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Annex VII

of the Commission Implementing Decision on the Annual action plan in favour of Türkiye for 2022

Action Document for Sustainable Urban Mobility and Reliable Transport (SUMART)

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and annual and multiannual action plans and measures in the sense of Article 9 of IPA III Regulation and Article 23 of NDICI - Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

Title	Sustainable Urban Mobility and Reliable Transport (SUMART) Annual action plan in favour of Türkiye for 2022
OPSYS	ACT-60834 JAD.981448
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)
Team Europe Initiative	No
Zone benefiting from the action	The action shall be carried out in the Republic of Türkiye
Programming document	IPA III Programming Framework ¹
PRIORITY AREAS AND SECTOR INFORMATION	
Window and thematic priority	Window 3: Green Agenda and Sustainable Connectivity Thematic Priority 2: Transport, digital economy and society, and energy
Sustainable Development Goals (SDGs)	Main SDG: GOAL 11: Sustainable Cities and Communities (Targets: 11.2 and 11.6), Other significant SDGs (up to 9) and where appropriate, targets: GOAL 3: Good Health and Well-being (Targets: 3.4, 3.6 and 3.9), GOAL 5: Gender Equality (Targets: 5.1, 5.2 and 5.5), GOAL 7: Affordable and Clean Energy (Target: 7.3), GOAL 9: Industry, Innovation and Infrastructure (Targets: 9.1 and 9.4), GOAL 12: Responsible Consumption and Production (Target: 12.C),

¹ Commission Implementing Decision of 10.12.2021 adopting the Instrument for Pre-Accession Assistance (IPA III) Programming Framework for the period 2021-2027 C(2021) 8914 final

	GOAL 13: Climate Action (Targets: 13.1 and 13.2), GOAL 17: Partnership for the Goals (Target: 17.14)				
DAC code(s)	DAC 5 Code	CRS Code	Voluntary Code		
	210	21010		Transport policy and administrative management (100%)	
			21011	Transport policy, planning and administration (65%)	
		21012	Public transport services (30%)		
		21013	Transport regulation (5%)		
Main Delivery Channel	40000- Multilateral Organisations				
Markers (from DAC form)	General policy objective		Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, newborn and child health	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers		Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Internal markers	Policy objectives		Not targeted	Significant objective	Principal objective
	Connectivity	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Digitalisation	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION					
Amounts concerned	Budget line: 15.020201				

	<p>Total estimated cost: EUR 215 000 000</p> <p>Total amount of EU budget contribution EUR 15 000 000</p> <p>This action is co-financed in joint co-financing by:</p> <ul style="list-style-type: none"> - French Development Agency (AFD) for an amount of EUR 200 000 000
MANAGEMENT AND IMPLEMENTATION	
Implementation modalities (type of financing and management mode)	<p>Project Modality</p> <p>Indirect management with the Agence Française de Développement (AFD) as the Entrusted Entity</p>
Final Date for conclusion of Financing Agreement	At the latest by 31 December 2023
Final date for concluding contribution / delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
Indicative operational implementation period	72 months following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement

1.2. Summary of the Action

The ultimate goal of this Action is to encourage, improve and facilitate the efforts put forward by Turkish municipalities in their increasingly crucial role of pursuing sustainable and smart urban mobility services across city jurisdictions. It will be done by blending EU grants with a loan programme by the French Development Agency (AFD). This AD combines an EU grant financing of EUR 15,000,000 with loans amounting to EUR 200 000 000. The grant financing will be implemented by the AFD as the entrusted entity. The Action will deliver a number of activities including technical assistance to key enabling stakeholders, policy dialogue, awareness and promotion activities. It will encourage peer exchange of experiences and best practices in Türkiye, the EU and other candidate countries, as well as the preparation of sustainable urban mobility plans (SUMP). The Action will also deliver on investment preparation support (feasibility studies, design, environmental and social safeguard documents) as well as investment implementation support for sustainable and smart urban mobility projects. It will focus on the emergence of integrated and innovative mobility pilot projects that will improve the integration of existing mobility structures with innovative mobility solutions. In this way, the Action will promote municipal investments in the de-carbonisation and the digitalisation of urban mobility. By promoting competitive, affordable, accessible, multi-modal and sustainable urban mobility, the Action contributes to SDG Target 11.2 “Affordable and Sustainable Transport Systems” and SDG 11.6 “Reduce the Environmental Impact of Cities”. The Action aligns with key priorities of the European Commission that are recently announced through the new European Urban Mobility Framework. These include more ambitious approach to sustainable urban mobility planning and related indicators, stronger action to create climate-neutral cities, better synergies between different programmes (blended finance), more effective zero-emission city freight logistics and larger efforts to increase awareness and reinforce citizen engagement within and beyond the EU.

This Action, proposed as a blending programme of grants and loans, will be considered as an Action under the Türkiye Investment Platform² (TIP) and shall follow the relevant provisions of the TIP with regards technical assessment and formal approval.

2. RATIONALE

2.1. Context

Sector/Country/Regional context, alignment with IPA III and the policy priorities of the Commission:

The proposed Action intends to alleviate pressing challenges for Türkiye by blending an EU grant with loans to be provided by the AFD. These challenges are reported in a number of international and national publications including the European Commission's "Urban Mobility Package: 'Together towards competitive and resource efficient urban mobility'". The car ownership in Türkiye will continue to increase along with the income levels that will make congestion and air quality issues more severe in the urban centres.

In accordance with the IPA III Programming Framework, the proposed Action positions itself within the "Window 3: Green Agenda and Sustainable Connectivity" category and under Thematic Priority 2 "Transport, digital economy and society, and energy". Activities associated with this Action are expected to contribute to the regional and global efforts in mitigating and building resilience to climate change, protecting the local air quality, and shifting towards a low-carbon economy. This is particularly crucial as the environmental statistics for Türkiye as a candidate country portrays a constant series of annual increases in greenhouse gas emissions over the period 2007-2017. The overall increase in emissions was 34% - the largest increase reported among the candidate countries. A significant share of this increase for Türkiye is attributable to the transport sector. The Action is directly relevant to the first priority on green alliances and partnerships of the new Geopolitical Commission: a Stronger Europe in the World.³ The promotion of sustainable urban mobility responds to the green agenda and climate priority of the Commission. Without resolute action, transport sector emissions will increase by 140% by 2050, 90% of which will come from countries in the South. Fast-growing urbanisation coupled with economic growth is leading to a substantial increase in the number of trips made (people and goods) and vehicles used. Greenhouse gas (GHG) related emissions generated by the transport sector represent between 30-40% of emissions in Turkish cities.

