,00	
Overall objective	**Objectively verifiable indicators (OVI)**	**Sources of Verification**		
Increasing financial transparency by producing information adjusted according to different user needs and contributing to risk based management and audit.	Public financial indicators at the European Union standards.	Statistics and publications produced annually and periodically		
Specific objective	**Objectively verifiable indicators (OVI)**	**Sources of Verification**		**Assumptions**
Alignment of the publication and presentation of general government financial statistics with the EU standards by developing the legislation and improving the reporting capacity.	* Financial statement analysis techniques, methods, and practices in the EU member states * **"**Financial Indicators for Local Governments" developed by the ICMA (International City Management Association) * "10-point test of financial condition" developed by Ken W. Brown	Publications, produced statistics and indicators obtained by public financial analysis methods applied in the EU and other developed world countries. Statistics produced as a result of applying methods such as Early Warning System and Data Mining in the public sector. Studies done by the cooperation between the government and academicians and researchers about the public financial analysis methods.		Relevant institutions, DGPA, the Ministry of Development, the Treasury, Central Ban the Turkish Statistical Institute, Provincial Bank, other economy units relate associations, universities and local administrations will act in harmonization workshops.

	* Citizen's Budget Reports published by the EU member states	Citizen's Budget Reports produced in the EU member states.	
	* Creation of data mining software in 2017 and establishment of the public unit	Data Warehouse unit will be established in the DGPA and experts in a sufficient number will be employed in the unit.	
	* A guideline of public financial analysis techniques' standards will be created in 2017.	This guideline will be published on website of the DGPA in order to allow academicians, media, economists, municipalities and public administrations make use of it.	
	* Establishment of decision support mechanism and early warning system in 2017.	Establishment of decision support mechanism and early warning system and run them by relevant experts by making use of computer technicians of the data warehouse branch of the DGPA	
	Citizen's budget will be prepared annually in and after 2017 before budget preparation works.	Citizen's Budget will be announced to public via website of the DGPA, annual journals, bulletins, or booklets.	
		Publication of financial statistics on the website of the DGPA	

	* Data dissemination and publication standards will be in compliance with the EU standards in using metadata and in data publication calendar in 2017.	according to the EU standards.	
Results	**Objectively verifiable indicators (OVI)**	**Sources of Verification**	**Assumptions**
-The legal framework is improved. -Data mining software design is created. A decision support mechanism and an early warning system are established. -A guideline of public financial analysis	* Communique will be issued by the second half of 2017 by the DGPA. * Creation of a data mining software design, establishment of data warehouses, creation of data models in 2017. *Establishment of decision support mechanism and early warning system in 2017. *A guideline of public financial analysis techniques' standard will	Website of the DGPA Terms of reference and work plans Management reports Progress Reports communique issuance Trainee certificates Schemes Study Visit Reports Report on institutional improvements Report on necessary project fiches. Records from IT System of DGPA (say2000i) and Public Information System (KBS) .	Necessary interest and attention from relevant governmental institutions, secto associations and NGO's will be shown.

techniques' standards is created	be issued in 2017.	Regular Twinning Reports.	
	-Preparation of at least 30 ratios for using in the analysis of basic financial tables.	Workshop Reports -Participation Records.	
	- Formation of score cards which indicate financial performance comparing nearly 2000 municipalities at the end of 2017. Counselling service will be received in 2017.	- Training Questionnaires.	
-A citizen's budget report is published.	* Citizen's budget will be prepared annually in and after 2017 before budget preparation works		
	-Ensuring that citizen's budget will be seen by at least 200.000 internet users annually by 2017 electronically.		
-Harmonization to data dissemination standards is ensured	*Annual preparation and publication of detailed metadata document for dataset, preparation of Ministry data and report publication calendar in 2017		
-Dissemination of training's and study visit's			

results is arranged.			
Activities to achieve results	**Means / contracts**	**Costs**	**Assumptions**
1-Review Legislation comprised 2- Data Mining and Technical Infrastructure are comprised 3-Early Warning System is comprised 4- Public Financial Analysis Techniques comprised 5- Citizen's Budget is comprised 6-Harmonization to the Data Dissemination Standards is comprised 7- Dissemination training is comprised	Twinning	1.058.768,00 **EURO**	DG of Public Accounts will show organizational flexibility in the project process. Besides, DGPA will be willingness to prepare secondary legislation drafts to accommodate for the outcome of project results

Annex II: Description of the Institutional Framework

Project Management

The whole contract will be tendered as one.

