



**Turkish IPARD Agency
Agriculture and Rural Development Support Institution**

Workshop on early IPARD II calls

(Successes/Challenges/Lessons Learnt)

10-11 April 2019, MONTENEGRO



OUTLINE

- ❑ **Turkish Experiences on Implementation of IPARD System**
- ❑ **Information on the Results of IPARD-I Calls**
- ❑ **Information on the Results of IPARD-II Calls**
- ❑ **Bottlenecks**
- ❑ **Lessons Learnt**



EXPERIENCES ON IMPLEMENTATION OF IPARD



2005
IPARD-1
Programme
preparation

2007
Establishment
of ARDSI

2008
Approval of
IPARD-1 by
EU
Commission

**2009-
2011**
Accreditation
Process for
M&C System

**2011
August**
The first Call
for Proposals
in 20 Provinces

2013
IPARD
implementation
in
additional
22
provinces

2016
IPARD-1
completed
IPARD-2
Started

IPARD II



LONG but **SUCCESSFUL**

PROCESS

MINISTER
Agriculture and Forestry

ARDSI PRESIDENT

HEADQUARTERS

MAIN SERVICE UNITS

CONSULTING AND AUDIT UNITS

SUPPORT SERVICE UNITS

General Coordination Unit for Project Services
 Coordination Unit for Project Management
 Coordination Unit for Project Monitoring and Control

Coordination Unit for Internal Audit

General Coordination Unit for Personnel and Support Services
 Coordination Unit for Personnel Affairs
 Coordination Unit for Information Systems

General Coordination Unit For Finance
 Coordination Unit for Payment Authorization
 Coordination Unit for Payment
 Coordination Unit for Accounting

Legal Advisory Department

42 PCUs

PROVINCIAL COORDINATION UNITS



IPARD IS IMPLEMENTED in 42 PROVINCES



SELECTION OF IPARD PROVINCES



ANALYSIS

Rural Population

Share on GDP

Migration from Rural

Agricultural Potential



INFORMATION ON THE RESULTS OF IPARD I



THE RESULTS OF IPARD I



IPARD I (2011-2016)

No	Date of Call	Measure	Budget of Call (Million€)	Number of Applications	Number of Contracts	%
1	01.07.2011	101-103-302	295	44	4	9
2	04.07.2011	101-103-302	237	207	58	28
3	17.11.2011	101-103-302	196	152	91	60
4	19.12.2011	101-103-302	513	137	52	37
5	01.03.2012	101-103-302	489	112	46	41
6	15.05.2012	101-103-302	188	127	44	35
7	24.08.2012	101-103-302	121	106	43	41
8	23.11.2012	101-103-302	37,5	241	111	46
9	23.01.2013	101-103-302	295	1.627	981	60
10	19.04.2013	101-103-302	237	635	417	66
11	26.08.2013	101-103-302	196	5.845	4.592	78
12	15.01.2014	101-103-302	513	2.490	1.685	67
13	10.11.2014	103-302	489	3.650	2.322	63
14	17.04.2015	101-103	188	735	526	71
15	08.10.2015	101-302	121	473	289	61

BUDGET

IPARD I	
EU (75%)	789 Million €
TR (25%)	263 Million €
TOTAL	1,052 Million €

IPARD I	
Number of Projects	10.694
Paid Grant	1 Billion €
Total Investment	2 Billion €



INFORMATION ON THE RESULTS OF IPARD II



THE RESULTS OF IPARD II



IPARD II (2016-2018)

No	Date of Call	Measure	Budget of Call (Million€)	Number of Applications	Number of Contracts	%
1	18.11.2015	101-103-302	229	8.789	1.604	18
2	12.06.2017	103	122	306	191	62
3	21.12.2017	101-302	252	3.651	2030	55
4	07.09.2018*	201	1,6	92	92	100
5	16.02.2019**	101-103	250			

