



EUROPEAN
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COMMISSION IMPLEMENTING DECISION

of 11.12.2014

adopting a multi-annual Action Programme for Turkey on Transport

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action¹ and in particular Article 2(1) thereof,

Having regard to Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance² and in particular Article 7 thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³ and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EU) No 231/2014 lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.
- (2) In accordance with Article 7 of Regulation (EU) No 231/2014 the assistance should be implemented through multi-annual or annual programmes. These programmes should be drawn up in accordance with the framework for assistance referred to in Article 4 of Regulation (EU) No 231/2014 and the relevant country or multi-country indicative strategy papers referred to in Article 6 of that Regulation.
- (3) In accordance with Article 6(3) of the Regulation (EU) No 236/2014, the Commission may adopt multi-annual action programmes for a period up to seven years under the IPA II. For years other than the initial commitment year, the commitments are indicative and depend on the future annual budgets of the Union.
- (4) In accordance with Article 6(2) of Commission Implementing Regulation (EU) No 447/2014⁴, the multi-annual action programme includes an indicative list of major

¹ OJ L 77, 15.03.2014, p. 95

² OJ L 77, 15.03.2014, p. 11

³ OJ L 298, 26.10.2012, p.1

⁴ Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II) (OJ L 132, 3.5.2014, p. 32).

projects. The Commission should adopt a separate decision on the approval of the financial contribution to the selected major projects.

- (5) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex 1 of the IPA II Regulation. The Commission adopted an indicative strategy paper for Turkey for 2014 - 2020 on 26 August 2014⁵ which provides indicative allocations for the sectors for pre-accession assistance.
- (6) Considering the proposals for action submitted by the beneficiaries concerned, the multi-annual Country Action Programme for Turkey on Transport aims at providing assistance for actions in the following sector: Transport for the years 2014-2016.
- (7) It is necessary to adopt a financing decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁶.
- (8) The Commission should be able to entrust budget implementation tasks under indirect management to the IPA II beneficiary specified in this Decision, subject to the conclusion of a Financing Agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012 and first subparagraph of Article 14(3) of Implementing Regulation (EU) No 447/2014, the authorising officer responsible needs to ensure that the entrusted entity guarantees a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds.

The entrusted entity is currently undergoing a complementary assessment of its systems and procedures. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's positive assessment under Council Regulation (EC, Euratom) No 1605/2002⁷ and Commission Regulation (EC) No 718/2007⁸ and the entity's present compliance with the requirements of points (a) to (d) of Article 60 (2) of the Regulation (EU, Euratom) No 966/2012, budget implementation tasks can be entrusted to this entity. In accordance with Article 60(1)(c) of Regulation (EC, Euratom) No 966/2012, the authorising officer responsible needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks. A description of these measures and the entrusted tasks are laid down in the Annex to this Decision.

- (9) It is appropriate to authorise the award of grants without a call for proposals to the bodies identified in the Annex and for the reasons provided therein.
- (10) Commission Delegated Regulation (EU) No 1268/2012 contains detailed rules regarding lump sums, unit costs and flat-rate financing.

⁵ Commission Implementing Decision C(2014) 5998 final of 26/08/2014 adopting an Indicative Strategy Paper for Turkey for the period 2014-2020

⁶ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

⁷ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1)

⁸ Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA) (OJ L 170, 29.6.2007, p.1)

- (11) Given the nature of the supported activities, and in order to simplify the management of the grants expected under the programme, it is necessary to authorise the use of lump sums, reimbursement on the basis of unit costs and flat-rate financing.
- (12) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (13) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible
- (14) The action programmes or measures provided for by this Decision are in accordance with the opinion of the IPA II Committee referred to in Article 13 of the Regulation (EU) N°231/2014.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the programme

The Multiannual Action Programme for Turkey on Transport under the Instrument for Pre-accession Assistance (IPA II) as set out in the Annex, is hereby approved.