Responsible body

The Central Finance and Contracts Unit (CFCU) is the Contracting Authority and will be responsible for the tendering, contracting, administration, accounting, payments and financial reporting. The Director of the CFCU will act as Programme Authorizing Officer (PAO) of the project.

The Ministry of Finance, Directorate General of Public Accounts (DGPA) represented by the Senior Programme Officer (SPO) will be responsible for the technical implementation.

Management Structure

The Project shall be implemented and managed by (DGPA) in close coordination with the Twinning Team.

The beneficiary will establish a Project Management Unit (PMU) which will operate in DGPA premises. This unit will be responsible for the technical implementation of the project under the overall supervision of the PAO. The PMU will be responsible for assisting the Twinning Partner in timely implementation of project activities. The results of activities during the implementation will be reported by interim quarterly project management reports. The purpose of the PMU will be; to ensure effective communication between the Twinning Partner's project group and the Beneficiary; to co-ordinate the work of the operation on an ongoing basis and to allow the Beneficiary to be fully informed of operation activities. The PMU will meet at least once every three weeks during the project.

Roles and responsibilities of the SPO

The project will be implemented under the supervision of the DGPA, acting as Senior Programme Officer and which will be responsible for the proper and timely implementation of the activities.

The Senior Programme Officer will be particularly responsible for:

- Submitting the request to the CFCU to launch tenders;
- Endorsing commitment and disbursements documents prior to their transmission to the CFCU for approval;
- Supervising, monitoring and notifying to the CFCU the difficulties or non-performance of the contract during implementation;
- Cooperating with the Consultant on Project implementation and follow up (logistical assistance or other, if required, ensuring the Consultant's performance/deadlines, approval of technical reports of the Consultant);
- Monitoring the Project implementation (preparation of semi-annual

monitoring reports, preparation of regular process activities reports presented to the CFCU);
- Consulting the CFCU on the correct procedure to follow up before carrying out further project adjustments.

Roles and responsibilities of the MS Project Leader

MS Project Leader is supposed to be a high-ranking official who continues to work in his/her MS administration but devotes a portion of his/her time to conceiving, supervising and co-ordinating the overall thrust of the project.
The MS Project Leader should commensurate with the requirement for an operational dialogue and backing at political level.

a) Qualifications:

- Knowledge in data mining, presentation of statistics, reporting, analyzing and presenting general government's financial data,
- High-ranking official, commensurate with an operational dialogue at Ministerial level;
- Overall appreciation of the problems and solutions in the sector;
- Capable of unblocking any problems at highest level;
- Good leadership skills;
- Good written and oral command of English.

b) Tasks:

- Overall project co-ordination;
- Co-chairing, with the Turkish PL, the regular project implementation steering committee meetings;
- The management of the team of long and short term experts;
- Mobilizing short term experts;
- The primary contact for all the communications, elaboration and delivery of all necessary inputs for ensuring proper implementation of the activities in accordance with the EC Rules;
- The fulfillment of the reporting requirements.
- Executing administrative issues (i.e. signing reports, side letters etc.).

Roles and responsibilities of the Resident Twinning Adviser (RTA)

The RTA is supposed to assist in finalizing the twinning contract, establish a work plan for project activities, facilitate the organization of workshops, particularly with the EU Offices (including Court of Justice, and specialized EU courts), identify contact persons, assist in identifying topics of discussion and case studies (both local and EU cases)

a) Qualifications

- Minimum of 5 year-experience in data mining;
- 10 years of experience in reporting and analyzing general government's financial data

- Knowledge in data mining as well as decision support mechanism
- Preferably a comparative knowledge of other Member States' systems;
- Experience in project management;
- Advanced university degree;
- Strong written, oral and inter-personal communication skills in English;
- Good communication skills and experience in developing, co-coordinating and conducting training programmes;
- Experience in managing a large team of experts;
- Knowledge of the EU legislation about all elements of the project
- Knowledge of Project Cycle Management and experience in preparation of procurement documents in accordance with the EU Practical Guide Rules for procurement,
- Ability to work under time pressure.

b) Tasks

- The execution of the day to day management;
- To plan and coordinate outputs;
- Together with the Project Leader: to nominate and mobilize the short term experts;
- To supervise the short term experts;
- To coordinate and organize study visits, training activities, workshops and other activities;
- To ensure proper quality of outputs;
- To provide detailed reports on the impact of the project.

