



# **EU DELEGATION TO TURKEY**

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## **Opportunities for the Private Sector in Pre-Accession countries (IPA):**

**The Case of Turkey**  
**Brussels, 26 May 2011**

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# EU Enlargement process - Turkey

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- ☐ Political stalemate as Turkey has not implemented additional protocol to extend Ankara agreement to all EU MS including Cyprus
- ☐ 13 chapters open  
Chapter 20 - Industrial and enterprise policy
- ☐ 8 related chapters frozen  
Chapter 1 (Free movement of goods) cannot be opened
- ☐ Work ongoing however in some important chapters for SMEs(Competition/State Aid; Public Procurement; Employment & Social Affairs)



# Business environment for SMEs

## Context

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### **Competitiveness, trade, integration to global economy :**

- ✓ Customs Union (Turkey in EU Single Market for goods) since 1996
- ✓ Total trade between EU and Turkey over € 100 bn/year
- ✓ Turkey is EU's 7th biggest trading partner.

### **Share of manufacturing sector in Turkey's :**

- ✓ total exports to EU: 82.4 %
- ✓ total imports from the EU: 76.4 %



# EU assistance on quality infrastructure

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- ☑ **What is behind manufacturing ? What does a production process contain of?**  
...regulatory environment, standards and methods, technical specifications, compliance with standards and regulations, testing, third party verification, verification of verifiers...
- ☑ **What happens after a product is put on the market ?**  
... trade, technical barriers to trade, mutual recognition of technical legislation, or mutual recognition of test results, or mutual recognition of verifiers, market surveillance, product safety



# SME/Private Sector Development (EU funded completed projects)

PROJECT	Budget	Duration
<b>MEDA projects (9 projects)</b>	<b>€ 52.015.000</b>	<b>2002 - 2006</b>
<ul style="list-style-type: none"> <li>- Business Centres (Phase-I)</li> <li>- Entrepreneur Support and Guidance Centres (GIDEM)</li> <li>- Supporting women entrepreneurs (Phase I)</li> <li>- EU Online</li> <li>- Supporting Subcontractors in Automotive sector</li> <li>- Shoe making training institution</li> <li>- Vocational training in the clothing sector</li> <li>- Environmental standards in textile sector</li> <li>- Small Enterprise Loan Programme (SELP) - I</li> </ul>	<ul style="list-style-type: none"> <li>€ 16.400.000</li> <li>€ 9.200.000</li> <li>€ 1.000.000</li> <li>€ 770.000</li> <li>€ 1.245.000</li> <li>€ 1.900.000</li> <li>€ 1.500.000</li> <li>€ 1.000.000</li> <li>€ 20.000.000</li> </ul>	
<b>Pre-Accession projects (7 projects)</b>	<b>€ 175.900.000</b>	<b>2005 - 2012</b>
<ul style="list-style-type: none"> <li>- Business Centres (Phase II)</li> <li>- Fashion and Textile Cluster (I &amp; II)</li> <li>- Development of a Clustering Policy</li> <li>- Training and Consultancy Centres for Women Entrepreneurs</li> <li>- Incubators for Women Entrepreneurs</li> <li>- Industrial Restructuring of Sanliurfa</li> <li>- Small Enterprise Loan Programme (SELP) - II</li> </ul>	<ul style="list-style-type: none"> <li>€ 32.500.000</li> <li>€ 17.000.000</li> <li>€ 6.000.000</li> <li>€ 4.800.000</li> <li>€ 3.500.000</li> <li>€ 21.500.000</li> <li>€ 90.600.000</li> </ul>	<ul style="list-style-type: none"> <li>2007-2009</li> <li>2005-2009</li> <li>2007-2009</li> <li>2007-2009</li> <li>2007-2009</li> <li>2006-2011</li> <li>2007-2012</li> </ul>
<b>SME Grant Schemes under Regional Develop. Programmes (650 contracts)</b>	<b>€47.510.000</b>	<b>2004 - 2010</b>
<ul style="list-style-type: none"> <li>- EADP (66 Contracts)</li> <li>- SKE (204 Contracts)</li> <li>- AKKM (277 Contracts)</li> <li>- DOKAP (103 Contracts)</li> </ul>	<ul style="list-style-type: none"> <li>€ 4.425.000</li> <li>€14.175.000</li> <li>€20.575.000</li> <li>€ 8.335.000</li> </ul>	<ul style="list-style-type: none"> <li>2004-2007</li> <li>2005-2008</li> <li>2006-2009</li> <li>2007-2010</li> </ul>
<b>TOTAL</b>	<b>€ 275.425.000</b>	



