

ANNEX

to the Commission Implementing Decision amending Commission Implementing Decision C(2014) 9575 of 11.12.2014 adopting a multi-annual Action Programme for Turkey on Environment and Climate Action

Multi-annual Work Programme
This document constitutes the multi-annual work programme in the sense of
Article 110(2) of the Financial Regulation (Regulation (EU, Euratom) 2018/1046)

1 IDENTIFICATION

Beneficiary	<i>Turkey</i>
Basic act:	Instrument for Pre-accession Assistance (IPA II)
Total cost	EUR 371 211 765
EU contribution	EUR 315 530 000, of which:
CRIS/ABAC commitment references, EU Contribution and budget lines	2014 2014/031-878 EUR 32 860 000 on 22.02 03 02
	2015 2014/031-878 EUR 64 390 000 on 22.02 03 02
	2016 2014/031-878 EUR 84 640 000 on 22.02 03 02
	2017 2014/031-878 EUR 84 640 000 on 22.02 03 02
	2018 2014/031-878 EUR 49 000 000 on 22.02 03 02
Management mode / Entrusted entities	Indirect management with Turkey: The Operating Structure responsible for the execution of the programme is the Ministry of Environment and Urbanisation (MoEU) Indirect management by the Entrusted entity: Action 3: World Bank for the part of action 3 related to the

	Sustainable Cities Planning and Management Systems.
Timetable for spending allocation of each budgetary commitment	Budgetary commitment 2014 must be spent by 31/12/2019 Budgetary commitment 2015 must be spent by 31/12/2020 Budgetary commitment 2016 must be spent by 31/12/2021 Budgetary commitment 2017 must be spent by 31/12/2022 Budgetary commitment 2018 must be spent by 31/12/2023

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- Rationale for the selection of the specific sectors under this programme:

This Sector Operational Programme (SOP) is based on a thorough analysis of the socio-economic situation of Turkey, which needs to continue the intensive process of aligning its national legislation with that of the EU, to bring it into a position where it could take on the obligations of EU membership. Particular efforts will be needed in areas relating to Environment and Climate Change (chapter 27¹), as alignment in these areas will require substantial investments and institutional capacity building to design, implement and monitor climate policies, and improving capacity for transition to low carbon economy through action across a number of sectors.

In this context, achieving a cleaner environment, fighting climate change and meeting the higher standards of the EU will take time. With the aim of creating a liveable environment and taking into account the social and economic conditions of the country, comprehensive studies are needed for implementation of the EU environment and climate *acquis*.

Costs and foreseen financing sources in the Strategy Document “*Republic of Turkey Plan for Setting up Necessary Administrative Capacities at National, Regional and Local Level and Required Financial Resources for Implementing the Environmental Acquis Opening Benchmarks in Chapter 27*” (September 2009) were determined on the basis of the EU Integrated Environmental Approximation Strategy (UÇES. The UÇES indicates that the EU Directives requiring the highest amount of investments are those relating to water management and waste management: the sectoral distribution of environmental investments between 2007 and 2023 is estimated to be EUR 34 billion for the water sector (including wastewater) and EUR 10 billion for the waste sector. According to the most recent data, basic environmental statistics related to water and waste fields are as follows:

- 98% of municipal population is served by a water supply system. Drinking water treatment plants are provided in 411 municipalities, serving 56% of Turkey’s total municipal population.
- In 2012, 92% of the municipal population was connected to a sewerage system and 68% was served by wastewater treatment facilities. In total, wastewater treatment plants are currently in operation, with different treatment levels, in 536 municipalities.
- In 2012, 99% of the municipal population benefits from waste management services through 80 landfills, and 6 composting plants. There are 3 industrial waste

¹ A “Negotiating Position Paper” was prepared and approved, and the chapter opened to accession negotiations on December 21, 2009

incinerations, 32 co-incineration plants, 6 industrial waste landfills and 282 recovery facilities.

Apart from these priority sectors, other risks loom over the country. Economic growth has been highly dependent on (mainly imported) energy and the consumption of natural resources, leading to growing greenhouse gas (GHG) emissions and environmental degradation. The National Climate Change Action Plan identifies greenhouse gas emission reduction activities, including those at the urban/local level.