Main objectives of the Turkish National Policy:

The overall objective of Türkiye's national strategy in the transport sector is to establish a smoothly functioning, safe, green, smart, accessible, sustainable and inter-operable national transport system, which has seamless connections with Europe and the rest of the world. Growing urbanisation across Türkiye results in much higher mobility demand. Responding to this demand requires major restructuring and modernisation of public transport services, improvement and development of non-motorised modes of transport, and effective control of motorisation. In 2021, the government of Türkiye allocated TL 8 483 581 000 to urban mobility. In the past, sectoral (transport) allocation used to be earmarked mainly for roads and highway crossings/bridges. However, priorities have shifted drastically in recent years towards more sustainable transport options. Such changes in the national policy improve the efficiency and productivity across the country as well as its desire to become a competitive actor in the global economy. Therefore, the government is keen on improving sustainable urban mobility across Turkish cities. Examples include reforms in the railway sector (e.g. laws were enacted that changed the principles on which Turkish railways operate) and the preparation of a national transport master plan including all modes, and improvements in micromobility sector (e.g. regulation on electric scooters and regulation on bicycle infrastructure). The current objectives of the national policy aim at

² Türkiye Investment Platform ('TIP') established by the European Commission on 31/03/2022 - C(2022) 1895 final

³ See priorities "A Geopolitical Commission: a Stronger Europe in the World".

developing guiding principles and strategies for sustainable urban mobility in compliance with the second edition of the European Guidelines for Developing and Implementing a Sustainable Urban Mobility Plan (SUMP)⁴. They provide continuous technical and financial support to municipalities, tackle the negative public perception toward sustainable transport modes, ensure coherent policies at national and local level, and establish efficient performance measurement and monitoring mechanisms for sustainable mobility plans.

Relevance to the specific instruments of the EU enlargement policy

All intended outcomes of the Action are aligned with the Urban Agenda for the EU, which is fully supporting global SDG targets and the Paris Agreement. Based on the principles of proportionality and subsidiarity, the three pillars of the EU policy making and implementation - Better regulation, Better funding and Better knowledge – will be properly factored in during the implementation phase.⁵ In the context of the EU Enlargement process, the Action is mostly relevant for the alignment of the Türkiye’s transport strategy with the urban mobility policies of the EU. More specifically, the Action is expected to put users of transport networks first and provide them with more affordable, accessible, healthier and cleaner alternatives. Furthermore, it is expected to boost the uptake of clean vehicles, promote multi-modal transport and utilise digital technologies to enable smart management. These goals will be fully in line with the good urban governance as promoted through the New Leipzig Charter - The transformative power of cities for the common good.⁶ The Charter highlights that cities need to establish integrated and sustainable urban development strategies and ensure their implementation for the city as a whole, from its functional areas to its neighbourhoods.

In the framework of the European Green Deal⁷, the European Commission has recently adopted a new Strategy for Sustainable and Smart Mobility⁸ to help reducing transport-related greenhouse gas emissions by 90% by 2050 and the New Approach for a Sustainable Blue Economy promoting the transformation of all blue economy sectors as part of a modern, resource-efficient and competitive economy⁹. The 2030 Climate Target plan indicates that increasing the modal shares of collective transport, walking and cycling, as well as automated, connected and multimodal mobility will significantly lower pollution and congestion from transport, especially in cities and improve the health and well-being of people. Therefore, since the introduction of its SUMP concept in 2009 and the publication of the SUMP guidelines in 2013 (*and their revised 2nd edition’ of 2019*), the European Commission scales up its support to cities across Europe to ensure the development of balanced, integrated and sustainable transport modes.

In the framework of maritime regional cooperation, two specific instruments have to be mentioned. In the Mediterranean, the Union for Mediterranean (UfM) provides a framework for integrated, sustainable development by encouraging policy and action coordination and partnerships. With the Ministerial Declaration on Sustainable Blue Economy of 2 February 2021, UfM countries, including Türkiye reconfirmed their commitments to address joint challenges in key blue economy sectors.

In the Black Sea, Türkiye participates to the regional cooperation framework to support blue economy, the Common Maritime Agenda for the Black Sea (CMA)¹⁰. The CMA has been endorsed in May 2019 by the Bucharest Ministerial Declaration and it includes priorities related to the promotion of sustainable maritime transport and digital connectivity, sustainable and safe shipping, smart connectivity of ports and infrastructures.

Complementarity and coordination with the EU and other donors/partners

⁴ Ref. Ares(2019)6461243 - 18/10/2019

⁵ Establishing the Urban Agenda for the EU ‘Pact of Amsterdam’

⁶ New Leipzig Charter- The transformative power of cities for the common good

⁷ The European Green Deal, COM/2019/640 final

⁸ Sustainable and Smart Mobility Strategy – putting European transport on track for the future, COM(2020) 789 final

⁹ https://oceans-and-fisheries.ec.europa.eu/ocean/blue-economy/sustainable-blue-economy_en

¹⁰ https://oceans-and-fisheries.ec.europa.eu/ocean/sea-basins/black-sea_en

The proposed Action is complementary to other initiatives and projects such as Turkish Union of Municipalities' previously initiated sustainable mobility themed project as part of IPAlI, the World Bank-led Technical Assistance for Sustainable, Accessible and Inclusive Urban Mobility in Turkish cities, and the sustainable mobility projects covered via the Türkiye's Sectoral Operation Programme.

Additionality

By blending grants and loans, this action will promote investments in a sector in Türkiye where the municipal banking capabilities are limited, i.e. sustainable mobility. Adequate capacities of the stakeholders, the İller Bankası Anonim Şirketi (ILBANK) and the municipalities involved are crucial for the successful implementation of the investments. It is also equally important that innovations in this area are well adapted to the context of the municipalities that will be involved. The EU grant will support those two very critical aspects of the project besides the financing being provided by the AFD loan programme.

ILBANK and municipalities are reluctant to be indebted for technical assistance services. This action will trigger reform activities in this domain, which will lead to intended changes. The international framework shall pull international expertise into this area into Türkiye and a new pool of expertise will be created thanks to the grant. Through the grant financing availed to ILBANK and the Union of Municipalities of Türkiye (UMT) it will be possible to access a large number of beneficiaries who would otherwise advance individually in an uncoordinated and non-optimal way. It will also be possible to coordinate the exchange of experience and know-how throughout this network.

Leverage

The EU grant of EUR 15 million will leverage loans of EUR 200 million provided by the AFD. Without the EU grant, Turkish Municipalities may not access to combined volume of loans in the sustainable urban mobility sector.

2.2. Problem Analysis

- (i) Short problem analysis

With the rapid urbanisation, Turkish cities are facing growing challenges to improve the access to urban mobility services for long-term sustainability

Türkiye's rapid urbanisation and the population growth in certain urban areas led to the formation of "metropolitan municipalities" with city-populations ranging from 750 000 to 15 000 000. This increased the car ownership across urban areas and traffic congestion levels in the range of 20% to 30% - with the exception of Istanbul where the congestion level reaches up to 55%. Modal split of large Turkish cities is around 20% to 30% of private car share and continue to increase together with the average cost of transport. The total final energy consumption of Türkiye has increased by 50% over the period 2005-2016, compared to a decrease of 2.3% for the OECD area where the industry and transport are the largest consumers. Türkiye is also the OECD country with the highest GHG emission growth, 49% between 2005 and 2016. Emissions per capita increased by 60% since 1990.

The specific challenges in the transport sectors include: lack of efficiency and effectiveness of the local governance in the transport sector, budgetary constraints and insufficient financial capacity, rapid increase of urban transport demand, areas deprived of transport accessibility, increased energy consumption, poor road safety records, traffic congestion, year-on-year increase of emissions, low publicity and awareness with regard to sustainable urban mobility, and lack of efficient infrastructure. Many cities in Türkiye have yet to develop efficient public transport systems. Other factors that exert additional negatively affects are migration and the COVID-19 pandemic.