# Decentralised Implementation system (DIS)

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- ✓ ***Contracting Authority*** (CFCU)
- ✓ ***Ex ante control by EU Delegation***
- ✓ ***Other IPA Actors:***

## **Turkey:**

Competent Accrediting Officer (CAO)

National IPA Coordinator (NIPAC)

Strategic Coordinator (SC)

Operating Structures (OS)

National Authorising Officer (NAO) and National Fund (NF)

## **EU:**

DG ELARG

DG REGIO/DG EMPL/DG AGRI



# Indicative Funding per IPA component 2007 - 2013 (EU contribution, in million €)

Component	2007	2008	2009	2010	2011	2012	2013	TOTAL
IPA I - Tech. Assist. and Institution Building	256.7	256.1	233.2	211.3	230.6	250.9	238.3	1,677.1
IPA II - Cross-Border Co-operation	2.1	2.9	9.4	9.6	9.8	10.0	10.2	54.0
IPA III - Regional Development	167.5	173.8	182.7	238.1	291.4	350.8	378.0	1,782.3
IPA IV - Human Resources	50.2	52.9	55.6	63.4	77.6	89.9	96.0	485.6
IPA V - Rural Development	20.7	53.0	85.5	131.3	172.5	197.9	213.0	873.9
<b>TOTAL</b>	<b>497.2</b>	<b>538.7</b>	<b>566.4</b>	<b>653.7</b>	<b>781.9</b>	<b>899.5</b>	<b>935.5</b>	<b>4,872.9</b>



## Private Sector Development under IPA I

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- ☑ Strengthening Administrative Capacity of Ministry of Industry and Trade in Industrial Strategy (1,2 MEURO)
- ☑ Crisis Response Package (422.5 MEURO)  
loans to SMEs for their :
  - Working capital and investment needs
  - Energy efficiency investments





## IPA multi-beneficiary programmes

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### 2007-12 multi-country indicative financial allocation (€ million)

Component	2007	2008	2009	2010	2011	2012
Transition Assistance and Institution Building	108,9	135,7	160,0	157,7	160,8	164,2

- ✓ Multi-beneficiary programmes complement individual national programmes by focusing on regional aspects and helping countries to learn from each other's experience.