Roles and responsibilities of the Resident Twinning Adviser (RTA) Counterpart

RTA Counterpart will:

- Jointly work with the RTA in overall coordination of the day to day project implementation
- Draft the quarterly and interim project management reports with the RTA
- Review and implement the directions of the Project Managers and PMU

Roles and responsibilities of the (short term) experts (STEs)

STEs will have expertise for the tasks assigned and will share this expertise with their colleagues and peers from the beneficiary institutions. STEs are supposed to be knowledgeable on financial reporting and analyzing, the EU Acquis and practices in this regard. These experts are expected to take part in the analysis of the Turkish legislation and organizational structure based on the best practices applied in the EU member states. Short-term experts depending on the workshop, seminar, round table will take part.

a) Qualifications:

- Good command of written and spoken English;
- Good communication skills;
- To have sufficient knowledge and experience on the EU best practice related to public financial reporting and analysing;
- At least five years of practical experience in the above mentioned fields

Monitoring

For monitoring of the project management and activities, the project leader will prepare the monitoring reports to be submitted to EUSG as the National IPA Coordinator (NIPAC) and the Steering Committee. The Project leader will also prepare an Interim Evaluation Report for the evaluation of the project management and implementation. The Steering Committee will review the inputs of the reports, monitor the progress of the project and assist the SPO in decision-making. Below is a chart showing the composition of the members of the Steering Committee.

Steering Committee

The Steering Committee will be responsible for monitoring the project and deciding on the basis of the deliberations of its attendees, who are not observers, on any necessary changes to be made in the implementation of the project.

The Steering Committee will be held at least at the end of each quarter or as required by the implementation of the project to discuss the progress of the project, verify the achievement of the outputs and mandatory results and discuss actions to be undertaken in the following quarter. The Steering Committee will also discuss the draft of the quarterly report submitted to it beforehand, and recommend corrections.

The Steering Committee meetings will be held in Ankara and chaired by the project leaders of the MS and BC. The responsibility for the organisation of the Project Steering Committee meeting lies on both Project Leaders.

Name	**Organization**
Selçuk ADIGÜZEL	DGPA (MoF)
RTA	Twinning Partner
RTA Counterpart	
Observer	EU Delegation
Procurement Officer	Contracting Authority
Representative	Min. of EU Affairs
Representative	Ministry of Development
Representative	Treasury
Representative	Central Bank
Representative	Turkish Statistical Institute

Indicators for monitoring the training programme are divided into two parts, quantitative and qualitative. These indicators shall be included and presented as part of the progress reports mentioned above.

Quantitative indicators:

- Number, type and description of courses conducted year to date (ytd)
- Number of participants involved in the training programme for the last two

months and ytd

- Number and description of educated Train the Trainers
- List of institutions with indication of number of participants and types of courses represented in the training in the last two months and ytd
- Participants' evaluating grids with a benchmark score for each course

Qualitative indicators:

Specification of the results of the evaluation grids as for instance satisfaction or dissatisfaction with rooms, trainers and notes, to be included in the progress reports

REPORTING

1. In the course of contract implementation the Project Leaders will present the following reports:

- Quarterly Progress Reports covering the state of play of the project activities for monitoring purpose.
- A Final Report - no later than 30 days after the Project performance is finished. The reports will have to be countersigned by the SPO.

2. Reporting language – English and Turkish
3. Number of copies of particular reports – 5
4. The reports shall be submitted to the DGPA (MoF), EUD, Min. of EU Affairs and the CFCU.

The Project Leader is in charge of submitting formal reports on the project implementation progress to various parties concerned. Those reports consist of quarterly progress reports and a final report.

The MS Project Leader in co-operation with the BC Project Leader will submit interim quarterly reports. Each report will cover one quarter of the project calculated from the date of notification of endorsement / signature of the contract. The interim quarterly reports will be prepared and distributed to all participants in advance of the meetings of the Project Steering Committee.

The MS Project Leader shall submit the final report no later than three months after the implementation period.

Annex III – Reference list of relevant laws and regulations

EU legislation

The Financial Regulation no 1605 dated June 25, 2002 which is the relevant acquis of the "Financial Control" chapter

The Council Regulation no 2223 dated June 25, 1996 about the European System of National and Regional Accounts which is the relevant acquis of the "Statistics" chapter.