Very often, Turkish cities have limited access to adequate financing solutions for their significant investment needs. Only a few cities can attract financing from commercial banks, which usually has relatively short maturity, as well as support from the international financial institutions (IFIs). At the same time, alternative access to capital markets, such as issuing municipal bonds (or municipal green bonds) in the domestic and international markets, is extremely limited (only Istanbul managed to issue Eurobonds in 2020).

The existing fragmented approaches and planning gap in the urban transport sector advocate for a clear policy framework and a coordination mechanism by the decision makers and competent authorities. This is due mainly to the current lack of coordination and cooperation across different policy areas and sectors (transport, land-use and spatial planning, environment, economic development, social policy, health, road safety, etc.) and across different levels of government and administration as well as across local authorities in neighbouring cities. This is also addressed in the Commission's 2021 report on Türkiye under Chapter 14 'Transport policy' as "Urban mobility requires a more comprehensive policy framework and a clear institutional set up between central and local authorities."¹¹

There are issues with the preparation, implementation, monitoring, evaluation processes as well as with the participation mechanisms of the traditional urban transport master plans. The lack of technical capacity and assistance in local authorities is a crucial gap. There are also stakeholder engagement, participation and ownership related problems with respect to planning processes. Transforming the transport system of a city into a sustainable system is a challenging and time demanding process that is worth being systematically planned and continuously managed. It requires collaboration and coordination between departments in the city administration that either affect or are affected by transport developments. Therefore, there is a common need to increase technical capacity for the implementation and operation phases.

There is an urgent need for revision of these plans by incorporating sustainable urban mobility elements (e.g. non-motorised modes such as walking and cycling) as well as a need for preparing new sustainable urban mobility plans. However, there is a lack of access to qualified and experienced human resources, capacity and budget to plan and implement sustainable mobility measures. Not only do the relevant workforces in metropolitan municipalities need to be expanded quantitatively, but they also need to be trained via capacity building activities. This Action will increase the awareness and capacity of Turkish municipalities to prepare SUMP, to revise their transport master plans with a sustainability perspective and to become motivated for financing sustainable mobility projects.

The Commission's 2021 report on Türkiye highlights that urban mobility requires a more comprehensive policy framework and a clear institutional set up between central and local authorities¹². The Eleventh Development Plan¹³ addresses some of the targeted amendments in legislation and the Report of Specialized Commissions on Transportation¹⁴ drafted an action plan for sustainable urban mobility including "arranging the administrative structure in urban transportation and eliminating the multi-headed structure". This framework should ideally favour sustainable and smart mobility practices over the conventional automobile-oriented approaches. However, it is not always the case, often because of the long-standing road and highway engineering practices settled in the municipal planning departments as well as the political pressure that stems from the local electorate. Turkish cities need to change this status-quo and start planning, implementing and monitoring human-oriented, clean and smart urban mobility systems. This is a critical step in overcoming the

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0290&from=EN>

¹² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0290&from=EN>

¹³ https://www.sbb.gov.tr/wp-content/uploads/2021/12/Eleventh_Development_Plan_2019-2023.pdf

¹⁴ <https://www.sbb.gov.tr/wp-content/uploads/2020/04/UlastirmaOzellhtisasKomisyonuRaporu.pdf>

hurdle of outdated practices and fragmented approaches in urban transport. In addition, the Communication from the European Commission to the European Parliament (EP), the Council, the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR) “Together towards competitive and resource-efficient urban mobility”¹⁵ highlights that transforming urban mobility requires coordinated action, which could be facilitated by the (SUMP), but few cities have started to prepare SUMP until now.

- (ii) Identification of main stakeholders and corresponding institutional and organisational issues (mandates, potential roles, and capacities) to be covered by the action

Key institutional stakeholders most affected by the problems laid out above are:

- Metropolitan municipalities in Türkiye, which lack well-defined institutional structure in the transport sector, strong coordination capacity, experienced human capital and sufficient financial means. They are responsible for the preparation of Urban Transport Master Plans (UTMP) and urban transport projects, providing all kinds of public transport services in cities, and implementing transport infrastructure projects via municipal budgets, tax revenues or foreign credits. The action will focus on mainly metropolitan municipalities, however, provincial municipalities with large populations that have willingness and readiness for sustainable mobility planning and project implementation could also be considered on case by case basis. **Final beneficiaries of technical assistance will be selected according to a multi-criteria assessment framework including criteria such as readiness, capacity and previous experience.**
- Urban transport operators (metro operators, bus operators etc.).
- National authorities: the Presidency of Strategy and Budget Office, responsible for the preparation of national development plans and annual investment programs, and the appraisal and approval of urban transport projects from a financial and economic perspective; Ministry of Transport and Infrastructure (MoTI), tasked with the development of urban transport policies, appraisal and approval of Urban Transport Master Plans and urban rail projects from a technical perspective; TCDD (in relation to suburban rail services), Ministry of Environment, Urbanization and Climate Change (MoEU), Ministry of Energy and Natural Resources, in charge of monitoring of National Energy Efficiency Action Plan which includes Transport sector, Ministry of Foreign Affairs (Directorate for EU Affairs), Ministry of Treasury and Finance, responsible for approval of foreign credit agreements.
- Civil Society Organisations.

3. DESCRIPTION OF THE ACTION

3.1. Intervention Logic

The overall objective (Impact) of this Action is to encourage, improve and facilitate the efforts put forward by Turkish municipalities in their increasingly crucial role of pursuing sustainable and smart urban mobility services across city jurisdictions. This will be achieved by blending EU grants with loans to be provided by the AFD. In this proposal, EU grant financing will be used for technical assistance.

The specific objectives/outcomes (SO) of this action are:

- SO1: Improve capacity and institutional framework on sustainable and smart mobility
- SO2: Promote investment projects in selected municipalities

The outputs of the action are presented under each outcome:

- SO1: Improve capacity and institutional framework on sustainable and smart mobility
Output A.1: Supported expert pool at ILBANK (recruited and trained)

¹⁵ COM (2013) 0913

- Output A.2: Provided project management support at selected municipalities
- Output A.3: Increased capacity for participating municipalities
- Output A.4: Promoted sustainable urban mobility and associated policy dialogue among key stakeholders
- Output A.5: Facilitated exchanges between EU and Turkish counterparts on urban mobility related topics
- Output B.1: Turkish municipalities are familiarised and supported through the adoption of smart, efficient and innovative concepts related to urban mobility services
- Output B.2: Prepared SUMP, revised Urban Transport Master Plans (UTMPs) with sustainability perspective and monitored SUMP
- Output B.3: Supported preparation studies for sustainable and smart urban mobility projects
- SO2: Promote investment projects in selected municipalities
 - Output C.1: Prioritised selection and investments of sustainable and smart mobility projects
 - Output C.2: Provided external supervision and monitoring for sound management of mobility projects

Assumptions

- Municipalities took active part in the European Mobility Week (EMW) process and promoted urban mobility at local level
- Ongoing SUMP are completed on time
- Credit line will be ready for implementation
- Projects to be supported under the Action are feasible and environmentally viable
- Enhancement of urban mobility remains high on the national/local government agenda
- The willingness to embrace sustainable mobility principles and strategies is high among the personnel of the targeted municipalities
- Board approval from the AFD to the contemplated multi-tranches facility and a first credit approval for a first set of the investments appraised during the year 2022 with ILBANK (with an emphasis on the maturity of candidate projects for which a Project Identification Document, Feasibility Study and Environmental & Social studies are made available to AFD) are obtained.