Many natural disasters such as floods, fires and landslides are experienced as a result of climate change, which can lead to both economic and social problems. In the Second Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), it is also emphasized that potential natural disasters depending on climate change, and resulting ecological, economic and social problems should be the severest problems to be experienced in the near future.

Threats and dangers are represented also by chemical, biological, radiological and nuclear substances (CBRN) released to the environment. Developing industrial activities increase the risk of accidental release of those substances.

While in the previous IPA period thematic concentration of the Environment Operational Programme (EOP) was mainly on water and waste, this programme will, in addition, focus on climate action. Moreover, considering the dynamic nature of the EU environment and climate acquis which requires substantive improvements in legislation and capacity, ad-hoc activities addressing these needs will be supported.

In order to maximize the impact of the IPA II funds, a geographic concentration has been established: 4 priority South-Eastern regions (having Gross Value Added GVA per capita below 75% of the national average) will receive 10 % from the budget allocated to the investments in the water field.

The revised Indicative Strategy Paper for Turkey 2014-2020 states that for the next IPA II period 2018-2020, support in the environment sector will be reduced and will focus mainly on acquis-related Institution Building activities for water, waste and climate change, as well as support to disaster and risk management activities, an area of recently renewed cooperation with the EU. Funding from 2018 onwards will focus on acquis-related Institution Building activities for environment, biodiversity climate change and support to disaster and risk management activities (soft projects) whereas infrastructure support for water, waste water and solid waste, which has been the focus of the 2014-2017 support to be progressively discontinued.

- Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:

This programme has been drafted in continuity with and following the lessons learned of the IPA assistance to the sector in the period 2007-2013, whose EOP is still on-going. Under that EOP, 39 environmental infrastructure projects were prepared and submitted to the Commission. Up to the end of the implementation period, 30 projects are planned to be completed. Taking into consideration the perceived needs, the main priority of the environmental infrastructure strategy will be to increase the capacities of local authorities, to strengthen the national framework and to fund the investment requirements at a national level.

At institutional level, the Department of European Union and Foreign Relations within the Ministry (DoEUFR) is the already accredited body responsible from the management of IPA funds of the EOP in the 2007-2013 period, will also serve as the Contracting Authority (CA) for IPA II period, fulfilling the duties arising from tendering, contract management, financial management and other relevant functions. In this respect, it is clear that DoEUFR will need to increase its administrative, technical and human resources capacities to deal with this newly enlarged workload, including being the CA of *acquis* related institutional building activities of the IPA II period.

The conclusions of a thematic evaluation², contracted to assess the performance of EU pre-accession assistance in the 2002-2010 period in the environment sector, were presented in July 2013. The main lessons learned of this evaluation are summarised below.

- Attention should be paid to the long term strategic programme approach under IPA II.
- An effort should be made to make priorities more specific and focused, and to only include areas where concrete support projects are likely to materialise in the coming years, moving away from an approach of listing all potential reform needs.
- There is a need to strengthen sector coordination (of government institutions and other national stakeholders) during programming.
- Administrative capacity of Decentralised Implementation System (DIS) structures is key for the success of the programmes. Loss of “institutional memory” can hamper the impact and sustainability of projects and there is a need to save and strengthen institutional knowledge.
- Delays in tender dossier preparation and contracting need to be minimised, through better forecasting, procurement planning and institutional capacity increased in the national and local authorities managing the funds.

Most of these recommendations have been taken into account during the discussions with the Turkish authorities for the elaboration of the programme. Moreover, IPA II financial assistance will be provided under a sector approach, which shall ensure a more long-term, coherent and sustainable strategy, allow for increased ownership, facilitate cooperation among donors, eliminate duplication of efforts and bring greater efficiency and effectiveness.

Different institutions in the environment sector are experienced in implementing activities with multi-lateral (such as Global Environment Facility GEF) and bilateral funds and International Financial Institutions IFIs (such as World Bank (WB), European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Kreditanstalt für Wiederaufbau (KfW)), as well as with several UN agencies.