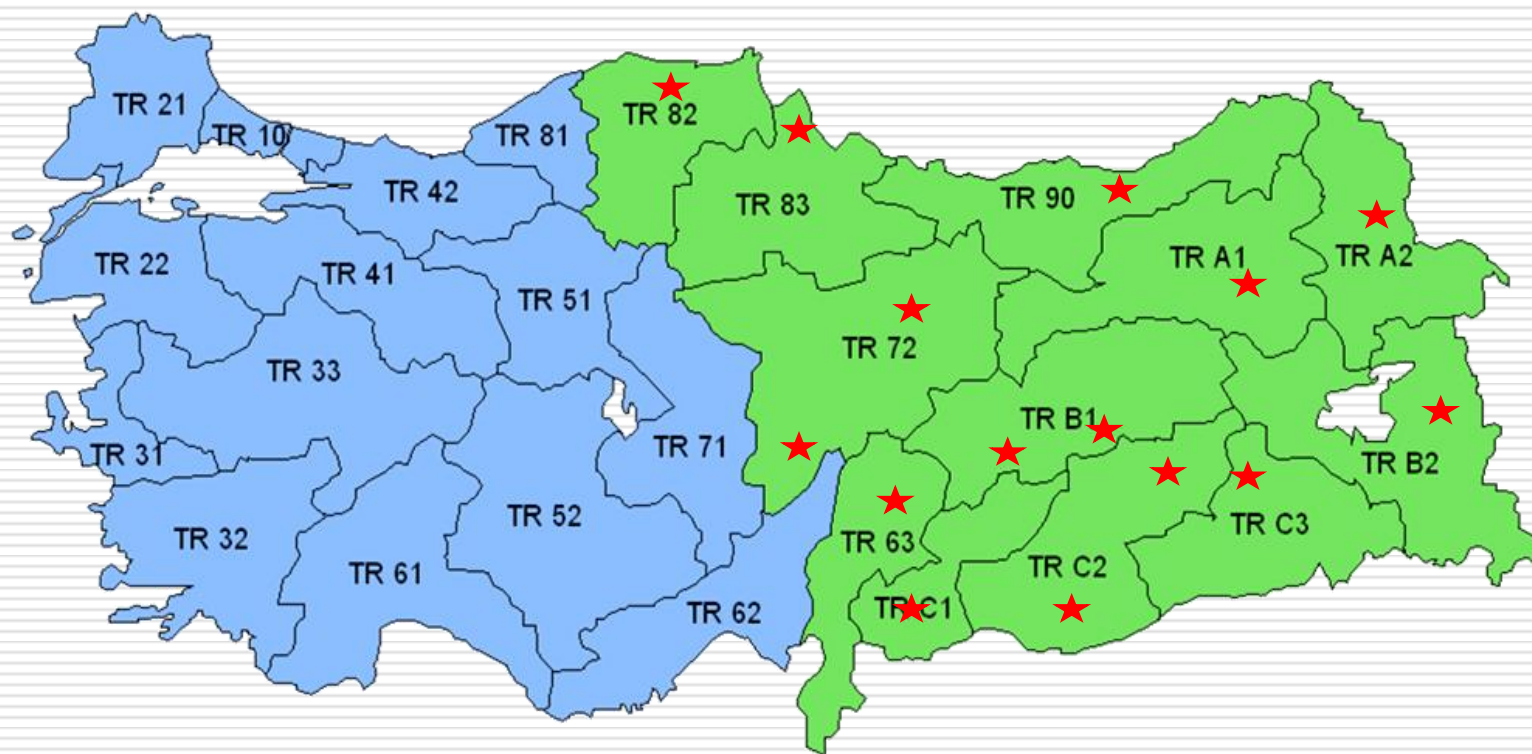


# IPA III – Regional Competitiveness Operational Programme 2007-2011

<b>PRIORITY 1</b>	<b>Improvement of Business Environment</b>	<b>MEASURES</b>	<b>1.1. Development of Industrial Infrastructure 1.2. Creation and Development of Financing Instruments 1.3. Improvement of R&amp;D, Innovation, Technology and ICT Environment and Infrastructure 1.4. Improvement of Tourism Infrastructure, Promotion and Marketing Activities</b>	<b>€ 255,6 Million</b>
<b>PRIORITY 2</b>	<b>Strengthening of Enterprise capacity and foster entrepreneurship</b>		<b>2.1. Providing Basic Information and Consultancy Support for Enterprises 2.2. Strengthening of Cooperation in Industry Corporate Sector</b>	<b>€ 31,9 Million</b>
<b>PRIORITY 3</b>	<b>Technical Assistance for the implementation of RCOP</b>		<b>3.1. Support to the OP preparation, implementation, monitoring, control and evaluation 3.1. Publicity information and promotion of the measures</b>	<b>€ 12,2 Million</b>



# Geographical Concentration



-  NUTS II Regions having an income per capita above the 75% of Turkish national average
-  NUTS II Regions having an income per capita below the 75% of Turkish national average

