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Benefitting of Turkey from Financial Assistances of the eu: Difficulties and Successes**Abstract**

As a candidate country, Turkey has benefited from the EU Assistance under IPA for the period 2007-2013. Number of projects implemented in Turkey was totally 2 312, so far. It is a fact that applicants (NGOs, Government Institutions, SMEs) face some problems during the preparing and implementation of the projects. Therefore, the aim of this study is to share experiences of Turkey with other countries, explain distribution of assistance component by component, and give examples from successful implications in practice.

Keywords: EU, Grant, Project, Turkey

1. Introduction

Turkey was one of the first countries, in 1959, to seek close cooperation with the European Economic Community (EEC). This cooperation was realised in the framework of the Ankara Agreement that was signed in 1963 (Anonymous, 2009a). After 23 years of "association agreement", Turkey applied for full membership of the European Community (EC) in 1987 and signed a Customs Union agreement with the EC in 1995 (Akca, 1996). Application of Turkey for membership to the European Union (EU) was accepted by the European Council in Helsinki in 1999. Turkey started to negotiations with the EU in 2005.

The EU finances every year thousands of projects from social services to enterprise support and regional development. All projects have a single objective: preparation for the EU membership (Anonymous, 2009b). Many projects were implemented in Turkey under the EU Assistances. Municipalities, Associations, Chambers, Unions, Universities and SMEs have faced some difficulties related to

projects (preparation, implementation, etc). Therefore, the aim of this study is to share experiences of Turkey with other countries, explain distribution of assistance component by component, and give examples from successful implications.

2. Financial Assistance Of The Eu And Turkey

Before joining the EU, a country must have a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the EU (EC, 2009). Until 2002 Turkey had received support under the MEDA programme and through two regulations to support the customs union and economic and social development. For the period to 1999 the key aim of assistance to Turkey had been to accompany the process of structural reform, as for other Mediterranean partners. Following the Helsinki European Council in 1999, a pre-accession orientation was introduced to the financial assistance programmes with Turkey. Assistance continued to be available for structural adjustment, in co-ordination with the international financial institutions, but assistance also began to focus on institution building, investment, and supporting the participation of Turkey in Community programmes and agencies (CFCU, 2009). Cumulative EU Assistance to Turkey for the period 2000-2006 is summarised in Table 1.

Table 1. Overview of EU Assistance to Turkey 2000-2006

| | Cumulated EU Assistance (€) |
|----------------------------|-----------------------------|
| Political Criteria | 115 432 505 |
| Energy | 11 404 000 |
| Telecommunications | 3 460 000 |
| Social Policy | 36 931 075 |
| Transport | 12 603 000 |
| Environment | 45 350 000 |
| Internal Market | 28 920 295 |
| Agriculture | 119 427 100 |
| JLS | 30 904 750 |
| Economic Social Cohesion | 461 969 294 |
| Community Programmes & CSD | 218 161 722 |
| Public Administration | 33 594 325 |
| Customs | 44 490 954 |
| Other | 72 871 000 |
| Total Allocations | 1 235 520 000 |

Source: ABGS (2008).

Since 2007, all the EU assistance to the countries now with a prospect of EU membership has been brought under a single heading, the Instrument for Pre-Accession Assistance (IPA). This brings a new focus to EU assistance for enlargement (EC, 2009). IPA replaces the 2000-2006 pre-accession financial instruments PHARE, ISPA, SAPARD, the Turkish pre-accession instrument, and the financial instrument for the Western Balkans, CARDS (Europa Media, 2006). The beneficiary countries are divided into two categories, depending on their status as either candidate countries (Turkey, Croatia, the former Yugoslav Republic of Macedonia) under the accession process or potential candidate countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo) under the stabilisation and association process. IPA is made up of 5 Components, each covering priorities defined according to the needs of the beneficiary countries. Two components (transition assistance and institution-building, cross-border cooperation) concern all beneficiary countries. The other three components (regional development, human resources development, rural development) are aimed at candidate countries only (Europa, 2009). The total pre-accession funding for the current financial framework (2007-2013) is € 11.5 billion. Allocations per country, decided so far for the period 2007–2012, are shown in Table 2.

