



**Press conference**

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**Special Report 16/2009**

**“The European Commission’s management of pre-accession assistance to Turkey”**

Ladies and Gentlemen,

It is my great pleasure to present to you today the European Court of Auditor's Special Report on the European Commission's Management of pre-accession assistance to Turkey.

This was the first performance audit of the Turkey Pre-accession Aid by the Court of Auditors. In a performance audit the Court assesses the efficiency and effectiveness of a policy or programme. Two different assistance programmes have been looked at in this audit: Turkey Pre-accession Assistance (TPA), running from the year 2000 until the end of 2006, and its successor the Instrument for Pre-accession Assistance (IPA).

For both programmes and periods the pre-accession assistance was and is managed under the so-called Decentralised implementation system. While the Commission retains overall responsibility for the management of the pre-accession assistance, the programmes are managed by Turkish authorities. For this purpose, new Turkish institutions were set up by the Turkish authorities and accredited by the Commission end of 2003: the EU Secretariat General (EUSG), responsible mainly for project identification and monitoring, and the Central Finance and Contracts Unit (CFCU), which is the contracting agent for all EU-funded projects. As part of this system the Commission Delegation in Turkey performs ex-ante checks on procurement and contracting. The main beneficiary of each project, usually a ministry or other public body, is responsible for proposing project ideas, specifying the requirements, and then for managing the project activities. Some 500 million euro is budgeted annually for new commitments.

The auditors were asked to answer the question whether the pre-accession aid to Turkey has been effectively managed by the EU Commission. Three areas were focused upon:

- the design of the annual National Programmes and the related effectiveness of the Programming exercise;
- the effective functioning of the Decentralised Implementation system
- and a sample of projects in order to identify and illustrate with concrete examples the consequences of programming and implementation procedures.

Before coming to the conclusions of this Special Report let me make clear that the auditee of the European Court of Auditors is the European Commission, not the Republic of Turkey. The focus of the audit was indeed the Commission's management of EU funds provided to Turkey.

Having said this, the Court concluded that weaknesses existed in the Commission's management of pre-accession assistance to Turkey in the first pre-accession period from 2000 to 2006. Those were similar to the problems observed in previous pre-accession programmes: excessive delays, implementation problems, inadequate monitoring and evaluation. Since then, the Commission has taken action to improve procedures for the new IPA instrument, but improvements are still required in establishing priorities for and assessing the effectiveness of the funding.

More specifically the Court noted that there was insufficient direction to determine the priorities to which the EU assistance should be allocated. 236 priorities to be achieved to prepare Turkey for EU membership were set in the EU Accession Partnership. There was no mechanism to ensure that the projects proposed and selected were those that represented the best use of EU financial resources in achieving the priorities of the EU Accession Partnership; a clear hierarchy of objectives and specific criteria were lacking. Specific, measurable and achievable objectives for the assistance were not set and timescales were not realistic.

Although project selection procedures were improved considerably with the introduction of the Instrument for Pre-accession, proposals were still not assessed for how effective and efficient they were likely to be in *achieving* a strategic objective, thereby allowing meaningful comparison between alternatives or the selection of projects likely to have the greatest impact.

Regarding the responsible Turkish institutions, the Court found that, despite having been approved by the Commission, they were understaffed for the 2002 to 2004 National Programmes and did not achieve timely implementation of the projects audited or for the programmes as a whole. Nevertheless, although beset by implementation problems and delays, the DIS ensured that the audited projects mostly achieved their planned outputs and the results were likely to be sustainable. This is to a great extent due to the high level of commitment shown by the Turkish authorities.

The Commission has introduced measures, amongst others aimed at addressing many of the weaknesses in the responsible Turkish institutions. The full impact of these improvements can only be assessed as the IPA projects are implemented in the coming years.

The Court further concluded that the Commission did not have sufficient information to demonstrate the effectiveness of the pre-accession assistance. The Court found that the *project fiches*, the standardised project descriptions, provided the basis of a performance monitoring system by setting out project objectives and expected results with objectively verifiable indicators. However, in reality the objectives set were often not specific, measurable, achievable, relevant and time-bound, and the indicators were not sufficient to monitor the achievement of the objectives. Consequently, there was not a sound basis for monitoring performance.

On the basis of these observations, the Court has made recommendations which aim to support the Commission in improving efficiency and effectiveness of the assistance. I mention the most important ones:

1. The Commission should improve programming with a robust methodology to determine the strategic objectives for which the EU financial assistance is most needed.
2. The Commission should continue with initiatives to improve project design and implementation by the responsible Turkish institutions. Measures such as compulsory needs assessments and better scheduling of contracting should be appropriately applied.
3. The Commission should improve the mechanism for reporting on the implementation of projects and the delivery of their activities and outputs, and should ensure that project performance is monitored using indicators set out in the *project fiches* to demonstrate the achievement of the project objectives.
4. The Commission should ensure that project outcomes (results and impacts) are reported at the end of each project and at appropriate intervals thereafter in order to provide performance information to inform future planning.

The Court has over the years carried out a series of audits on the important issue of EU-assistance to candidate countries and potential candidate countries. Through our audits we aim to contribute to improving the effectiveness of established EU-policy instruments. In this respect I want to stress once more that the commitment from the Turkish authorities is a major success factor to achieving the objective of this assistance programme: namely to support the country to comply with the Copenhagen criteria for membership and to align with the EU-acquis communautaire.

Now I am ready to answer any questions, you may have.