3.2. Indicative Activities

Activities related to Output A.1:

- Activity A.1: Increased capacity of ILBANK to plan and implement sustainable mobility activities

ILBANK has a pioneering role in localising and financing SDGs in Türkiye. Its portfolio of urban mobility projects is worth EUR 340 million as of December 2020, but with high potential to continue growing in the next years. Such responsibility requires the presence of a dedicated urban mobility pool of experts to reinforce the Project Management Unit (PMU, ILBANK's own staff), whose members are competent in a wide array of technical and economic aspects. The technical unit will include a team leader for the project, and a pool of experts, including project officers in charge of studies and

project implementation support (procurement, E&S, technical, financial, M&E, and Visibility and Communication experts) for investments. Ultimately, increasing the capacity of ILBANK in implementing sustainable mobility interventions will have a direct positive impact on the technical utilisation of loans envisaged.

Activities related to Output A.2:

- Activity A.2: Increased project management capacity at selected municipalities

This activity involves capacity building of permanent staff at selected municipalities for them to be able to manage urban mobility projects successfully. Different from Activity A.3, it will target a limited number of municipalities and focus on training relevant personnel in relation to project management responsibilities at different stages (e.g. procurement, technical, financial, E&S). Ultimately, increasing the capacity of selected municipalities in implementing sustainable mobility interventions will have a direct positive impact on the technical utilisation of loans envisaged.

Activities related to Output A.3:

- Activity A.3: Increased broader understanding of urban mobility concepts across a wide array of municipalities

In comparison to Activity A.2, this activity will capture a higher number of municipalities and with a broader variety of themes for capacity building. It will target personnel of both metropolitan and provincial municipalities. The integration of capacity building activities enables the personnel to gain the respective competencies, and strengthens their skill-sets and know-how. The capacity building activities will target both process related topics and technical topics. They will encompass various forms of capacity building, from on line webinars to on the spot trainings, workshop and study tours. As far as possible, the capacity building activities will build on and coordinate with existing capacity building offers and materials, such as the tools available under ELTIS project, MobiliseYourCity partnership and UITP platform.

The output would have sub-outputs such as “*Capacity Building on Urban Mobility*”; “*Advanced SUMP Course*”; “*Best Practice Identification*” and “*Experience Sharing Sessions for Practitioners*” and “*Guideline Preparation*”.

In order to strengthen the synergies between this programme and Project of UMT on mobility financed from IPA-II, this output will involve the use and dissemination of methodological tools (including the systematic use of Environmental Impact Assessment (EIA) and Climate Risk Assessment (CRA)) and guidelines and in particular sustainable and smart mobility guidelines that are based on the European Eltis SUMP guidelines but are also tailored to the Turkish context and the country-specific needs (guidelines will be created through the UMT’s project financed under IPA-II). Potential chapters include but are not limited to transport-oriented development, public transport upgrade and optimisation, pedestrian mobility, bicycle sharing systems, inter-modality, gender approach in urban mobility, intelligent traffic and parking management, and low or zero emissions-vehicles. This output will also include dissemination activities related to these guidelines. Other guidelines or technical tools under this Action will be produced on demand.

Activities related to Output A.4:

- Activity A.4: Analysed and improved institutional framework at national and local level with key stakeholders

This activity aims at reviewing and improving the institutional framework at national and urban levels in order to promote sustainable urban mobility through the utilisation of policy dialogue activities between municipalities and relevant ministries. This is already addressed in the Commission’s 2021 Report on Türkiye by suggesting preparation of a new transport strategy covering all modes of transport in line with the Commission’s Sustainable and Smart Mobility Strategy that establishes concrete targets for substantial

mitigation from transport sector emissions until 2030 and 2050. It should be noted that UMT will be implementing a Mobility Programme titled “EU Support for Promoting Sustainable Urban Mobility in Turkish Cities” through IPA-II financing, as a result of which, a white paper as well as a green paper will be developed. The particular output implemented within IPA-III Action will be targeting the implementation and lobbying process of the white and green paper developed through IPA-II financing. Recommendations of UMT’s green paper and white paper on national legislations and regulations regarding mobility will be implemented. Particular focus will be put on urban mobility governance and devolution level, urban mobility sector financing as well as technical standards and regulations. A follow up and implementation review process will be developed regarding the proposed amendments to legislation and regulation, including the organisation of workshops. In addition, this activity may include a review of existing national data and database regarding urban mobility and possible enhancement of data collection and analyses processes.

Activities related to Output A.5:

- Activity A.5: Increased awareness of the European Mobility Week (EMW, organised by European Commission)

Since 2002, the EMW has sought to improve public health and quality of life through promoting clean mobility and sustainable urban transport. The campaign gives people the chance to explore the role of city streets and to experiment with practical solutions to tackle urban challenges, such as air pollution. UMT is the national coordinator for the mobility week, and its mandate is to organize and promote the mobility week for local governments. In order to add an innovative activity “Twinning for EMW” will be conducted under Output A.5., where local diplomacy relations between municipalities in Türkiye and EU will be strengthened. EMW’s visibility and dissemination of overall knowledge will be increased.

Activities related to Output B.1:

- Activity B.1: Turkish municipalities are familiarised and supported through the adoption of smart, efficient and innovative concepts related to urban mobility services.

This activity will entail support focused mainly on Turkish metropolitan municipalities targeting innovative, efficient, green and smart technical concepts and solutions. It will include preparation and concept studies on a number of themes including but not limited to:

- smart demand management tools (e.g. intelligent traffic demand management solutions);
- energy-efficient solutions (e.g. braking energy recovery technologies for urban rail systems);
- integrated and seamless transport practices (e.g. multi-modal urban transport hubs);
- clean/low carbon pilot projects (e.g. use of hydrogen in public transport);
- technical support to the municipalities (and legislative support when needed) to identify and prepare innovative financing schemes for sustainable urban mobility projects (e.g. green bond issuance, municipal PPP).

The use and sharing of mobility data among mobility stakeholders also holds a transformative potential toward sustainability. Data sharing is critical for supporting a truly integrated and seamless mobility system, and aids in optimising and managing fleets. It can also help to plan a shift in commuting toward lower-impact modes such as walking, cycling or right-sized vehicles, and support resilience and efficiency of last-mile urban freight. Digitalisation in mobility is therefore of great importance. Studies envisaged in this activity shall also aid in identifying and preparing design of pilot innovative, smart and integrated mobility projects to be financed under the Action. Ultimately, familiarising municipalities with such innovative methods and concepts may allow for fine-tuning and identifying emerging projects.

Activities related to Output B.2:

- Activity B.2: Assisted municipalities to update/establish sustainable urban mobility plans (SUMP)

As of December 2020, the process of SUMP preparation is in progress for 7 metropolitan municipalities in Türkiye. In addition, several metropolitan municipalities have been updating their transport master plans recently.

