

ANNEX

To the Commission Implementing Decision amending Commission Implementing Decision C(2014) 9576 of 11.12.2014 adopting a multi-annual Country Action Programme for Turkey on Competitiveness and Innovation

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 260 117 647
EU contribution	EUR 221 100 000, of which:
CRIS/ABAC commitment references, EU Contribution and budget lines	2014 2014/031-879 EUR 37 400 000 on 22.02 03 02
	2015 2014/031-879 EUR 46 200 000 on 22.02 03 02
	2016 2014/031-879 EUR 46 200 000 on 22.02 03 02
	2017 2014/031-879 EUR 58 000 000 on 22.02 03 02
	2018 2014/031-879 EUR 33 300 000 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 Industry and Technology (MoIT)
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:

The **Competitiveness and Innovation Sector Operational Programme (CISOP)** is based on an accurate analysis of the economic and social situation in Turkey. The composition of economic activities in the country has changed over the last several years, in favour of services, with more resources dedicated to “untraded” sectors rather than “traded” sectors. This trend places a significant burden on Turkey’s medium - and long-term growth prospects, as indicated in the 10th Turkey's National Development Programme (NDP10) approved by the Parliament in 2013.

The overarching strategy of this CISOP is rooted in the NDP10’s growth strategy namely: *“Developing an export-oriented, private sector-led competitive production structure by increasing productivity and accelerating industrialization”*. More specifically, the CISOP’s main aim is to contribute to the transformation of the manufacturing industry in order to move up the value chains that encompass “traded” sectors.

The NDP10 further states that although labour productivity has increased between 2007 and 2013, the productivity gap between the large-scale enterprises and small and medium enterprises (SMEs) has widened. The sector analysis demonstrates that the SMEs are less productive than the large-scale enterprises¹. The challenges faced by the SMEs are known by the Turkish authorities, and several support schemes, which aim at improving SMEs’ competitiveness, have already been put in place, most notably those offered by the Small and Medium Enterprises Development Organization (KOSGEB). In order to avoid possible duplications, this programme targets value chains rather than individual SMEs, that previous programmes funded or co-funded by the EU have supported in Turkey (e.g. EU Business Centres, non-specialised incubation centres etc.).

The NDP10 takes into account also the science, technology and innovation policies. These are generally geared towards improving the collaboration between government, academia and industry and boosting research and development (R&D) and innovation in globally competitive and high value-added sectors. In these areas the CISOP shall focus on creating an innovative environment which puts start-ups and SMEs at the centre. Supporting SMEs in their R&D efforts and commercialisation of the results and fostering innovation that adds high value in products and services should be the primary objectives. The support measures should also be in synergy with the EU programmes COSME and Horizon 2020 which will also facilitate the participation in these programmes. In addition, the programme also recognizes that there is a need to create

¹ Although manufacturing SMEs accounted for 99.5% of all the enterprises operating in the manufacturing industry, they created only 42.3% of the value added at factor costs (2011). The level of value added decreases as the enterprise size gets smaller: Manufacturing SMEs that employ less than 20 employees accounted for 92.6% of all manufacturing enterprises, whereas their contribution to value added at factor costs was limited to 8.6% (2011).

alternative and innovative ways of delivery of social services and also a need to encourage the industry to offer accessible products and services.

Turkey's targets have become aligned with EU's 2020 strategy in Science, Innovation and Industry policy fields. The national innovation and entrepreneurship system targets have been renewed and targets have been set for the year 2023. On the other hand, this sector policy is also closely linked with the EU accession agenda. Chapter 20-Industry and enterprise policy and Chapter 25-Science and Research are directly linked with the subject sector. This Sectoral Operational Programme (SOP) is therefore directly connected with the alignment of Turkey with the *acquis* covered by those chapters.

As well, support to eco-innovation, raising awareness of eco-innovation contribution to resource efficiency agenda (as indicated in the Eco-innovation Action Plan), job creation and competitiveness of SMEs (as indicated in the Green Action Plan for SMEs) is to be taken into account.