The IFIs are active in the country with loan programmes. İlbank A.Ş., as a local investment and development bank that has specific expertise on the finance of municipal infrastructure projects, acts as an intermediary for the use of IFI loans to municipalities and undertakes coordination and monitoring functions during the implementation period. The Bank plans to expand its operations by establishing partnerships with the other IFIs to support sustainable urban infrastructure investments of Turkish local administrations.

² “Technical Assistance for Thematic Evaluation on Environment”. Specific contract ALTUN/TATEE/TR2010/0740.01-02/FWC/013

On the other hand, IFIs which do not seek sovereign guarantees are active in the municipal finance sector lending directly to the municipalities.

List of Actions foreseen under the selected Sectors:

Sector/Action	Indirect management	
	With entrusted entity	With IPA II beneficiary
Environment and Climate Action		
Action 1 - Water		EUR 190 186 800
Action 2 - Waste		EUR 69 197 200
Action 3 -Environmental Management for Sustainable Development	EUR 25 000 000	EUR 31 146 000
TOTAL	EUR 25 000 000	EUR 290 530 000

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance to Multi-annual Action Programme for Turkey on Environment and Climate Action is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.

Action 1	Water	EUR 190 186 800
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(1) Description of the action, objective, expected results and key performance indicators

- Description of the action and objectives

This action focuses on achieving and maintaining a good status of waters via an integrated approach to the protection, improvement and sustainable use of surface waters, groundwater, marine, coastal and transitional waters within Turkey. It will address management of water quality and water resources, including both soft activities also related with *acquis* - taking into account the closing benchmarks of Environment and Climate Change Chapter, “Negotiation Position Paper”, and national strategy papers - and hard activities on investments for integrated water projects.

Objective of the action: To increase the overall compliance with EU *acquis*, strategies and policies related to water and to achieve good water status for waters in Turkey by integrated water management.

- Activity 1.1.: *Acquis*-related Institution Building activities

Considering the current status of the alignment with environmental *acquis*, indicative main intervention areas such as river basin management (preparation of River Basin Management Plans RBMPs), flood and drought management and plans for adaptation to

³ https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

the climate change and sectoral water allocation are assessed as fields that need to be supported by the programme. Additionally, ensuring of experienced staff and specialised institutions capable of implementing Water Framework Directive (WFD) and daughter directives, harmonisation of directives, appropriate planning and smooth implementation of plans will be ensured.

The effects of climate change will be studied and measures for adaptation will be elaborated at national and basin levels. Public awareness, education initiatives and other communication tools in relation to the points mentioned above can also be financed under this activity.

- Activity 1.2.: Infrastructure related activities

This activity will focus on ensuring supply of drinking water according to national and EU standards, achieving water savings and promoting actions that will contribute to reducing the pollution load in receiving bodies, preserve drinking water supply systems from potential contamination and help enhance resource efficiency and climate-resilience.

Due consideration will be given to climate-proofing activities as well as climate change mitigation and adaptation measures.

IPA assistance will support the construction, rehabilitation or modernisation of the existing drinking water distribution system as well as establishing adequate water treatment plants. It will also support rehabilitation, upgrading and construction of urban waste water treatment facilities, rehabilitation and extension of the sewerage systems as well as storm water facilities.

The investments to be implemented will be prioritised according to the pre-defined selection criteria.

Expected results:

- Improved legislation and increased institutional capacity for components of Water Acquis
- Improved infrastructure for delivery of drinking water and waste water treatment

Key performance indicators for action 1:

- Municipal population served by drinking water treatment plants
- Municipal population benefiting from improved water distribution facilities
- Municipal population served by waste water treatment plants
- Degree of alignment on European acquis in the water sector
- Number of IPA project applications approved by the Commission/EUD
- Number of drinking water treatment plants
- Number of municipalities served by water supply network
- Number of waste water treatment plants
- Population benefiting from improved waste water collection systems
- Number of plans and policy documents prepared and/or updated in line with EU Acquis
- Number of prepared and/or updated RBMPs

- Number of legislation prepared, and/or revised in line with EU Acquis, and submitted to the Presidency