- Activity B.2.1. Within the scope of the Action, about 4 SUMP documents will be completed for municipalities in line with the most recent EU guidelines. This output will include completion of SUMP documents as per EU SUMP guidelines methodology (Phases 1 to 3) as well as support for the implementation and monitoring of the adopted SUMP documents (Phase 4).
- Activity B.2.2. Moreover, revisions of recent urban transport master plans (about 4) will be executed with an emphasis on sustainability, and in line with spatial plans as well as the social and economic characteristics of the cities through a more participatory manner.
- Activity B.2.3. Although the preparation of SUMP documents and revision of transport master plans through a sustainable perspective is very important for urban mobility sector in Türkiye, a complementary support is also needed to implement, monitor, evaluate and revise SUMP documents. Therefore, an implementation support will be provided to the municipalities which completed preparation of their SUMP documents. Preparation of investment (action) plans, harmonisation of SUMP documents with Sustainable Energy and Climate Action Plans, harmonisation of SUMP documents with disaster risk management strategies, building stakeholder engagement, public participation and communication strategies will be the key focus areas under these implementation processes. A support will also be provided on ex-post monitoring of the adopted SUMP indicators and set up of mobility observatories in the cities.
- Communication and visibility will be assigned high importance during the implementation of the Action. The implementation of the communication and visibility activities shall be funded from the amounts allocated to the Action. All necessary measures will be taken in accordance with the Communication and Visibility Requirements for EU External Actions¹⁶ to publicise the fact that the Action has received funding from the EU and to promote EMW as European Commission's flagship awareness-raising campaign on sustainable urban mobility. Communication and visibility actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions. They will promote transparency and accountability on the use of funds.

Activities related to Output B.3:

- Activity B.3. Prepared sustainable and smart urban mobility projects:

Within the scope of this activity, the Action aims at financing the preparation phase of urban mobility projects that will eventually be financed. As such, a target of at least 10 investment schemes within urban mobility sector will be prepared, in particular urban mass transit public transport projects (such as Bus Rapid Transit or urban rail projects), parking management, congestion charging, electric busses and charging networks, bicycle and pedestrian infrastructure, infrastructures for enhanced public transport networks, green and low carbon solutions for public transport and smart urban mobility initiatives. This will include but is not limited to the preparation of technical and financial feasibilities, environmental and social safeguard documents, creditworthiness studies, design and final design as well as the procurement documents that are in full compliance with the relevant EU rules and regulations.

Activities related to Output C.1:

¹⁶ https://ec.europa.eu/international-partnerships/system/files/communication-visibility-requirements-2018_en.pdf

ILBANK will use AFD concessional loans to finance the investments identified as well as those generated under the SUMP's supported by the EU funding under IPA II period. Projects to be selected/implemented will be complementary to the EU's continued support under the IPA II. As of early 2022, there are already 7 SUMP's that will be implemented with the metropolitan municipalities. These SUMP's under implementation will generate a set of measures and project pipelines that should be eligible for further preparation and loan financing under this Action Document. However, selected projects will not be limited to them. Projects that fully comply with the Action goals and objectives with high priority will be elaborated as "no regret" investments.

In order to be considered eligible for financing under the Action, proposed projects will be assessed against a set of selection criteria in relation to the relevance to the EU objectives, AFD's group strategies and ILBANK strategies. The selection criteria will include prioritisation of the project in SUMP or revised transport master plan, project size, quality and the soundness of the project (in particular regarding institutional, technical and economic feasibility), promotion of green and low carbon mobility, environmental and social impacts, enhancement of intermodality, reduction of gender inequalities, replicability, potential for innovation (e.g. digital technologies/applications), inclusion of disabled persons. Much emphasis shall be given on the latter. Introducing measures that support sustainability is vital in ensuring that a mobility system can continue to meet the needs of individuals. To begin with, public transport needs to be accessible. As Turkish cities are facing major demographic changes, a more accessible transport network will become even more essential for the coming years. However, mobility is not only about public transport, it also concerns the urban environment. Other aspects such as the availability of parking spots designated for persons with disabilities, a strict policy on abuse of blocking parking spots of persons with disabilities, accessibility of the city's walking and cycling infrastructure, including quality and accessibility of pavements, secure and accessible road crossings, and a policy on restricting blocked pavements will all be equally important elements to assess as part of the detailed studies proposed in this Action. Lastly, mobility is not only about infrastructure: information, including websites and mobile applications, also needs to become more accessible.

All criteria listed above would help filtering out projects that cannot demonstrate adequate and appropriate returns or pose high risks.

The projects to be financed will be selected as per the investment identification process described in section 4.6 of this Action Document, with the following indicative outputs:

- Activity C.1.1 Under this output, the target is to support urban mass transit public transport projects such as Bus Rapid Transit or urban rail projects that carefully consider the EU's environmental regulations and integrated urban mobility approaches.
- Activity C.1.2. The target will be to support cities in Non-Motorised Transport (NMTs - bicycle and pedestrian) infrastructure, as well as small-scale infrastructure projects for public transport services (such as buses and minibuses) and investments to enhance urban transport intermodality.
- Activity C.1.3. This particular output focuses on smart and pilot projects.
- Activity C.1.4. This output will support municipalities investing in clean and low carbon public transport vehicles/fleets (such as electric, hybrid, CNG, LPG or biogas vehicles), in an attempt to modernise their vehicle portfolio for lower operational costs, higher quality of service, reduced GHG emissions and increased air quality. This output involves the procurement of clean and low emission public transport vehicles mainly for metropolitan municipalities.

Activities related to Output C.2:

- Activity C.2. This output is related to supporting municipalities with investment strand by providing technical assistance for project and contract management as well as monitoring and supervision.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Addressing environment and climate change challenges is one of the key objectives of this Action which aims at promoting green and low carbon urban mobility systems in a holistic manner. Multimodality takes advantage of the strengths of the different modes, such as convenience, speed, cost, reliability, predictability, and in combination, can offer more efficient transport solutions for people and goods. To foster environmental sustainability, the Action will also promote the principles of green procurement during implementation, also as a mean to transfer the related know-how to stakeholders.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. The AD ensures that both women and men can provide inputs, access, and participate in action activities. It will be ensured that sex-disaggregated data is collected regarding project activities and outputs, where applicable, and be presented in the inception/progress/interim/final reports and at Steering Committees and during monitoring missions. In the Logframe, sex-disaggregated indicators will be set, where appropriate.

Developing efficient, sustainable and safe public transport and mobility systems has a positive impact on women for whom public transport represents a high share of their professional and personal trips. This action will integrate a gender equality perspective in the projects implemented in the framework of this action both enhancing women users' experience in public transport systems and improving their access to employment in the transport sector (trainings to women drivers, technical training to transport female engineers, trainings to security personnel in transport stations etc.). Accessibility involves developing safe systems and intermodal stations (public space, lighting, non-motorised transport and walkable streets), adapt transport systems to women's needs and support campaigns to fight against harassment in the transport sector.

Through this Action, municipal authorities will better recognise and address gender inequalities in mobility, and adopt a participative approach where women citizens are involved actively. Finally, improved data collection activities to introduce gender-segregated data will contribute to gender-specific analysis of urban mobility demand in Turkish cities. Creating data on transport trends for women is essential for promoting gender sensitive policies and projects.