Commission Decision 2008/969 of 16 December 2008 on the Early Warning System for the use of authorising officers of the Commission and the executive agencies

Council Recommendation 2003/90/EC of 21 January 2003 with a view to giving early warning to France in order to prevent the occurrence of an excessive deficit

Budget Support Guideliness by European Commision, September 2012, Part III: Thematic Topics and Procedural Requirements (http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/documents/bs_guidelines-part_iii-annexes_thematic_topics_procedureal_requirements_en.pdf) (A guideline related to budget aids given by EU to third countries)

Mission Charter of the Internal audit Service of the European Commission, Brussels, 6.6.2013 C(2013) 3317 (http://ec.europa.eu/dgs/internal_audit/docs/ias_charter_en.pdf)

Turkish Legislation

Public Financial Management and Control Law (No:5018),

Decree of Council of Ministers on Implementing Official Statistics Programme,

General Government's Regulation on Accounting

Central Government's Regulation on Accounting,

Accounting Directive of Directorate of Social Security Institution

Local Administrations Regulation on Budget and Accounting

Basis and procedures on accounting practices of community facilities run by public institutions and organizations

Central Government's Budget Law,

Final Account Law,

Regulation on basis and procedures of arranging public administrations' final accounts

Reference to the National Development Plan

The 9th National Development Plan for the period 2007-2013 states in paragraph

5.6. Increasing Quality and Effectiveness in Public Services

"294. *In order to ensure effective management of the economic and social development process, it has become a requirement to provide public administration in Turkey, which has a centralized structure, with a contemporary understanding,*

structure and operation, where citizen oriented and high quality services can be provided in an effective and rapid manner and concepts such as flexibility, transparency, participation, accountability, responsibility and predictability are emphasized."

Reference to NPAA

1.1. ***Priority 18.1:*** *"Producing timely key national accounts indicators in accordance with ESA 95". "Compiling the accounting data of all the institutions included in General Administration and capacity building to develop statistical tables harmonised with ESA 95" is envisaged as the fourth requirement in accordance with the schedule of the institutional capacity building requirements necessary for the approximation and implementation" of the law*

Reference to the 2012 Regular Progress Report

3.1. The existence of a functioning market economy

"*Four years after the adoption of the Public Financial Management Law, some components are still missing, in particular measures to enhance the accountability, efficiency and transparency of the budgeting process"*

Also, "*Consolidated general government accounts according to international accounting standards are still not regularly published. This makes it difficult for citizens to hold the government accountable for its management of public money*."

Reference to AP

Council Decision of the 18th February 2008 on the principles, priorities and conditions contained in the Accession Partnership with the Republic of Turkey and repealing Decision 2006/35/EC (2008/157/EC)

TURKEY 2007 ACCESSI0N PARTNERSHIP

3.1 short-term priorities, i.e. *the reform of public administration and personnel policy in order to ensure a greater efficiency, accountability and transparency.*

Reference to Europe 2020 Strategy

The EU has built a sound and efficient economy management in order to ensure harmonization in policy activities at the national and EU level for the effective realization of the EU 2020 Strategy (http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/index_en.htm)

As well as, *"Stability and Growth Pact" including a number of rules was signed among 28 member states for creating and sustaining more sound public finance. This Pact was supported by amendment proposals in some areas such as improving national budget framework referring predictions implementations, accounting and*

statistics. (http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/economic-governance/index_en.htm)

Reference to Positive Agenda

Financial Regulation no 1605 dated June 25, 2002 which is the relevant acquis of the "Financial Control" chapter, "*Solid financial management*" and *"transparency*" are among the main principles of the budgeting and budget implementing process in the Regulation.

Also, Council Regulation no 2223 dated June 25, 1996 about the European System of National and Regional Accounts which is the relevant acquis of the "Statistics" chapter, the situation of statistical results is open to the citizen's access in accordance with the transparency principle is foreseen.

Other Documents

2013-2017 Strategic Plan of the Ministry of Finance

2013 Performance Programme of the Ministry of Finance

Annex IV: Details per EU funded contract

Contract 1.1: Indicative budget

NOTE: Data mining software will be financed by national sources thus no expense for the software is included in the budget.

Annex V. **Project visibility activities**

Project visibility will be ensured by following means:

- Making promotion through website,
- Preparing a publication for informing public in online magazine format,
- Promoting the project by publishing articles in professional magazines in this field,
- Training organization of trainees and giving trainings to 5000 people via regional trainings,
- Receiving and distributing images of panels and workshops,
- Promoting outputs and current situation by local and national press means.