Moreover, in order to ensure continuity with the Instrument for Pre-accession Assistance (IPA) I, this programme will aim at contributing to Turkey's efforts to move up to the higher-value-added segments of global value chains, support investments in people and institutions.

In order to maximize the impact of the IPA II funds, a thematic and geographic concentration is of paramount importance: four priority South-Eastern regions (having gross value added (GVA) per capita below 75% of the national average) will receive 45% from of the budget allocated to Activity 1.1 Manufacturing Industry for the period of 2014-2016 overall programme allocation..

The revised Indicative Strategy Paper for Turkey for 2014-2020 stipulates that more focus will be given to innovation and that funding to support infrastructure will be reduced, compared to the IPA I period. Funding from 2018 onwards will be focused on supporting innovative entrepreneurship (start-ups, incubators, etc.) in line with the joint policy recommendation agreed in the context of the ministerial dialogue on the Economic Reform Programme as well as on the transition to a green economy.

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

The Regional Competitiveness Operational Programme (RCOP 2007-2013) set out the basis for Turkey to receiving EU assistance in order to *increase the competitiveness of Turkish economy to converge with the economy of the EU and to reduce regional socio-economic disparities*. Currently under implementation, the programme concentrates on SMEs operating in manufacturing and tourism sectors, information society, research and development and innovation.

The Interim Evaluation of the RCOP 2007-2013 and the evaluation of EU-funded support to Private Sector Development (PSD) in Turkey implemented over the past 11 years have offered several recommendations worthy of consideration, including how this support can be improved in the upcoming 2014–2020 period. The main lessons learned underlined can be resumed as follow:

- Importance to agree with Turkish authorities on the overall coverage of the various SME needs;
- The need to specifically address SMEs and sectors having higher growth potential;
- Importance to properly consider know-how transfer, know-how absorption and project replication capacity in designing and implementing programmes;
- Need to avoid the exploitation of the potential beneficiaries of SME grant schemes by private consultants.

Taking into account these lessons, the CISOP 2014-2020 will focus on enhancing the enterprises' capacities for business development plans and level of investment through increasing their access to financial resources and modernising the production infrastructure through increased utilisation of financial mechanisms.

Under the RCOP (2007-2013), a specific measure was dedicated to financial instruments and three operations were implemented by Ministry of Industry and Technology (formerly Ministry of Science Industry and Technology (MoSIT)) in cooperation with European Investment Fund (EIF) . At the initial stages of the programming exercise of said measure, meetings were also held with International Financial Institutions (IFIs) namely European Investment Bank (EIB) Group, the European Bank for Reconstruction and Development (EBRD), the Council of Europe Development Bank (CEB), the World Bank (WB) and the German Development Bank KfW representatives, who manage a number of EU-funded financial instrument projects in Turkey.

Also in this context, the use of new instruments in synergy with the instruments and actions under COSME and Horizon 2020 is important.

List of Actions foreseen under the selected Sectors:

INDIRECT MANAGEMENT WITH THE IPA II beneficiary	
Action 1 - Private sector development (PSD)	EUR 116 290 000
Action 2 – Science, technology and innovation (STI)	EUR 84 030 000
Action 3 – Capacity building (CB)	EUR 20 780 000
TOTAL	EUR 221 100 000

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance to Multi-annual Action Programme for Turkey on Competitiveness and Innovation is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU².

Action 1	Private sector development (PSD)	EUR 116 290 000
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(1) Description of the Action, objective, expected results and key performance indicators

- Description of the action and objectives

The PSD Action aims at improving the total factor productivity of the national economy with a specific emphasis on transforming the manufacturing industry, and increasing its competitiveness.

The **specific objectives** are:

- To transform the manufacturing industry through increasing the competitiveness of manufacturing value chains in Turkey, and strengthening integration of SMEs into value chains through establishment and operationalisation of common-use structures/facilities.
- To increase the value added and productivity in the service sector (including creative industries), and improving the integration of service sectors with the manufacturing industry.
- To boost entrepreneurship through facilitating establishment or improvement of capacities and capabilities of existing incubators, accelerators etc.
- To increase entrepreneurs' (start-ups') and SMEs' access to financial resources, by expanding use of the financial instruments, based on equity partnership models, and facilitating access to specialized loan programmes.
- To support SMEs in meeting business opportunities that the transition to a green economy offers.