Table 2: EU Financial Assistance under IPA in 2007-2012 (€ million)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2007-2012 |
|------------------------|---------|---------|---------|---------|---------|---------|-----------|
| Turkey | 497.2 | 538.7 | 566.4 | 653.7 | 781.9 | 899.5 | 3 937.4 |
| Croatia | 141.2 | 146.0 | 151.2 | 154.2 | 157.2 | 160.4 | 910.2 |
| Macedonia | 58.5 | 70.2 | 81.8 | 92.3 | 98.7 | 105.8 | 507.3 |
| Serbia | 189.7 | 190.9 | 194.8 | 198.7 | 202.7 | 206.8 | 1 183.6 |
| Montenegro | 31.4 | 32.6 | 33.3 | 34.0 | 34.7 | 35.4 | 201.4 |
| Kosovo | 68.3 | 184.7 | 106.1 | 67.3 | 68.7 | 70.0 | 565.1 |
| Bosnia and Herzegovina | 62.1 | 74.8 | 89.1 | 106.0 | 108.1 | 110.2 | 550.3 |
| Albania | 61.0 | 70.7 | 81.2 | 93.2 | 95.0 | 96.9 | 498.0 |
| Multi-country support | 109.0 | 135.7 | 160.0 | 157.7 | 160.8 | 164.2 | 887.4 |
| Total | 1 218.4 | 1 444.3 | 1 463.9 | 1 557.1 | 1 707.8 | 1 849.2 | 9 240.7 |

EU Financial support for Turkey is increasing rapidly year by year. The funds are available in institutional development, cross border cooperation, regional development, development of human resources and rural development (Table 3).

Table 3: IPA 2007-2010: Turkey Allocations according to Components

| Components | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------|-------|-------|-------|-------|-------|
| Transition Assistance and Institution Building | 256.7 | 256.1 | 233.2 | 211.3 | 230.6 | 250.9 |
| Cross-border Cooperation | 2.1 | 2.9 | 9.4 | 9.6 | 9.8 | 9.9 |
| Regional Development | 167.5 | 173.8 | 182.7 | 238.1 | 291.4 | 350.8 |
| Human Resources Development | 50.2 | 52.9 | 55.6 | 63.4 | 77.6 | 89.9 |
| Rural Development | 20.7 | 53.0 | 85.5 | 131.3 | 172.5 | 197.9 |
| Total | 497.2 | 538.7 | 566.4 | 653.7 | 781.9 | 899.4 |

Table 4 shows performance ranks of the bodies that implemented projects. Although no grant may exceed 50 % of the total budget of the Project, more than one-fourth (28.29%) of the projects were carried out by SMEs. Municipality ranks the first in terms of grant amount.

Table 4: Performance Ranks by Bodies

| Bodies | Number of Contracts | % | Grant Amount (€) | % |
|-----------------------------------|---------------------|-------|------------------|-------|
| SMEs | 654 | 28.29 | 47 767 998.55 | 16.69 |
| Associations | 341 | 12.75 | 22 864 342.42 | 7.99 |
| Municipalities | 291 | 12.59 | 88 954 261.97 | 31.08 |
| Chambers | 245 | 10.60 | 21 621 672.99 | 7.56 |
| Foundations | 145 | 6.27 | 13 193 492.47 | 4.61 |
| Unions | 95 | 4.11 | 8 915 097.73 | 3.12 |
| Villages Service Unions | 76 | 3.29 | 21 209 560.35 | 7.41 |
| Universities | 73 | 3.16 | 11 790 188.04 | 4.12 |
| Others | 68 | 2.94 | 7 178 457.09 | 2.51 |
| Cooperatives | 66 | 2.85 | 5 126 019.66 | 1.79 |
| Farmer Groups | 65 | 2.81 | 5 311 118.70 | 1.86 |
| Special Provincial Administration | 50 | 2.16 | 15 546 737.78 | 5.43 |
| Colleges | 38 | 1.64 | 3 771 978.42 | 1.32 |
| Villages | 35 | 1.51 | 5 001 661.91 | 1.75 |

| | | | | |
|-------------------------|------|--------|----------------|--------|
| Trade Unions | 33 | 1.43 | 3 717 152.01 | 1.30 |
| Vocational High Schools | 21 | 0.91 | 1 454 950.59 | 0.51 |
| Public Bodies | 12 | 0.52 | 2 615 333.86 | 0.91 |
| Primary Schools | 4 | 0.17 | 131 433.41 | 0.05 |
| Total | 2312 | 100.00 | 286 171 457.95 | 100.00 |

Source: MFIB (2009).

The EU supports reforms and development in key sectors and EU funds are allocated on a project basis. Among the large range of immediate beneficiaries are ministries and other governmental organizations, municipalities, civil society, small and medium size enterprises (SMEs), the unemployed and vulnerable groups, school children and farmers (Anonymous, 2007). Number of projects implemented in Turkey are totally 2 312. Detailed information about these projects is given in Table 5.