Article 2

Financial contribution

The maximum amount of the European Union contribution for the implementation of the Programme referred to in Article 1 is set at EUR 315 200 000 and shall be financed as follows:

EUR 71 900 000 and shall be financed from the budget line 22.02.03.02 of the general budget of the EU for year 2014

EUR 128 100 000 and shall be financed from the budget line 22.02.03.02 of the general budget of the EU for year 2015

EUR 115 200 000 and shall be financed from the budget line 22.02.03.02 of the general budget of the EU for year 2016

The implementation of this Decision is subject to the availability of the appropriations for the year 2015 and 2016 following the adoption of the general budget of the European Union referred to in the first paragraph or as provided for in the system of provisional twelfths.

The financial contributions referred to in the first sub-paragraph may also cover interest due for late payment.

Article 3

Implementation modalities

This programme shall be implemented by direct and indirect management.

The budget implementation tasks under indirect management may be entrusted to the entities identified in the Annex subject to the conclusion of the relevant agreements.

A multi-annual Financing Agreement shall be concluded between the Commission and the Government of Turkey **in conformity with the Framework Agreement to be concluded between the same parties.**

Article 4

Grants without a call for proposals

Grants may be awarded without a call for proposals to the bodies identified in the Annex, in accordance with the conditions specified therein.

Article 5

Authorisation of simplified forms of grants

The Commission authorises:

The use of grants in the form of lump sums, reimbursement on the basis of unit costs and flat-rate financing for reimbursement of eligible costs declared by beneficiaries on the basis of lump sums, unit costs and flat-rate financing is authorised for the all actions under this Programme, for the reasons and under the conditions set out in the Annex.

Article 6

Non-substantial changes

The following changes shall not be considered substantial provided that they do not significantly affect the nature and objectives of the actions:

- (a) increases or decreases for not more than 20% of the maximum contribution set in the first paragraph of Article 2, and not exceeding EUR 10 million;
- (b) cumulated reassignments of funds between specific actions within each budgetary year not exceeding 20% of the maximum contribution set in the first paragraph of Article 2;
- (c) within the limits of 20% referred to in points a) and b) above, up to 5% of the contribution referred to in the first paragraph of Article 2 of this financing decision may serve to finance action which were not foreseeable at the time the present financing decision was adopted, provided that those actions are necessary to implement the objectives and the results set out in the programme.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 11.12.2014

For the Commission
Johannes HAHN
Member of the Commission

ANNEX

Multi-annual Action Programme for Turkey on Transport

1 IDENTIFICATION

Beneficiary	Turkey
CRIS decision number	2014/031-877
CRIS/ABAC Commitment references	2014 EUR 84 590 000
Total cost	2015 EUR 150 700 000
	2016 EUR 135 530 000
EU Contribution	2014 EUR 71 900 000
	2015 EUR 128 100 000
Budget lines	2016 EUR 115 200 000
	22.02 03 02
	Estimations for 2015 and 2016 subject to availability of funds after vote of annual budget.
Management Mode/ Entrusted entities	<p>Indirect management by the entities listed below:</p> <p>For indirect management with Turkey the Operating Structure (OS) responsible for the execution of the actions, is: Ministry of Transport, Maritime Affairs and Communications (MoMTC)</p> <p>Direct management for the implementation of the following activities:</p> <ul style="list-style-type: none"> - “Technical assistance for promoting intermodality, modal shift and rail reform” (Action 1), - “Technical Assistance for Implementation of the National Strategy for Intelligent Transportation Systems” (Action 2) - “Technical Assistance for Sustainable and Accessible Urban Transport in Turkish cities” (Action 3)
Timetable for spending allocation of each budgetary commitment	<p>Budgetary commitment 2014 must be spent by 31/12/2019</p> <p>Budgetary commitment 2015 must be spent by 31/12/2020</p> <p>Budgetary commitment 2016 must be spent by 31/12/2021</p>
Programming Unit	DG ELARG Unit B.3
Implementing Unit/ EU Delegation	EU Delegation to Turkey

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

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

This Sector Operational Programme (SOP) is based on a thorough analysis of the socio-economic situation of Turkey, which, with a GDP of EUR 614 billion, is the 16th largest economy in the world. Turkey has made considerable advances in competitiveness over the past decade. The country recovered fast from the effects of the global economic crisis, and the growth of the economy is again on the rise. The medium-term challenge is still to increase employment and competitiveness.