This action consists of two activities:

- Activity 1.1: Transformation of the manufacturing industry.
- Activity 1.2: Services and creative industries

- Expected results and key performance indicators

Action results

- Competitiveness of manufacturing value chains in Turkey enhanced.
- SMEs' stronger integration into value chains facilitated.

² https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

- Added value of service sectors (in particular the tourism sector and the creative industries) increased.
- Linkages between the service sector (including creative industries) and manufacturing industry strengthened.
- Entrepreneurial environment in the country strengthened.
- Improving resource efficiency of SMEs, supporting green entrepreneurship and facilitating market access for green SMEs.

Performance indicators

- Number of SMEs, supported by this programme, which reduced their input costs (including energy).
- Number of SMEs, supported by this programme, which increased their sales and/or exports.
- Number of start-ups and SMEs benefited from equity financing and debt mechanisms established/supported.
- Number of new enterprises created.
- Number of jobs created in entities/enterprises supported by this programme.
- Number of tourist arrivals to the touristic destinations to be supported within the PSD Action.
- % increase in tourist revenue in the tourism destinations.
- Number of SMEs which introduced green investments/solutions.

(2) Assumptions and conditions

- Commitment of Turkey for EU accession continues.
- Government institutions agreed on the strategy activities and fully committed to the development and implementation of policies and institutional changes required to deliver the Action results.
- Full commitment and participation of the senior management of MoIT and other relevant institutions

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 action is the Ministry of Industry and Technology (MoIT).

In particular, Turkey 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	Science, Technology and Innovation	EUR 84 030 000
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(1) Description of the Action, objective, expected results and key performance indicators

- Description of the action and objectives

The objective of STI Action is to improve the national innovation environment by boosting industry engagement in STI through public private partnerships (including but not limited to university-industry collaboration) and improving SMEs' innovation management capacity.

The **specific objectives** of the STI Action are:

- To enhance the functionality of the existing public and private research infrastructure in Turkey; an increase in the number and improvement of university-industry collaboration
- To increase awareness on social innovation and strengthening the social innovation support skills and capabilities.
- To increase the commercialisation of innovative products
- To improve the functionality of the structures/facilities that incubate innovative start-ups and SMEs
- To expand the Equity Financing Mechanisms (EFM) and enhancement of start-ups' and SMEs' access to such mechanisms
- To promote the development and market uptake of innovative green products, processes and services

This action consists of two activities:

- Activity 2.1 Research and development.
- Activity 2.2 Technology transfer and commercialization.

- Expected results and key performance indicators

Action results

- Functionality of the existing public and private research infrastructure enhanced.

- University-industry collaboration improved
- Awareness and capacities for social innovation increased and social innovation support skills and capabilities increased.
- Awareness and capacities for eco-innovation increased
- Commercialisation of innovative products accelerated, by bridging the financing gap between the innovative ideas and equity investors
- Structures/facilities that incubate innovative start-ups and SMEs improved
- Equity financing mechanisms expanded, and start-ups' and SMEs' access to such mechanisms enhanced

Performance indicators:

- Number of national patents obtained.
- Number of international and regional approved patents (Patent Cooperation Treaty (PCT)+ European Patent Convention (EPC)
- Number of products, including eco-innovative products, successfully commercialized.
- Number of innovative enterprises created.
- Number of research job created in supported entities/enterprises.
- Number of SMEs and start-ups benefited from equity financing mechanisms.

(2) Assumptions and conditions

- Commitment of Turkey for EU accession continues.
- Government institutions agreed on the strategy activities and fully committed to the development and implementation of policies and institutional changes required to deliver the Action results.
- Full commitment and participation of the senior management of MoIT and other relevant institutions

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 action is the Ministry of Industry and Technology.