Table 5: Grant Contracts Signed Between CFCU and Applicants in Turkey

| | Number | Duration (month) | EU Funds (€) | Co-Financing (€) | Grant Amount (€) |
|-------------------------------|--------|------------------|------------------|------------------|------------------|
| Nuts II (AKKM) | 510 | 9.48 | 64 294 978.95 | 20 620 844.32 | 84 915 823.27 |
| Bridges of Knowledge | 28 | 10.61 | 2 061 340.65 | --- | 2 061 340.65 |
| Eastern Anatolia Development | 309 | 10.70 | 29 047 351.96 | --- | 29 047 351.96 |
| Eastern Black Sea Development | 213 | 11.24 | 18 000 000.00 | 6 000 000.00 | 24 000 000.00 |
| GAP Flood Mitigation | 37 | 13.22 | 11 799 999.87 | 3 199 999.96 | 14 999 999.83 |
| ISKUR-2002 | 245 | 10.41 | 23 967 487.22 | 7 989 162.67 | 31 956 649.89 |
| ISKUR-2006 | 101 | 11.40 | 11 996 116.03 | 3 998 705.23 | 15 994 821.26 |
| Cultural Rights | 25 | 8.80 | 1 462 633.38 | --- | 1 462 633.38 |
| Cross Border Cooperation-2003 | 9 | 9.67 | 456 190.20 | --- | 456 190.20 |
| Cross Border Cooperation-2004 | 13 | 9.00 | 462 646.11 | --- | 462 646.11 |
| Cross Border Cooperation-2005 | 13 | 9.15 | 454 242.63 | --- | 454 242.63 |
| Cross Border Cooperation-2006 | 17 | 9.59 | 620 666.90 | --- | 620 666.90 |

| | | | | | |
|----------------------------------|-------|-------|-------------------|------------------|-------------------|
| CSD Programme | 119 | 15.24 | 19 294 805.56 | --- | 19 294 805.56 |
| CSD (EU-Turkey Chambers) | 22 | 11.68 | 2 248 788.39 | --- | 2 248 788.39 |
| Supporting Civil Society | 47 | 5.53 | 399 997.69 | --- | 399 997.69 |
| Strengthening Civil Society-2004 | 34 | 5.44 | 675 356.24 | --- | 675 356.24 |
| Strengthening Civil Society | 21 | 7.33 | 499 836.23 | --- | 499 836.23 |
| Nuts II (SKE) | 396 | 9.61 | 36 205 649.61 | 12 068 549.13 | 48 274 198.74 |
| Social Dialogue | 26 | 9.08 | 1 672 732.67 | --- | 1 672 732.67 |
| NGO-2003 | 11 | 11.45 | 483 719.16 | --- | 483 719.16 |
| NGO-2005 | 93 | 10.68 | 5 277 641.30 | --- | 5 277 641.30 |
| Sustainable Development | 23 | 9.43 | 912 015.89 | --- | 912 015.89 |
| TOTAL | 2 312 | 10.28 | 232 294 196.64 | 53 877 261.31 | 286 171 457.95 |

Source: MFIB (2009).

3. Conclusion

Benefits of the EU grant projects:

- EU grant schemes can be an opportunity for an organisation that does not have enough finance but willing to implement a project directed to its aims (solution of problems, creating awareness, human resource development, etc).
- In the past, some projects implemented by SMEs and NGOs were failed due to weak control system of the government. However, EU financed projects are controlled strictly by the CFCU and Delegation of the European Commission to Turkey. This led to efficiency of the projects.
- If aims of public, private and NGOs are to be successful, they should prepare detailed project and submit it to authorities. This reality was understood by everybody.
- Coordination between NGOs and government organisations is weak in Turkey. EU grant projects provide a platform for NGOs and public institutions to work together.
- Some organisations in Turkey have prepared common projects with foreign partners in the EU. This leads to knowledge transfer, establishment of

Friendship Bridge among countries, organising socio-cultural activities together, recognising and accepting each other even if they have different religious and cultural features, etc.

Difficulties faced by project implementation bodies are as follows:

- *Not having enough technical knowledge about how to prepare and implement an EU grant project:* Especially majority of the NGOs established in less developed regions have difficulties when they decide to carry out a grant scheme. Therefore, majority of them are in the control of private consultancy agencies. This can be an obstacle for NGOs when private consultancy agents decide type, budget, and duration of the project. Although field of activity of NGOs are different each other, consultancy agents prepare a project and sell it to many NGOs without taking into account their working area. When NGOs submit a wrong project subject that is not written in its certificate (articles), it is not accepted by the contract authority (CFCU). Another problem is that NGOs must pay money to them for project preparation. This is an obstacle for NGOs because they are non-profit organisations.
- *Strict rules and intense work:* If an organisation does not have a qualified project team, achievement of project activities is sometimes difficult. Documents related to project activities must be prepared in Turkish/English. Technical and financial reports (bimonthly, midterm and final) should be submitted to authorities regularly.
- *Being against the EU:* Some people are against the EU and its financial support. They think that EU supports NGOs to break peace of the country. This idea is common especially among radical people (chauvinist, socialist, etc).

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