Turkey and the EU have had a customs union relationship since 1996. The EU is the largest economic partner of Turkey with 37.7% of the total trade in 2012 (while Turkey is the 6th most important trade partner of the EU). Therefore, improvement of transport connections between the EU and Turkey is a clear priority on both sides.

Turkey aims at a deeper integration of its economy into the EU Single Market, and full integration into the Single EU Transport Area. The strategic needs to further develop railway infrastructure in an integrated and competitive manner with other modes and to finalise the liberalisation process through secondary measures harmonised with the EU *acquis* are essential to maintain the global competitiveness of the Turkish economy and in particular of the Turkish transport sector.

Today, Turkey offers an excellent gateway to growing markets in the Middle East and the Caucasus. Nevertheless, growing transit is limited by incomplete and missing linking routes, which are neighbouring Turkey. As commercial and economic relations between the EU and the Asian countries improve and ongoing transport infrastructure investment projects in the countries are being completed, transit is bound to surge, thus further testing Turkish transport capacities.

The current low density transport infrastructure represents a major obstacle to social cohesion and economic development, as they impede competitiveness, the movement of goods and passengers, business settlements, investment decisions etc. The total length of railway lines operated (km) per 1,000 square km is 14.8, low as compared to that of EU States. The need to upgrade the transport system is widely acknowledged.

The transport sector in Turkey faces various problems, the most prominent one of which is the absence of a coherent inter-modal transport network development in the past. The time- and cost-efficient transportation services provided by the road sector surpass any other single mode of transport, and thus it dominates the domestic transport market both for passengers and for freight. Consequently, Turkey's transport sector is currently characterised by a strong dependence on road transport (nearly 90% of the domestic freight and passenger transport) and an insufficient role of the railway system. Modal shift can be encouraged with an investment and operation approach that ensures the effectiveness of transportation in corridors, where railway and maritime transportation can compete with highways. Modal shift can also be promoted by intelligent and intermodal solutions (i.e. freight and city logistics, rail and port connections and network optimization, urban transport).

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

A multi-annual Operational Programme for Transport (TOP) was already introduced and implemented in 2007-2009. Following a mid-term evaluation, the TOP was then updated for 2010-2013, and the implementation is still on-going. This SOP builds upon those programmes. The Department of EU Investments, the accredited structure for the management of EU funds already under the previous period, will serve as Contracting Authority (CA) also for IPA II SOP Transport. Despite the IPA Unit of the MoMTC worked under the whole bureaucratic structure of the Ministry, the absorption capacity did not represent a major issue for the TOP.

In terms of infrastructure development, the priority of the country is to continue strengthening the connections of Turkish railway network with the Trans-European Transport Networks (TEN-T). Compared to the previous period, IPA II will finance fewer infrastructures, by adopting a “phasing-out” approach: in the first years (2014-2016) the focus will be on one selected freight railway project relevant for connecting Turkey with the TEN-T network, and then the assistance will focus on more soft interventions. In parallel, especially for rail infrastructure projects, it is expected that cooperation with International Financial Institutions (IFIs) will be further increased during the programming/implementing period. Blending IPA grants with IFI loans will make best use of EU funds and achieve stronger overall impact. In the transport sector, collaboration has been established with several donors including European Investment Bank (EIB), Council of Europe Development Bank (CEB), European Bank for Reconstruction and Development (EBRD), World Bank (WB), Islamic Development Bank, Japan Bank for International Cooperation (JBIC) and Japan International Cooperation Agency (JICA). Examples of key projects co-financed by external donors include the Marmaray Project and the Light Rail Transit Projects in Bursa and Antalya. In addition, WB and Islamic Development Bank also assumed financing of railways restructuring and railway tracks, 80 electric locomotives and 6 High Speed Train Sets Projects. In urban transportation, the French Development Agency (AFD) was involved in the financing of a project for Istanbul Metropolitan Municipality (with other donors).