(2) Assumptions and conditions

- Sufficient level of integration of environmental requirements into sectoral policies e.g. agriculture, energy, tourism, transportation;
- Smooth adoption of the legislation after internal and external consultations, plans and policy documents prepared and/or updated;
- The possession of necessary resources by the final beneficiaries in order to operate the environmental infrastructure properly (Co-financing from the national budget available);
- Staff (technical and management level) remaining at their posts following the termination of activities who are able to contribute to the relevant subsequent work through the skills and information obtained during the activities;
- No substantial price escalations (e.g.: inflation) or economic crises impacting upon present and future investments;
- The willingness and active participation of related stakeholders to the studies within the activities;
- Satisfactory level of access to required data;
- Tolerable periods of adoption and approvals compared to project life cycles;
- Quality staff assigned who are able to contribute to the relevant activities through the skills and information obtained during the activities.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities:

(3)(a) Indirect management

This action will be implemented under indirect management by Turkey, which shall be responsible for carrying out all the tasks relating to the implementation of the action.

The Operating Structure responsible for the execution of the actions is the Ministry of Environment and Urbanisation.

In particular, the beneficiary country shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

Action 2	Waste	EUR 69 197 200
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(1) Description of the action, objective, expected results and key performance indicators

- Description of the action and objectives

The action addresses the identified weaknesses, i.e. the inadequate waste management practices leading to limited collection of waste as well as the operation of a large number of non-compliant landfills. It will focus on promoting an efficient and improved integrated waste management system through the establishment of well-managed bodies which are financially sustainable, along with the necessary improvements in the current legislative framework, taking into account the closing benchmarks of the Environment Chapter, “Negotiation Position Paper”, and national strategy papers.

Activities related both with capacity building and investment will be conducted.

Objective of the action: To increase the overall compliance with EU Acquis, strategies and policies related to waste.

- Activity 2.1.: Acquis-related Institution Building activities

Considering the dynamic status of the Environmental Acquis, indicative main intervention areas as Waste Electrical and Electronic Equipment (WEEE) and reuse and recovery of waste by-product and end-of-waste are assessed as activities that need to be supported by the programme. Hence, these activities will focus upon promoting an efficient and improved quality of service delivery. Increasing capacity of institutions both central and local level will be ensured.

- Activity 2.2.: Infrastructure related activities

This action will focus on regional landfills and optimisation of the collection of waste by using all means for reducing the quantity of waste to be landfilled. Eligible interventions will be:

- Extension and rehabilitation of existing landfills, increasing recycling and improving collection systems and separation methods;
- New constructions of sanitary landfills;
- Closure of old dumpsites, including gas recovery and utilisation systems, where appropriate.
- Due consideration will be given to climate-proofing activities as well as climate change mitigation and adaptation measures.
- The investments to be implemented under the SOP will be prioritised according to the pre-defined selection criteria.

Expected results:

- Increased the capacity of the institutions involved in the waste management
- Efficient, affordable and sustainable waste management services provided to the population, improved integrated waste management systems, including separate collection and reduced amount of waste disposed in uncontrolled landfills, reduced greenhouse gas emissions from waste facilities

Key performance indicators for action 2:

- Municipal population served by municipal waste services
- Municipal population benefiting from waste disposal and recovery facilities
- Degree of alignment on European acquis in the waste management sector
- Number of IPA project applications approved by the Commission/EUD
- Number of municipal waste collection systems established in line with WEEE
- Number of controlled landfill sites
- Number of plans and policy documents prepared and/or updated in line with EU Acquis, and submitted to the Presidency

(2) Assumptions and conditions

- Sufficient level of integration of environmental requirements into sectoral policies e.g. agriculture, energy, tourism, transportation;
- Smooth adoption of the legislation following internal and external consultations, plans and policy documents prepared and/or updated;
- The possession of necessary resources by the final beneficiaries in order to operate the environmental infrastructure properly (co-financing from the national budget available);
- Staff (technical and management level) remaining at their posts following the termination of activities who are able to contribute to the relevant subsequent work through the skills and information obtained during the activities;
- No substantial price escalations (e.g.: inflation) or economic crises impacting upon present and future investments;
- The willingness and active participation of related stakeholders to the studies within the activities;
- Satisfactory level of access to required data;
- Tolerable periods of adoption and approvals compared to project life cycles;
- Quality staff assigned who are able to contribute to the relevant activities through the skills and information obtained during the activities.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities:**(3)(a) Indirect management**

This action will be implemented under indirect management by Turkey, which shall be responsible for carrying out all the tasks relating to the implementation of the action.