 15 Growth Centres



# RCOP Projects (First package)

Measure	Project Title	Beneficiary	Budget (€)
1.1	<b>Business Incubators (approved)</b> <i>(Malatya, Tokat and Kastamonu)</i>	KOSGEB	9.430.000
1.2	<b>Financing Instruments</b> <i>(Credit guarantee (approved) , Venture Capital)</i>	Multi Beneficiary	48.000.000
1.3	<b>Technology Development Zones(approved)</b> <i>(Gaziantep, Kayseri, Elazığ)</i>	MoIT	22.370.000
1.3	<b>Inno Food</b> <i>(Gebze and RCOP region)</i>	Tubitak	17.000.000
1.4	<b>Winter Tourism Corridor (approved)</b> <i>(Erzurum, Erzincan, Kars)</i>	MoCT	8.700.000
2.1	<b>Turkish Business Centres (approved)</b> <i>(Hatay, Sivas, Antakya, Batman)</i>	TOBB	8.500.000
2.2	<b>Empowering SMEs for networking and inter-regional cooperation (approved)</b> <i>(Çorum, K.Maraş, Gaziantep, Trabzon, Samsun)</i>	UFT	5.000.000
	<b>TOTAL</b>		<b>119.000.000</b>



# RCOP Projects (Second package – Approved)

Measure / Project Name		Budget (€)
<b>Measure 1.1 - Development of industrial infrastructure</b>		<b>€ 56,888,408</b>
Grand Partnership of Small Industrialists	Tokat Small Industry Construc. Coop.	€ 6,524,937
My Bee, My Honey, My Honeycomb	Ordu Apiculture Research Institute	€ 9,355,196
Strengthening of the infrastructure for furniture production	Central Anatolia Dev. Assoc.	€ 8,607,482
Expansion of Van Enterprise Development Centre (Van İŞGEM)	Van Industrial. & Businessmen	€ 4,992,823
Establish. of hazelnut licensed warehouse & spot exchange	Giresun Commodity Exchange	€ 9,452,153
Sanliurfa Cereals Exchange and Licensed Warehouse	Sanliurfa Commodity Exchange	€ 9,388,790
Establishment of a Common-use Processing Facility for Industrial Forestry Products	Kastamonu Commodity Exchange	€ 8,567,027
<b>Measure 1.3 - Improvement of R&amp;D, innovation, technology and ICT environment and infrastr.</b>		<b>€ 9,957,370</b>
Rize Tea Research and Application Centre	Rize CoCI	€ 9,957,370
<b>Measure 1.4 - Improvement of tourism infrastructure, promotion and marketing activities</b>		<b>€ 7,776,417</b>
Sustainable tourism development in Mardin	Governorate of Mardin	€ 7,776,417
<b>TOTAL</b>		<b>€74,622,195</b>



# RCOP Projects (Second package – pipeline)

<b>Measure 1.1 - Development of Industrial Infrastructure</b>	<b>Location</b>
Establishment of One-Stop Offices	Samsun
Regional Industrial Design & Modelling Centre	Gaziantep
Licensed Hazelnut Storage and Market Place	Giresun
Van İŞGEM	Van
Grand Partnership of Small Industrialists	Tokat
Establishing a Cereal and Lentil Storage Facility	Şanlıurfa
Whey Powder Production Plant	Trabzon
Business Development and SME Support Centre	Osmaniye
Common Integrated Plant for Forestry Products	Kastamonu
Common-use Workshop for Furniture Manufacturers	Hatay
Increasing the Quality and Standard of Honey	Ordu
Innovation & Research Activities for the Furniture Sector	Kayseri
Improving Infrastructure of Pistachio Production	Siirt
Training – Consultancy – Business Development Centre	Artvin