Within the sector, the MoTMC bears the responsibility for the coordination of national funds, IPA and other non-refundable donor funds. Access to refundable external financing is coordinated through the Under-secretariat of Treasury and via the Annual Investment Programmes managed by the Ministry of Development (MoD). Respecting that framework, there are also direct links between the MoTMC and the IFIs, which are regularly invited as stakeholders to consultations related to the planning, programming and monitoring of transport sector investment programmes. The SOP specifically provides for the continuation and widening of that cooperation, inter alia through the use of refundable advisory services from the IFIs.

List of Actions foreseen under the selected Sectors:

INDIRECT MANAGEMENT WITH THE IPA II beneficiary		OTHER IMPLEMENTATION ARRANGEMENTS	
Action 1 – Sustainable and Safe Transport	EUR 285 550 000	Direct Management for the “Technical assistance for promoting intermodality, modal shift and rail reform”, as a part of Action 1	EUR 450 000
Action 2 – Efficient Transport	EUR 4 900 000	Direct Management for the “Technical Assistance for Implementation of the National Strategy for Intelligent Transportation Systems”, as a part of Action 2	EUR 450 000
Action 3 – Accessible and Inclusive Transport	EUR 9 950 000	Direct Management for the “Technical Assistance for Sustainable and Accessible Urban Transport in Turkish cities”, as a part of Action 3	EUR 900 000
Action 4 – Acquis Alignment and EU integration	EUR 7 000 000		
Action 5 – Technical Assistance (TA)	EUR 6 000 000		
TOTAL	EUR 313 400 000	TOTAL	EUR 1 800 000

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

Action 1	<i>Sustainable and Safe Transport</i>	<i>EUR 286 000 000</i>
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(1) Description of the Action, objective, expected results and key performance indicators

The objective of the Action is to achieve a shift towards a safer, environmentally friendly transport system reflecting a more balanced modal split.

At the level of the Action 1, four results are to be achieved:

- R1 – TEN-T rail network connections to the EU strengthened (Activity 1.1);
- R2 – Investments serving environmental sustainability and climate change-related mitigation and adaptation measures are implemented (Activity 1.2);
- R3 – Improved Safety in Transport (Activity 1.3);
- R4 – Intermodal transport solutions and supporting technologies promoted (Activity 1.4).

Activity 1.1 - Improving and Modernising Railway Infrastructure

Under this activity the railway infrastructure will be modernised, with specific emphasis on the TEN-T railway links between Turkey and the EU. Support will be offered to the preparation and implementation of new infrastructure investments.

The backbone is the reconstruction of the Halkalı-Kapıkule railway line, which directly connects Turkey to the TEN-T rail network through Bulgaria. It is part of the Kapıkule-Halkalı-Kars railway axis which is a “European Interest” project and among the priority projects listed in the “TEN-T Document”, agreed between Turkey and the EU as a benchmark for Chapter 21, which, on this basis, was provisionally closed.

Further interventions will be selected on the basis of the TEN-T Document, the 10th National Development Plan as well as Turkey’s Transport and Communication Strategy.

Activity 1.2 – Environmental and Climate Change-related Measures

IPA II will co-finance the identification, preparation and implementation of climate change-related mitigation and adaptation policies in the transport sector. These will include legal, administrative, technical, institutional and operational gaps/needs analyses on low-carbon sustainable transport, in line with Turkey’s National Climate Change Action Plan (NCCAP) and Environmental Effects Assessment Panel (EEAP).

As a principal output, “Turkey’s Low-Carbon Sustainable Transport Development Strategy and Action Plan” will be drafted. Soft measures will be implemented to help reduce Greenhouse Gas (GHG) emissions.

Activities will be implemented to reduce the effects of noise pollution and to prevent marine pollution caused by maritime transport.

Activity 1.3 – Improving Transport Safety

Support will be provided to the implementation of activities of the Road Traffic Strategy and Action Plan.

The focus will be on the enforcement of road traffic rules, and activities targeting transport operators, municipalities, the education system, infrastructures' design requirements, citizens, and Non-Governmental Organizations (NGOs). Support will also concentrate on capacity building at the MoTMC, the Turkish National Police (EGM) and the General Command of Gendarmerie, and the procurement of equipment needed.

In selected cases, small-scale infrastructure investments will be co-financed in order to eliminate black spots (as reference projects for similar investments under national schemes).