The Operating Structure responsible for the execution of the actions is the Ministry of Environment and Urbanisation.

In particular, the beneficiary country shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult

Action 3	Environmental Management for Sustainable Development	EUR 56 146 000
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(1) Description of the action, objective, expected results and key performance indicators

- Description of the action and objectives

The action particularly addresses EU legislation and policies (including relevant strategies) on industrial pollution and risk management, resource efficiency, chemicals, air quality, noise, nature and soil protection, horizontal legislation as well as climate acquis (emission trading, monitoring and reporting, ozone layer protection fluorinated gases, fuel quality, low carbon technologies, and others including EU Adaptation Strategy) and civil protection. Under this action, all fields of environmental and climate acquis as well as the environmental issues related to civil protection and disaster risk management will be covered.

Objective of the action: To develop alignment with the EU's environment and climate change acquis and further enhance the implementation capacity of related institutions towards a resource efficient, climate and disaster resilient green economy in Turkey.

- Activity 3.1.: Acquis-related Institution Building activities

Concerning the sectors covered by action 3, drafting of by-laws, capacity building and awareness raising activities were addressed during IPA 2007-2013 period. The main current need, apart from transposition of EU acquis into national legislation is to ensure

their smooth implementation with competent human and institutional resources at national and local levels.

The activity will cover, among others, the following sub-sectors: industrial pollution, chemicals, air and noise pollution, horizontal legislation, resource efficiency, nature protection and conservation and ecosystem services (including integrated marine environment protection), soil pollution.

On climate change, besides aligning to EU climate acquis, enhancing the capacity to adaptation to climate change is crucial. The National Climate Change Adaptation Strategy needs to be updated according to the EU strategy; alternative financing mechanisms need to be determined and priority investments and capacity building activities need to be supported in order to implement the strategy. The existing legislation and national mechanisms need to be harmonised with the EU Emission Trading Directive and the rest of EU climate acquis.

Mitigation and adaptation activities will focus on strengthening institutional capacity at the urban, local and national level to design, implement and monitor policies, and for a transition to a low carbon economy in Turkey. With the engagement of the private sector, the action will aim at enhancing the resilience of vulnerable economic sectors and infrastructures to climate change.

On **disaster management and civil protection** the activities aim at enhancing the capacity of relevant national and international institutions on disaster prevention, preparedness as well as mitigation, response and recovery capacity, which are specified by the strategic reference documents (e.g. National Disaster Management Strategy Document and National Disaster Response Plan).

Disaster and risk management activities will be essential to support Turkey's cooperation with the EU in order to cover EU civil protection policies.

Under this activity the capacity building support to the CA on implementing, monitoring and evaluating, updating, tendering and the visibility of the SOP and associated actions will be financed.

- Activity 3.2.: Infrastructure related activities

Activities which necessitate establishment of physical infrastructure, such as small scale investments and supplies, will be covered. Grant programmes will be established for promoting resource efficiency and cleaner production practices; to extend market-based instruments such as labelling, and for supporting activities of local and grassroots organisations on climate action and nature protection.

Expected results:

- Increased environmental protection in line with EU Acquis, and enhanced policy and strategy frameworks and implementation plans for putting EU Acquis into practice
- Enhanced climate action on climate change adaptation and mitigation

Key performance indicators for action 3:

- Degree of alignment on European Environment and Climate Change Acquis

- Number of legislation prepared, and/or revised in line with EU Acquis, and submitted to the Presidency
- Number of plans and policy documents prepared and/or updated in line with EU Acquis
- Number of implemented measures identified by the National Climate Change Action Plan
- Number of environmentally sound technical, financial and governance mechanisms developed for effective implementation and replication of the EU environment and climate Acquis and policies
- Number of measures identified on disaster management and risk reduction