* Only pilot implementation of Agri-Environment
** Under progress

BUDGET

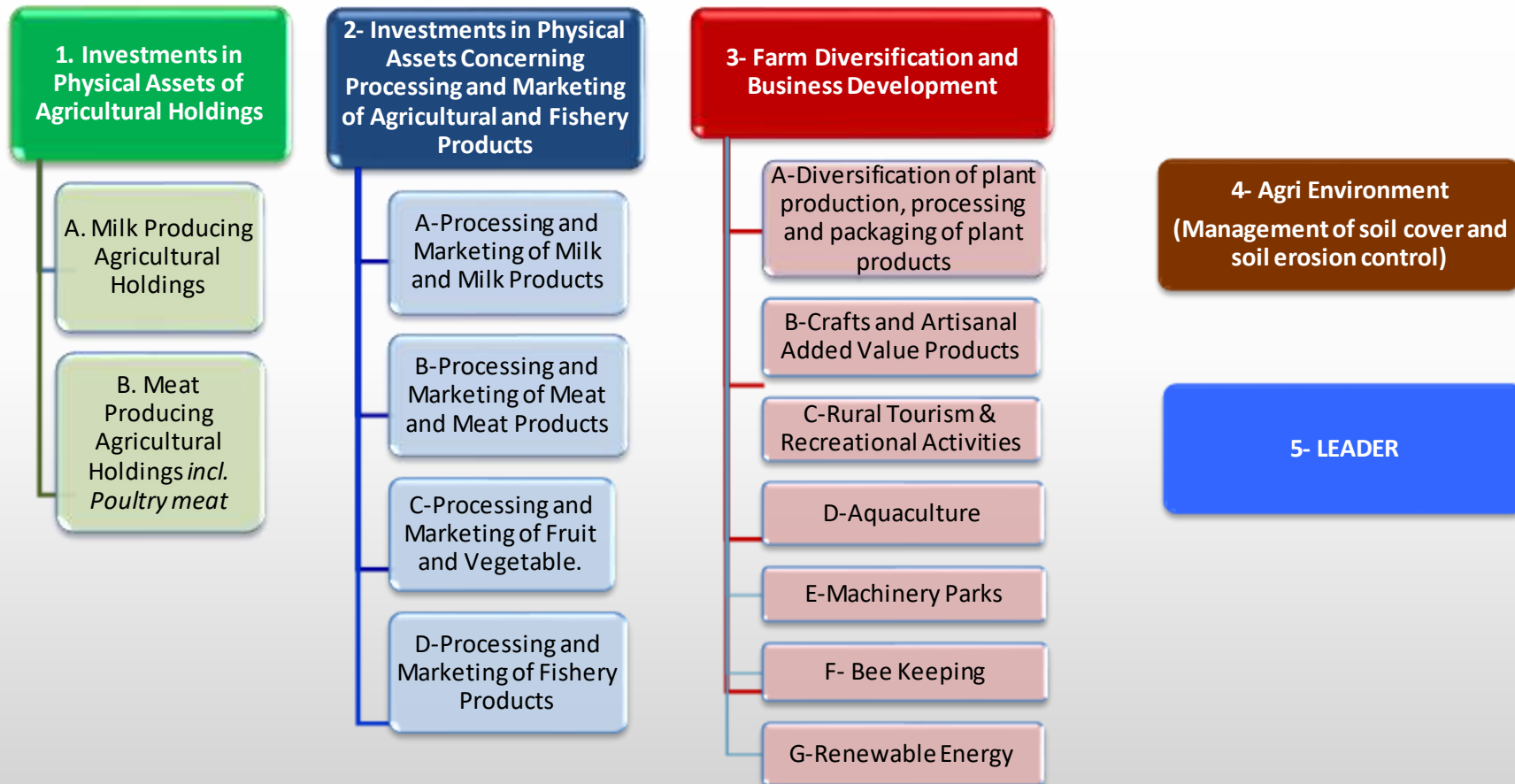
IPARD II (2014-2020)	
EU (75%)	669,1 Million €
TR (25%)	214,9 Million €
TOTAL	884 Million €

ANNUAL IPARD-II BUDGET (Million €)

	2014	2015	2016	2017	2018	2019	2020	TOTAL
EU Distribution	69	69	69	148	131	93,6	89,5	669,1
TR Distribution	23	23	22,2	47,4	42,1	29,3	27,9	214,9
TOTAL	92	92	91,1	195,4	173,1	122,9	117,5	884



Sectors Supported under IPARD-II (2014-2020)





BOTTLENECKS



BOTTLENECKS

1. Construction Licenses

Problem:

According to the procedures of ARDSI, Applicants have to submit construction licences within the application package.

- ❑ It takes time to get related document,
- ❑ Causes some delays,
- ❑ Applicants have 3 months to prepare and submit their projects

Solution:

ARDSI allows the applicants to submit this document during completing of missing documents.



BOTTLENECKS

2. Time Period Between Application and Payment

Problem:

Time period between submission of projects and contracting is 6 months.