Human Rights

This Action will support accessible and affordable public transport and non-motorised transport used by all including most marginalised and excluded groups. In particular, this Action enables city authorities to improve and optimise the level of accessibility of the public transport then focusing on how much public transport is provided by the city. In addition, the Action will encourage public participation of Civil Society Organisations (CSOs) and citizens in the urban mobility sector, in particular through the SUMP processes which promote a strong participatory approach.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. Introducing measures that support sustainability is vital in ensuring that a mobility system can continue to meet the needs of individuals. To begin with, public transport needs to be accessible. As Turkish cities are facing major demographic changes, a more accessible transport network will become even more essential for the coming years. However, mobility is not only about public transport, it also concerns the urban environment. Other aspects such as the availability of parking spots designated for persons with disabilities, a strict policy on abuse of blocking parking spots of persons with disabilities, accessibility of the city's walking and cycling infrastructure, including quality and accessibility of pavements, secure and accessible road crossings, and a policy on restricting blocked pavements will all be equally important elements to assess as part of the detailed

studies proposed in this Action. Lastly, mobility is not only about infrastructure: information, including websites and mobile applications, also needs to become more accessible.

Other considerations

Through the activation of SUMP for Turkish cities, this Action promotes the engagement with citizens and the CSOs. The transition towards sustainable mobility requires active support from stakeholders and the wider public. It is important to involve all relevant stakeholders throughout the planning process, addressing their specific requirements. This helps to legitimise the SUMP and enhance its quality. In addition to the SUMP, there will also be engagement with CSOs as part of the promotion activities which includes activities in relation to European Mobility Week.

3.4. Risks and Lessons Learned

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
3	Risk 1: The preferred use of private cars can influence the stakeholders' views, and serve against the concept of planning for people. Lack of political will and active involvement by the municipalities might impede efforts presented in this Action.	M	M	Mitigation measures will include inclusive and evidence-based dialogues with the municipalities. Progress achievements will be monitored continuously to allow for adjustments on-the-go. Throughout the implementation of the Action, there will also be an engagement with the national authorities to improve the coordination with municipalities.
2	Risk 2: There could be competing interests between the needs of each city needs on the face of national strategies.	M	H	An overview of the EU strategies, national strategies of Türkiye as well as the needs of project cities will be conducted to identify the potential areas of projects. Such an exercise will also help final beneficiaries (municipalities) to fully embrace the national and regional agendas.
2	Risk 3: Technical Assistance substitutes than supports the administrative staff.	H	M	A participatory approach of TA will be adopted to engage recipient staff in ongoing activities. Training will ensure satisfactory competency of newly introduced strategies and planning mechanisms.

Lessons Learned:

Previous experience demonstrates that Actions should be aligned well with the national strategies. This would ensure ownership and validation of the Action. Therefore, a number of national policy documents were reviewed thoroughly during the formulation of the Action.

Another lesson learnt in the past was the importance of careful planning with regard to the rolling-out of the project cities, as per the capacity of the project implementing bodies and the maturity of the cities in relation to implementation. In addition, the municipalities will be key stakeholders in the planning and preparation studies to ensure full ownership within the Action. As for the incorporation of the horizontal themes, more time is needed for the consultations with the external stakeholders. This would ensure their efficient and effective engagement in the process.

Previous IPA support has primarily focused on transport subjects of national and international relevance, whereas the proposed Action will contribute to efforts in sustainable and smart urban mobility with a special focus on metropolitan municipalities that carry significant transport stakes and limited capacity in this domain.

3.5. Indicative Logical Framework Matrix

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (year)	By the end of the proposed Action	Sources of data (1 per indicator)	Assumptions
Impact	To support sustainable and smart urban mobility in Türkiye	1. Change of modal share of sustainable transport trips monitored within the urban boundaries of selected cities that are in possession of a SUMP/TMP 2. GHG emission reduction (Tons of CO ₂ eq per year) through leveraged financing support 3. Number of people gained improved access to sustainable and smart urban mobility	1. N/A 2. N/A 3. N/A	1. +[5] % 2. TBD 3. TBD	1. Target implies an increase from x% to (1,05x)%. TMPs, SUMPs and other relevant reports where modal split is analysed 2. To be calculated as per sub investment feasibility study 3. To be calculated as per sub investment feasibility study	<i>Not applicable</i>
SO 1	1. Improve capacity and institutional framework on sustainable and smart mobility	1.Number of investment projects (with loans) supported	0	10	ILBANK	
SO 2	2. Promote investment projects in selected municipalities	2.Number of authorities/municipalities supported	0	70	MoTI, and UMT records	
SO 1						
Output A1	A.1. Supported expert pool at ILBANK (recruited and trained)	Number of experts in the pool allocated to the required expertise	No dedicated expert at the moment	One dedicated expert pool at ILBANK	ILBANK records	
Output A2	A.2. Provided project management support at selected municipalities	Number of trained permanent staff under selected municipalities	0	One dedicated PIU at each selected municipality	ILBANK and selected municipalities records	
Output A3	A.3. Increased capacity for participating municipalities	1) Number of capacity building activities 2) Number of participants to capacity building activities 3) Number of participants to exchange sessions with city personnel/experts	1) 0 2) 0 3) 0 4) 0	1) 25 2) 1000 3) 240 4) 2	1)Attendee lists 2) Attendee lists 3) Meeting pictures 4) Meeting reports	Municipalities actively participated to capacity building activities

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (year)	By the end of the proposed Action	Sources of data (1 per indicator)	Assumptions
		4) Number of new financing schemes worked on/analyzed				
Output A4	A.4. Promote sustainable urban mobility and associated policy dialogue among key stakeholders	Number of meetings between stakeholders at local and national level	0	10	Attendee lists Meeting pictures Meeting reports	The dialogue is institutionalized
Output A5	A.5. Facilitated exchanges between EU and Turkish counterparts on urban mobility related topics	1) Number of urban mobility promotion project proposals created in EMW Twinning Component 2) Communication tools in place 3) Number of people reached through EMW campaigns	1) 0 2) 0 2) 0	1) 10 2) 1 3) 100000	1) Prepared project proposals 2) Report of the twinning component 3) EMW social media data	Municipalities prepared proposals for grant programme.
Output B1	B.1. Turkish municipalities are familiarised and supported through the adoption of smart, efficient and innovative concepts related to urban mobility services	Number of concept/preparation studies supported under the pillars of innovative, smart and efficient urban mobility solutions/concepts	0	5	AFD and Beneficiaries' (Municipalities) records	
Output B2	B.2. Prepared SUMP, revised TMPs with sustainability perspective and monitored SUMP	1) Number of municipalities that prepared SUMP with the support of the Action (N.B.: prior to the beginning of implementation of the Action, 8 SUMP preparation (7 in progress and 1 is expected) are expected to be completed)	1) 7 in progress through other Actions	1) 11 (4 SUMP as part of this Action)	1) Signed technical assistance contracts and Minutes of Municipal Board on approval of plans	
		2) Number of municipalities updated their TMPs with Sustainable Mobility Perspective	2) 0	2) 4	2) Signed technical assistance contracts, Minutes of Municipal Board on approval of plans and project reports	
		3) Number of ongoing SUMP or revised TMPs supported on implementation, M&E, harmonization and participation mechanisms	3) 0	3) 2	3) Signed technical assistance contracts and project reports	Ongoing SUMP are completed on time
Output B3	B.3. Supported preparation studies for sustainable and smart urban mobility projects	1) Number of sustainable urban mobility project preparation documents completed (feasibility, design, ESIA, carbon assessment)	1) 0	1) 10	1) Signed technical assistance contracts and project reports	Credit line will be ready for implementation
		2) Number of pilots on innovative and integrated solutions	2) 0	2) 2	2) Design of pilot projects completed (Approved projects by AFD for loan)	
SO2						
Output C1	C.1. Prioritized selection and investments of sustainable and smart mobility projects	1) Number of mass transit public transport projects financed	1) 0	1) 1 project completed	1) Project reports Approved projects by AFD for loan	Project preparation completed Projects are feasible and environmentally viable Credit line will be ready for implementation
		2) Number of bicycle/pedestrian and small scale public transport projects financed	2) 0	2) 3 projects completed	2) Project reports Approved projects by AFD for loan	
		3) Number of smart/sustainable mobility solutions projects financed	3) 0	3) 3 projects completed	3) Project reports Approved projects by AFD for loan	
		4) Number of smart/clean public transport vehicle purchase projects financed	4) 0	4) 3 projects completed	4) Project reports	