(2) Assumptions and conditions

- Sufficient level of integration of environmental requirements into sectoral policies e.g. agriculture, energy, tourism, transportation;
- Smooth adoption of the legislation following internal and external consultations, plans and policy documents prepared and/or updated;
- The possession of necessary resources by the final beneficiaries in order to operate the environmental infrastructure properly (Co-financing from the national budget available);
- Staff (technical and management level) remaining at their posts following the termination of activities who are able to contribute to the relevant subsequent work through the skills and information obtained during the activities;
- No substantial price escalations (e.g.: inflation) or economic crises impacting upon present and future investments;
- The willingness and active participation of related stakeholders to the studies within the activities;
- Satisfactory level of access to required data;
- Tolerable periods of adoption and approvals compared to project life cycles;
- Quality staff assigned who are able to contribute to the relevant activities through the skills and information obtained during the activities.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities:

(3)(a) Indirect management

This action will be implemented under indirect management by Turkey, which shall be responsible for carrying out all the tasks relating to the implementation of the action.

The Operating Structure responsible for the execution of the actions is the Ministry of Environment and Urbanisation.

In particular, the beneficiary country shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities,

and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

(3)(b) Indirect management with an entrusted entity

Part of the activity 3.1 will be implemented in indirect management with the World Bank, to manage the first component of the Sustainable Cities Programme of the WB “Sustainable Cities Planning and Management Systems”.

The WB has been chosen because of the advanced status of its discussions with the Turkish authorities on this programme. In fact, the Bank already reached an agreement with the MoEU Directorate General for Spatial Planning (DGSP) on its role as the policy level counterpart for the Comprehensive Integrated Metropolitan Municipality Plans (CIMMP) initiative, and Iller Bank and participating municipalities will be the project implementation counterparts.

The WB has considerable experience and operational capacity working with Iller Bank and other stakeholders in Turkey for supporting programmatic and stand-alone projects on urban infrastructure, transport, climate change, renewable energy and energy efficiency.

The European Commission shall conclude with the World Bank the Administration Agreement, entrusting budget implementation tasks for the part of Action 3 related to the Sustainable Cities Planning and Management Systems. Under the responsibility of the World Bank, the IPA funds will be transferred to a "Recipient-executed Trust Fund." The World Bank will, under its responsibility, sign a Grant Agreement with Iller Bank for the Sustainable Cities Planning and Management Systems.

The Iller Bank will establish an account to receive the grant funds. The Iller Bank would provide these funds to cover the cost of implementing planning work including preparation in each of the participating cities.

Under the project design, all participating municipalities will adapt the master Terms of Reference (ToR) to their specific technical needs in scope and content, and send the bidding package to Iller Bank, who will review and submit to the World Bank for its review.

The Iller Bank, under the supervision and responsibility of the WB would be in charge of implementing all aspects of the activity with all technical support from the World Bank. It will sign the contracts with the consultants providing the relevant services to the participating cities and will honour payment requests based on the consultant deliveries.

The World Bank will supervise the activity by reviewing technical outputs of consultants and provide guidance to participating municipalities, including technical support missions to individual cities, and joint training sessions and capacity building for participating municipalities.

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

2.3 PROVISIONS APPLICABLE TO ALL ACTIONS:

Authorisation for the use of simplified cost options for grants exceeding EUR 60.000,00 per grant beneficiary for specific grants to be awarded by the entrusted entity (Turkey) under indirect management: a) Forms of grant and categories of costs covered: The grants for the actions under this programme shall take either of the following forms: (a) lump sums and reimbursement on the basis of unit costs and flat-rate financing calculated in accordance with the beneficiaries' historical data or usual cost accounting practices for the categories of eligible costs specified below; (b) the reimbursement of eligible costs actually incurred for the all other categories of eligible costs

The categories of eligible costs that may be covered by the lump sum, reimbursement on the basis of unit costs and flat-rate financing are the following: support staff costs, local transportation, local office consumables and supplies, communication activities and visibility events. Other categories of eligible costs shall be reimbursed on the basis of eligible costs actually incurred. The amounts of the lump sums, unit costs and flat rate financing to be used shall be calculated in accordance with the method set out in point c. The amounts of the lump sums, unit costs and flat rate financing to be declared by the beneficiaries shall be calculated in accordance with the method set out in point c.