# RCOP Projects (Second package – pipeline) – (cont.)

<b>Measure 1.3 - Improvement of R&amp;D, Innovation, Technology and ICT Environment and Infrastructure</b>	<b>Location</b>
R&D Training and Consultancy Centre	Erzurum
Production Model for Natural Stone	Bayburt
Training and Technology Development Centre	Çankırı
Yeniçam Shipyard & Vessel Manufacturing Zone	Trabzon
Tea Research and Production Center	Rize
<b>Measure 1.4 - Improvement of Tourism Infrastructure, Promotion and Marketing Activities</b>	<b>Location</b>
Yanlışçam Winter Sports Development	Ardahan
Cultural Tourism	Mardin
Kommagene Nemrut Tourism Project	Adıyaman
Tourism Project of Mount Pamuk	Iğdır
Tourism Infrastructure of the İshak Paşa Palace	Ağrı



# RCOP Projects (Second package – pipeline) – (cont.)

<b>Measure 2.1 - Providing Basic Information and Consultancy Support for Enterprises</b>	<b>Location</b>
High Technology Workshops for Common Use	Amasya
Training and Advisory Services for SMEs	Bitlis
Licensed Hazelnut Storage and Market Place	Giresun
Business Development and Support Centre	Samsun
Increasing Regional Competitiveness	Kars
<b>Measure 2.2 - Strengthening of Cooperation in Industry Corporate Sector</b>	<b>Location</b>
Mobilization of two Clusters in Southeast Anatolia	Şanlıurfa
Clustering Chilli Pepper	Kahramanmaraş
Cooperation among Cotton Gin-Press Enterprises	Diyarbakır
Apricot Clustering Valley Project	Malatya
Clustering Textile and Ready-to-Wear Sector	Kahramanmaraş
Development of Cluster for Dairy Products	Kars





# General Information about RCOP Projects

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Average budget: ***7 to 10 million Euros:***

- ☑ Technical Assistance (10 – 25 %)
- ☑ Equipment Supply (0 – 40 %)
- ☑ Construction (30 - 50 %)
- ☑ Construction Supervision (4 – 7 %)



# Average timeline for a project

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Phase 1: Project development: 12 to 18 months

Phase 2: Prep. of tender dossiers: 8 to 12 months

Phase 3: Procurement

- ☑ *Service: +/- 10 months*

- ☑ *Works: +/- 8 months*

- ☑ *Supply: +/- 7 months*

Phase 4: Project Implementation: 24 to 36 months

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# Procurement Opportunities RCOP

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- ✓ 57 projects (already identified): @ 350 MEURO
- ✓ Appr. 20 projects (still to be identified): @ 300 MEURO
- ✓ @ 200 to 250 Contracts
- ✓ @ 60 to 70 Technical Assistance Contracts

## **Forecast:**

- ✓ 2011: 15 to 20 TA tenders to be launched
- ✓ 2012: 30 to 40 TA tenders to be launched
- ✓ 2013: 10 to 20 TA tenders to be launched



# Publication of Tenders & Procedures

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- ✓ **EuropeAid**  
[http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)
- ✓ **Central Finance and Contracts Unit (CFCU)**  
<http://www.cfcu.gov.tr>

## Other Useful Links

- ✓ **Ministry of Industry and Trade:** <http://ipa.stb.gov.tr/>
- ✓ **EU Delegation to Turkey** <http://www.avrupa.info.tr>
- ✓ **DG Enlargement:** [http://ec.europa.eu/enlargement/candidate-countries/turkey/index\\_en.htm](http://ec.europa.eu/enlargement/candidate-countries/turkey/index_en.htm)



# Consortium Building

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- ☑ No limit on the number of companies / partners of a consortium
- ☑ Each and every member has to fulfil the conditions indicated in the Procurement Notice
- ☑ Composition of consortia, once short-listed, cannot be changed
- ☑ A company can not join in different consortia for the same tender



# Useful Tips

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- ✓ Visit (regularly) EuropeAid and CFCU web-sites
- ✓ Study Procurement Forecasts / Notices which are published
- ✓ Focus on the selection criteria (past experience / financial / technical requirements)
- ✓ Respect deadlines
- ✓ Highly competitive process
- ✓ Don't hesitate to ask for further clarifications
- ✓ BUT do not contact with CFCU / EU Delegation / End Recipients / OS during tendering (except for written clarification requests)



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***THANK YOU...***

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