In particular, Turkey 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	Capacity building (CB)	EUR 20 780 000
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(1) Description of the Action, objective, expected results and key performance indicators

- Description of the action and objectives

The objective of this Action is twofold: firstly, to support the successful implementation of the CISOP in line with the programme objectives and the IPA II legal framework, and secondly to enhance the institutional capacity for implementation of the relevant *acquis* and for the adoption of fully-fledged sector approach.

The **specific objectives** of the action are:

- To improve the capacity of the operating structure and end-recipients to manage and implement the CISOP and projects.
- To prepare a mature project pipeline both for the current and the next programming period.
- To publicise the CISOP
- To increase the institutional capacity for proper implementation of the *acquis* on “Enterprise and industrial policy” and “Science and research” in synergy with Horizon 2020.
- To contribute improving business environment, through interventions which reduce the administrative burden of the regulatory framework on companies (especially small ones).
- To ensure greater ownership of national authorities over the CISOP and to increase its impact by supporting the implementation of sector approach.
- To enhance the capacity of SME support organisations.
- To support SMEs’ awareness and participation to Union programmes.

This action consists of two activities:

- Activity 3.1: Technical assistance for management and control system operators and publicity of the CISOP
- Activity 3.2: *Acquis* and sector approach related to institution building activities.

- Expected results and key performance indicators

Action results

- Efficient, effective and timely implementation of CISOP in line with the programme objectives.
- Solid project pipeline prepared.
- Increased national administrative capacities including efficient consultation and cooperation mechanisms for quality and effective policy formulation, implementation, monitoring, reporting and evaluation.
- Improved regularity environment for doing business particularly for SMEs and start-ups, and more efficient administrative procedures for enterprises.
- Increased rate of success of SMEs, entrepreneurs and academia in Union programmes.

Performance indicators

- Rejection rates on tender dossier and calls for proposals submitted for ex-ante controls.
- Number of media coverage on the Programme and funded projects.
- Number of visitors to website.
- Number of SMEs participated in Horizon 2020, and in the Financial Instruments and Projects under COSME (and next framework programmes such as Horizon Europe etc.)

This action will be delivered through the provision of training, consultancy, expertise and capacity building actions for the operating structure and the other institutions involved in the programme implementation as well as the institutions having a key role in the identification and implementation of sector objectives, expert support for thematic selection and evaluation of applications, for monitoring and project selection Committees as well as information, visibility and promotion activities.

(2) Assumptions and conditions

- Commitment of Turkey for EU accession continues.
- Government institutions agreed on the strategy activities and fully committed to the development and implementation of policies and institutional changes required to deliver the Action results.
- Full commitment and participation of the senior management of MoIT and other relevant institutions

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 action is the Ministry of Industry and Technology.

In particular, Turkey 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.

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 COUNTRY ACTION PROGRAMME FOR TURKEY ON COMPETITIVENESS AND INNOVATION (2014 -2018)

	2014			2015			2016			2017			2018			Total EU contribution
	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	
Action 1 Private sector development	20,570,000	3,630,000	24,200,000	25,410,000	4,484,118	29,894,118	25,410,000	4,484,118	29,894,118	31,900,000	5,629,412	37,529,412	13,000,000	2,294,118	15,294,118	116,290,000
Action 2 Science Technology and Innovation	13,090,000	2,310,000	15,400,000	16,170,000	2,853,529	19,023,529	16,170,000	2,853,529	19,023,529	20,300,000	3,582,353	23,882,353	18,300,000	3,329,412	21,529,412	84,030,000
Action 3 Capacity Building	3,740,000	660,000	4,400,000	4,620,000	815,294	5,435,294	4,620,000	815,294	5,435,294	5,800,000	1,023,529	6,823,529	2,000,000	352,941	2,352,941	20,780,000
TOTALS	37,400,000	6,600,000	44,000,000	46,200,000	8,152,941	54,352,941	46,200,000	8,152,941	54,352,941	58,000,000	10,235,294	68,235,294	33,300,000	5,876,471	39,176,471	221,100,000

Total EU Contribution	221,100,000
Total IPA II beneficiary co-financing	39,017,647
Total programme	260,117,647

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 may undertake additional evaluations, if deemed necessary, in accordance with its rules and procedures under a separate budget envelope.