b) Justification: Given the nature of the supported activities, and in order to simplify the management of the grants expected under this programme, some costs may be identified in each grant's action budget per unit, global price or as a percentage of other eligible direct costs. When grants or parts of grants are based on simplified cost options, these amounts shall be established in such a way as to exclude fraud and profit a priori. The costs shown in the contract should not be challenged by ex post controls, i.e. through comparison with the actual costs they cover. Verifications/audits may be performed to check whether the formulas used by the beneficiary to determine unit costs, lump sums or flat-rates are compliant with the contractual conditions or the generating events have occurred at all. Any undue payment made to the final beneficiaries, may be recovered by the contracting authority up to the amount of the simplified cost options.

c) Method to determine and update the amounts: Amounts will be determined by reference to statistical data, factual information or similar objective means, and/or to the historical data of each beneficiary. d) No-profit and co-financing principles and absence of double financing: Grant applicants will need to explain the methods proposed to calculate the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, and clearly explain all formulas for calculation of the final eligible amount.

3 BUDGET

INDICATIVE BUDGET TABLE - MULTI-ANNUAL ACTION PROGRAMME FOR TURKEY ON ENVIRONMENT AND CLIMATE ACTION (2014 – 2018)

	2014			2015			2016			2017			2018			Total Financing Decision	
	EU Contribution	IPA II Beneficiary co-financing	Total expenditure	EU Contribution	IPA II Beneficiary co-financing	Total expenditure	EU Contribution	IPA II Beneficiary co-financing	Total expenditure	EU Contribution	IPA II Beneficiary co-financing	Total expenditure	EU Contribution	IPA II Beneficiary co-financing	Total expenditure	Indirect Management with OS	Indirect Management with IFI/IO
Action 1 Water	31,370,000	5,535,882	36,905,882	39,390,000	6,951,176	46,341,176	42,950,000	7,579,412	50,529,412	32,476,800	5,731,200	38,208,000	44,000,000	7,764,706	51,764,706	190,186,800	0.00
Action 2 Waste	0.00	0.00	0.00	0.00	0.00	0.00	29,730,000	5,246,471	34,976,471	39,467,200	6,964,800	46,432,000	0.00	0.00	0.00	69,197,200	0.00
Action 3 Environmental Management for Sustainable Development	1,490,000	262,941	1,752,941	25,000,000	4,411,765	29,411,765	11,960,000	2,110,588	14,070,588	12,696,000	2,240,471	14,936,471	5,000,000	882,353	5,882,353	31,146,000	25,000,000
Totals	32,860,000	5,798,823	38,658,823	64,390,000	11,362,941	75,752,941	84,640,000	14,936,471	99,576,471	84,640,000	14,936,471	99,576,471	49,000,000	8,647,059	57,647,059	290,530,000	25,000,000

Total EU Contribution	315,530,000
Total IPA II beneficiary co-financing	55,681,765
Total programme	371,211,765

4 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Indicative Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, National IPA Coordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by the European Commission (DG NEAR) and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

5 EVALUATION

Having regard to the importance of the action, a final or ex-post evaluations will be carried out for this action or its components via independent consultants.

In accordance with Article 57 of the Framework Agreement (FWA) between Turkey and the European Commission on the arrangements for implementation of Union financial assistance to Turkey under IPA II, an IPA II beneficiary which has been entrusted budget implementation tasks shall be responsible for conducting evaluations of the programmes it manages. The IPA II beneficiary shall also draw up an evaluation plan presenting the evaluation activities which it intends to carry out in the different phases of implementation.

Under the Action 3 - Technical Assistance Action, an evaluation will be carried in accordance with Article 57 of the FWA.

The main objective of the evaluation(s) is to collect and provide available evidences that enable as assessment of how well the Sectoral Operational Programme is implemented, considering the intervention logic, and whether the activities and outputs triggered by the Programme are on course to achieve its objectives.

The evaluation reports shall be shared with the Commission and other key stakeholders. The IPA II beneficiary and the Commission shall analyse the conclusions and recommendations of

the evaluations and, where appropriate, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The Commission might also undertake evaluations in accordance with its rules and procedures under a separate budget envelope.