- Applicants need another six months to complete their investments and get payment,
- Because of inflation, the costs determined in the projects would be not in line with the real prices in the market.

Solution:

ARDSI try to shorten the time period between the application and contract.



3. Complexity of IPARD Application Package for Small Farmers

Problem:

Both the content of the application package and the format of business plan are considered very complex by small farmers.

Solution:

ARDSI has prepared a special business plan format and application package content for small investments (with eligible expenditure less than 25.000 €)



BOTTLENECKS

4. High Costs for Project Preparation

Problem:

The costs of project preparation are high especially for small farmers (business plan preparation, drawings etc.)

Solution:

ARDSI has signed cooperation protocols with producer organization such as chamber, unions etc.

- Their staff have been trained on IPARD project preparation,
- They prepare the projects of small farmers free of charges.



BOTTLENECKS

5. Reasonableness of Project Costs

Problem:

Verification of project costs proposed by the applicants is difficult. Commission Auditors detected some problems regarding to this issue.

Solution:

ARDSI checks the prices of construction works using national price database of responsible Ministry.

- The prices in the database are updated annually,
- ARDSI accept only 85% of this prices as eligible.

ARDSI has a two layers control system for the prices of machinery and equipment.

- Firstly the lowest priced offer has to be selected,
- Secondly ARDSI control the prices in the selected offers though its central price database and market researches.



BOTTLENECKS

6. Ensuring Independence of Offers

Problem:

Applicants have to collect three independence offers for their expenditures higher than 20.000 €. But some manipulations were detected by Commission Auditors regarding to this rule.

Solution:

ARDSI has developed a special checklist to detect such possible attempts.

- In case of detection of any manipulation regarding to independency of offers, the application is rejected.

For the applications in scope of IPARD II, ARDSI requires only one offer in construction Works.

- The price controls for construction works are performed through national price database of responsible ministry.
- For machinery and equipment, ARDSI continues to check independency of offers.



BOTTLENECKS

7. Checking of SME Criteria

Problem:

Checking of SME Criteria for the applications in measures 103 and 302 has caused some problems.

Solution:

ARDSI obliged;

- ❑ all beneficiaries of measure 103 and some beneficiaries of measure 302 to submit SME certificate given by the responsible institution.
- ❑ for the other sub measure of 302, ARDSI has checklist for SME criteria.
- ❑ Besides, ARDSI uses central commercial registry system to check partnership structures of beneficiaries.



BOTTLENECKS

8. Price Fluctuations in the Market

Problem:

Because of price and exchange rate fluctuations in the market;

- ❑ proposed costs of the projects would get their validity,
- ❑ This problem can cause higher rates of contract terminations by beneficiaries. (*ARDSI has faced this problem for the projects of 3th call period*)

Solution:

As a result of discussions with related units of the Commission, ARDSI has get an exception for construction costs of these projects and used new prices of the Ministry.
of offers.



BOTTLENECKS

9. Misuse of Administrative Building in M101

Problem:

It has been detected during ex-post controls that some beneficiaries misuse the administrative buildings in M101. Commission Auditors also find the same problem.

Solution:

ARDSI had proposed to remove the administrative buildings from the LEE of M101. The proposal has approved by the Commission and administrative buildings are not be supported on and after the 5th Call for Application in IPARD II.



BOTTLENECKS

10. Problems related to Financing of Projects

Problem:

Since IPARD System prescribes that the beneficiaries have to finance their projects first themselves and get payments after completion, especially small farmers have faced with the problem to find enough financial resources.

Solution:

ARDSI;

- has signed with more than twenty banks in order to easy for the applicants to get letter of credit.
- make payments in two or three installments.



LESSONS LEARNT



LESSONS LEARNT FROM THE IMPLEMENTATION OF IPARD I AND IPARD II

1. **Timing of announcement** for call for application is **very important**.
 - ✓ Construction season,
 - ✓ Working periods of farmers, etc.
2. Giving **enough time** for **preparation of projects**.
3. **Alternative service providers** for projects of **small farmers**. (*producer unions etc.*)
4. **Simplification of application process** for all beneficiaries but especially for **small farmers**.
5. **Cooperation** with other official bodies in the country. (*not only Ministry of Agriculture*)
6. **Establishment** of a **online application system** and **database management** is **crucial**.
7. **GOOD AND CONSTANT COMMUNICATION** WITH **DG-AGRI**.



Thank You for Your Attention..