Activity 1.4 – Promoting Inter-modality and Modal Shift

This activity will contribute to the implementation of the “Turkish Combined Transport Strategy”, developed under an IPA financed twinning project, which covers, among others, activities related to intermodality, Transport and Logistics Master Plan and the legislative framework.

Soft measures of the strategy (such as, among others, the master plans for the improvement of logistic capacity and intermodality and the establishment of a permanent combined transport platform) will be financed. A direct grant will be awarded to the World Bank, who will support the MoMTC in the implementation of the national and logistics master plans, as well as for identification and preparation of new intermodal terminals.

Concerning the infrastructure investments, within the time frame of this programme, necessary preparatory studies (technical documents such as Cost-Benefit Analysis (CBA), feasibility study, Environmental Impact Assessment (EIA), tender dossier, etc.) will be conducted. Works for these infrastructure interventions within this activity are planned to be carried out under the next programming period (2017 – 2020).

Key indicators of action 1:

- Changes in the modal split (freight-ton) transport in the corridor(s) / regions invested in
- Road death toll
- Travelling time in cargo transport by corridor in hours (rail freight transport between Turkey and Europe namely Halkalı - Kapıkule)
- Number of road accidents with death and in injury
- km of railway track rehabilitated / built

- Turkey's Low-Carbon Sustainable Transport Strategy and Action Plan drafted
- Transport GHG emissions database established
- Traffic safety enforcement methods, procedures and training of Turkish National Police updated
- Preliminary studies prepared for the construction of intermodal terminals and junction lines

(2) Essential elements of the action

For the implementation of a part of the action 1, a direct grant will be signed with the World Bank.

a) Objectives and foreseen results:

The objective of the grant is to directly support the implementation of the Activity 1.4 “Promoting Inter-modality and Modal Shift”.

The foreseen results are the following:

- (i) timely comments and recommendations from the Bank during the Master plan (national and logistics) implementation, as well as for identification and preparation of new intermodal terminals for implementation;
- (ii) benchmarking with the performance of similar/neighbouring countries' logistic systems, identifying best practices and preparing forward looking action plans and institutional/regulatory reform recommendations.

b) Justification for the use of an exception to calls for proposals: Article 190 (1)(f) of the Rules of Application on account of its technical competence and high degree of specialisation: As a long term partner of the EU, the World Bank is well placed to formulate state of the art technical, institutional and organizational recommendations, catalysing successful experiences and best practices on modal shift including intermodal solutions and railways reform from various countries and regions. Also WB has particular experience in the new EU Member States in making recommendations on rail reform and logistics performance. Through its own staff or consultants, the Bank is well positioned to secure higher quality outputs, involving innovative institutional arrangements and technical assistance for transport and logistics master plans, associating private sector participations, promoting green growth, managing social and environmental safeguards, throughout effective procurement processes.

c) Name of the beneficiary: World Bank

d) The essential selection criteria are financial and operational capacity of the applicant.

The award criteria are:

- relevance,
- effectiveness and feasibility,

- sustainability and
- cost-effectiveness

of the action.

- e) Indicative amount of the grant: EUR 450 000
- f) Maximum rate of co-financing: the maximum possible rate of EU co-financing may be up to 100% of the total cost of the action in accordance with Article 192 of the Financial Regulation if full funding is essential for the action to be carried out. The necessity for full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
- g) Indicative date for signing the grant agreement: Q4/2015

Action 2	<i>Efficient Transport</i>	<i>EUR 5 350 000</i>
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(1) Description of the Action, objectives, expected results

The objective of the Action is to promote smart and innovative, resource, time and cost-efficient solutions across all transport modes.

At the level of the Action 2, two results are to be achieved:

- R1 – Implementation of the Intelligent Transport System (ITS) strategy and the spread of ITS in the transport sector (Activity 2.1);
- R2 – Research and development in the Transport Sector promoted (Activity 2.2).

Activity 2.1 – Supporting the ITS strategy and other ITS measures

The activity will support the implementation of the ITS Strategy and Action Plan as well as connected national investments. Thanks to the support of the World Bank in the form of a direct grant, the activity will contribute to develop an implementation plan based on the National Strategy for ITS, by identifying high priority measures and developing a national architecture. Particular emphasis will be placed on environmental sustainability, resource efficiency, and high-quality of service to passengers through the extensive use of modern IT and communication methods.