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (year)	By the end of the proposed Action	Sources of data (1 per indicator)	Assumptions
					Approved projects by AFD for loan	
Output C2	C.2. Provided external supervision and monitoring for sound management of mobility projects	Number of projects monitored and supervised	0	10 projects monitored and supervised	Project reports Approved projects by AFD for loan	

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this Action, it is envisaged to conclude a financing agreement with the Republic of Türkiye.

4.2. Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Methods of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1. Indirect Management with a Member State Organisation

This Action will be implemented in indirect management with AFD which is well placed to implement the proposed action, as the conceptual phase of the action was initiated by AFD, in close collaboration with Turkish implementing partners the İller Bankası Anonim Şirketi (ILBANK) and the Union of Municipalities of Türkiye (UMT). AFD brings both sectoral expertise and international best practices to project implementation and its own financing support through long term concessional loans in order to leverage and increase the overall impact of the action by blending EU grants.

Furthermore, AFD has proven operational capacity in Türkiye through a combination of investment financing and technical assistance. Being particularly active in the municipal sector including urban transport, AFD's total commitment to support Turkish municipal services is amounting to over EUR 900 million. For several years, AFD has also intensified its cooperation with ILBANK as its key implementing partner to channel grants and loans to targeted municipalities as final beneficiaries. ILBANK has a pioneering role in Türkiye on localising and financing SDGs. The project portfolio managed by ILBANK serves as a leveraging effect in ensuring sustainable urban development goals, including water management, sanitation, urban mobility, energy efficiency and social development. ILBANK has significant experience in working with international financing institutions and in managing a wide project portfolio for improving quality of life in Turkish cities.

In case the envisaged entrusted entity would need to be replaced, the Commission's services may select a replacement entity using the same selection criteria. If the entity is replaced, the decision to replace it needs to be justified.

This Action, proposed as a blending programme of grants and loans, will be considered as an action under the Türkiye Investment Platform (TIP) may be implemented under indirect management with the entities, called Lead Finance Institutions.

4.4. 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, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Indicative third-party contribution, in EUR
Methods of implementation – cf. section 4.3		
Outcome 1 ‘Improve capacity and institutional framework on sustainable and smart mobility’ and Outcome 2 ‘Promote investment projects in selected municipalities’, composed of	14 750 000	200 000 000 (Loans)
Indirect management with the French Development Agency (AFD)	14 750 000	200 000 000 (Loans)
Evaluation – cf. section 5.2 Audit – cf. section 5.3	will be covered by another Decision	N/A
Communication and visibility* – cf. section 6	250 000	N/A
Totals (including indirect management fees)	15 000 000	200 000 000

*Included in the EU contribution value of EUR 15 000 000

4.6. Organisational Set-up and Responsibilities

The action will be implemented in IMEE (Indirect management by Entrusted Entity) whereby the contracting authority is the Delegation of the European Union to Türkiye.

- **AFD - “Entrusted Entity”**

The European Commission delegates the management of the Action to AFD in accordance with indirect management rules and procedures. AFD will be responsible for the overall management and operational monitoring of the Action vis-à-vis the European Commission. The action is blending EU grants with the loans to be provided by the AFD. A Contribution Agreement will be signed between the European Commission and AFD.

The following sub-components of the Action will be directly procured by AFD:

A.1: Increased capacity of ILBANK to plan and implement sustainable mobility activities.

A.2: Increased project management capacity at selected municipalities

B.1: Supported Turkish municipalities in delivering concept/preparation studies for integrating innovative, efficient and smart concepts/solutions on urban mobility services

AFD will mobilise a dedicated project team from several departments and offices both in France and Türkiye: a project officer in the field in charge of the day to day coordination of the Action between AFD, EUD, ILBANK, UMT and Municipalities, supported by the whole AFD Türkiye office and, in the Headquarters, a task team leader (mobility division), country manager for Türkiye, experts from environmental and social unit, procurement unit, climate unit and other relevant support staff such as legal department, EU funds management unit.

- **ILBANK – “Implementing Partner”**

ILBANK is the main institution to which the municipalities apply for meeting their infrastructure financing needs and assistance for implementation. ILBANK will act as AFD’s implementing partner with the role of technical and financial intermediary for the Action. Its main responsibilities consist of 1) assuming the identification of studies and investments needs by close coordination with participating municipalities and AFD, and in alignment with the programmes of the national authorities (Presidency of the Strategy and Budget, Ministry of Treasury and Finance); 2) procuring SUMP and feasibility studies, design, and E&S studies; 3) participating in the evaluation and approval of studies and selection of investment projects to be financed by the grant and loan with AFD; 4) supporting in project management assistance to participating municipalities: procurement process, external technical supervision and financial control during the implementation phase, monitoring environmental and social action plans and consolidating periodic progress reports of the proposed Action to AFD; 5) overall coordination with AFD for audit, M&E, reporting, communication & visibility activities.

ILBANK has a PMU with dedicated staff from Department of International relations of its General Directorate based in Ankara, who interacts with 18 regional directorates. ILBANK intends to assign its own staff (existing and recruitment of new senior and junior transport experts) to join the PMU in order to ensure one-to-one coaching, lessons learned, experience sharing and internal capacity improvement so to ensure in return the sustainability of activities.

Apart from its own staff, ILBANK’s PMU will be further reinforced mainly through the recruitment of a pool of national and international external experts, financed under the sub-component A-1 of the Action.

ILBANK will assume the roles of the coordinator and assistant to project management for all targeted municipalities, with a reinforced focus on the weakest ones. Its role will be especially key with regard to M&E, procurement and environmental and social risks management, fields in which it is expected that ILBANK will advise and guide final beneficiaries which have less experience with projects financed by international donors.

- **The UMT – “Implementing Partner”**

UMT will assume the role of Implementing Partner through close coordination with AFD, while also facilitating the coordination with its members and ILBANK for the other components when needed. A dedicated Project Management Unit (PMU) composed of its own staff will be put in place.

- **Municipalities and/or their affiliated transport operators – “Final Beneficiaries”**

A Project Implementation Unit (PIU) will be established to carry out operational and administrative tasks within each participating municipality. In close coordination with AFD and its two implementing partners, the responsibilities of PIU will include the active participation in the policy dialogue, capacity building activities and promotion activities and in innovative smart pilot projects identification and the related feasibilities. The PIUs will be actively participating in the whole project preparation (concept, feasibility study, design), and implementation (procurement process, monitoring and reporting of technical and financial progress of the project, coordination between project stakeholders, supervision of the construction, participation in the approval of the works, performance tests, commissioning and final approval). The unit will also be responsible for the environmental and social action plan. An ideal PIU shall consist of 6 people, the head of the PIU, 2 financial experts and 3 technical experts. The PIU staff will be the municipality’s own staff dedicated to a specific investment project.

- **Investment identification and approval Committee**

A multi-tranches facility (MTF) with a contemplated amount of EUR 200 million is foreseen to be contracted with ILBANK and on-lent to the municipalities. The first tranche under this MTF will be sized proportionally and in accordance with a set of criteria. It will be based on maturity assessment and appraisals during year N. Then it will be approved by the AFD Board prior to the signing of the Contribution Agreement. The subsequent tranches can be committed to pre-screened investment projects. An investment identification and approval committee, with main members from AFD and ILBANK and an observatory seat for EU Delegation to Türkiye if needed, can be set up. The Committee will ensure the selection of final beneficiaries for various preparation studies, external supervision support and investment projects to be financed in line with the Action's objectives, scope and criteria to be pre-defined in the Operational Manual.

- **Steering Committee**

A Steering Committee (SC) will be set up to foster the exchange of information and ensure quality of results throughout the implementation of the Action. The permanent members of the Steering Committee will be the EUD, AFD, ILBANK, UMT, NIPAC and the Ministry of Transport and Infrastructure as the Managing Authority). Additional authorities that may take part in the SC include: the final beneficiaries' head of PIU (or Final Beneficiaries' top executives with capacity for representation), the Presidency of Strategy and Budget and possibly the NIPAC, , the Ministry of Environment, Urbanization and Climate Change, and the Ministry of Energy and Natural Resources. AFD, ILBANK and UMT will inform the SC on the implementation progress of the activities.

The Steering Committee will meet for the first time 3 months after the signature of the Contribution Agreement, and then every 6 months during the implementation of the project in order to discuss implementation, progress, problems and future planning.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.7. Pre-conditions

The Türkiye Investment Platform (TIP) was established by the European Commission under Decision C(2022) 1895 final with the objective to promote investments in Türkiye and act as a coordination mechanism aimed at identifying, discussing, and approving investment initiatives proposed by eligible financial institutions to be supported by the Commission through blending and/or guarantees operations under EFSD+.

This Action, proposed as a blending programme of grants and loans, will be considered as an action under the TIP and shall be subject to the relevant provisions of the TIP with regards to technical assessment and its formal approval.

AFD will reach an agreement with ILBANK on the candidate projects regarding project identification, financial feasibility, environmental and social studies. This list of indicative priority projects will become part of the contribution agreement to be signed with the EUD and will be included in the Agreement to be signed between AFD and ILBANK.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of

achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the LogFrame matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Monitoring tasks undertaken by the implementing partners/ beneficiary country, under the coordination of NIPAC Office, and NAO Office for financial monitoring, will consist of collecting and analysing data on the use of resources and progress towards planned results and feeding the management of the action's decision-making processes.

Monitoring tasks undertaken by the EU Delegation shall complement the implementing partners'/ beneficiary country's monitoring system, especially in key moments of the action cycle. It will also support follow-up of recommendations stemming from external monitoring and will be used to inform the EU management. This monitoring could take different forms and methodologies (meetings with implementing partners, action steering committees, on the spot checks...), to be decided based on specific needs and available resources. Reporting will be done in accordance with the methodologies and tools included in DG NEAR guidelines on linking planning/programming, monitoring and evaluation, including the use of standard checklists.

Both types of internal monitoring are meant to inform and provide support to external monitoring:

External monitoring / Results Oriented Monitoring (ROM)

The Commission and/or NIPAC may undertake additional project monitoring in line with the European Commission rules and procedures set in the Financing Agreement through independent consultants recruited directly by the Commission/NIPAC for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission/NIPAC for implementing such reviews). These reviews might be composed of monitoring of the action, results data collection or any other task that is identified in the most recent European Commission guidelines.

The Steering Committees will be established at activity level in order to steer the implementation of activities, achievement of results against indicators in the action document, to discuss monitoring findings (including ROM findings) and agree on corrective actions as appropriate. The Steering Committees will be composed of the representatives of end beneficiaries, Lead Institution, NIPAC Office, Contracting Authority and the EU Delegation.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed.

5.2. Evaluation

Having regard to the nature of the action, evaluation(s) may be carried out for this action or its components by the beneficiary via independent consultants. The evaluations will be carried out as prescribed by the DG NEAR guidelines on linking planning/programming, monitoring and evaluation.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. COMMUNICATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of Actions are a legal obligation for all Actions funded by the EU, as set out in the EU communication and visibility requirements in force.

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist;
- promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media;
- promoting EMW as European Commission's flagship awareness-raising campaign on sustainable urban mobility.

Visibility and communication measures shall be implemented, as relevant, by the national administrations (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative and master messages for the Action, customised for the various target audiences (stakeholders, civil society, general public, etc.)

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations and Offices. The European Commission and the EU Delegations and Offices should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

7. SUSTAINABILITY

The Action is designed to have multiplier effects in terms of information sharing and potential for replication. Through the capacity building activities on sustainable urban mobility, municipal administrations will develop internally the required technical knowledge. This will help them in retaining the strategies demonstrated and applied over the course of the Action. Ultimately, they will be able to sustain the same momentum in streamlining new projects even beyond the implementation period of the Action. Involvement of the CSOs and other civil representatives during the implementation phase will aid in increasing the public awareness in sustainable urban mobility, which will then constitute an induced public expectation for further project commitments from the municipal administrations. In addition, the capacity building of ILBANK on transport will allow for enhanced guidance and management of sustainable urban mobility efforts in concerned Turkish municipalities.

Following the implementation of the Action, the availability of adequately tailored technical guidelines will contribute to the beneficiaries' capacity to function self-sufficiently. The Outputs that are proposed as part of this Action will result in improved urban practices in the mobility domain. The involvement of experts familiar with European sectoral policies during the course of the Action will safeguard that the Outputs are fully compatible with the EU and other international commitments of the beneficiaries. Both the European and the national objectives will be conveyed to the municipal administrations allowing them to be familiar with the regional/national positions. In this way, they can relate to these positions while designing urban interventions. All procedures, manuals or guidelines developed as part of this Action will be simple enough to be regularly updated and changed by the staff of the final beneficiaries without further external support. More importantly, any such documents will not contradict the legal provisions of the final beneficiaries.