Turkey's gradual integration into the Galileo/European Geostationary Navigation Overlay Service (EGNOS) system and the Single European Sky (SES) initiative will also be supported taking relevant clauses in National Programmes for the Adoption of the Acquis (NPAA) 2008 into account. In the rail sector, the spread of European Rail Traffic Management System (ERTMS) – on lines not covered by Action 1 – is also eligible.

Activity 2.2 – Supporting Research and Innovation in Transport

Under activity 2.2., transport-related research and innovation activities will be supported. The first priority thereby is institution building to support the Department of MoTMC Research Centre.

IPA will finance organisational development, staff capacity building and the elaboration of national policies and strategies for transport research, as well as incentives to promote transport research in all sub-sectors.

The SOPT shall facilitate the creation of partnerships between Turkish and EU cities as well as transport research institutes to create a network of expertise that is able to support informed policy making by gathering data, and delivering analyses and recommendations to the government and municipalities.

Concrete transport research projects will be supported. These may be extended directly to universities and research institutions (e.g. in the case of basic research) or to partnerships between commercial companies and research institutions (e.g. in the case of promoting practical application of research results in commercial operations).

Key indicators of action 2:

- Logistics Performance Index
- Volume of research spending in transport sector
- Number of ITS applications
- Number of research projects co-ordinated by MoTMC
- ITS solutions deployed
- MoTMC Research Centre set up and functioning

(2) Essential elements of the action

For the implementation of a part of the action 2, a direct grant will be signed with the World Bank.

a) Objectives and foreseen results:

The objective of the grant is to directly support the implementation of the Activity 2.1 “Supporting the ITS strategy and other ITS measures”.

The foreseen results are the following:

- (i) An implementation plan/road map for the ITS strategy prepared, including high priority ITS projects;
- (ii) National ITS architecture developed and disseminated to stakeholders in academia, industry and provincial/municipal authorities.

b) Justification for the use of an exception to calls for proposals: Article 190 (1)(f) of the Rules of Application on account of its technical competence and high degree of specialisation: The World Bank has on staff a group of dedicated specialists with extensive experience on ITS. It has developed an ITS Toolkit that combines global experience and know-how, capturing latest trends and disseminated widely for all client countries that plan to introduce ITS in a

systematic and economically feasible manner. Structured in four parts, it supports clients in overall guidance, transport functions, ITS applications, ITS technologies and builds upon specific case studies, including one in Izmir, Turkey. Combining this global knowledge with customized training programs, real-time visits to field locations and side-by-side collaboration with Turkish technical specialists at MoTMC, the World Bank is well placed to support and deepen the SOP activities under the ITS component.

c) Name of the beneficiary: World Bank

d) The essential selection criteria are financial and operational capacity of the applicant.

The award criteria are

- relevance,
- effectiveness and feasibility,
- sustainability and
- cost-effectiveness

of the action.

e) Indicative amount of the grant: EUR 450 000

f) Maximum rate of co-financing: the maximum possible rate of EU co-financing may be up to 100% of the total cost of the action in accordance with Article 192 of the Financial Regulation if full funding is essential for the action to be carried out. The necessity for full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

g) Indicative date for signing the grant agreement: Q4/2015

Action 3	<i>Accessible and Inclusive Transport</i>	<i>EUR 10 850 000</i>
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(1) Description of the Action, objectives, expected results

The objective of the Action is to improve the accessibility of transport services for all, increase capacity and effectiveness of urban public transport, reduce congestion and emissions created by transport in urban areas.

At the level of the Action 3, two results are to be achieved:

- R1 – Accessibility of public transport further developed at urban and national level (Activity 3.1);

- R2 – Progress towards sustainable urban public transport (Activity 3.2).

Activity 3.1 – Accessible Transport

This activity covers support to policy development, capacity building and the preparation and implementation of concrete accessible transport investments. A needs assessment study will be financed, which will help to assess the current situation of accessibility of national and local transport networks and to select cities where an IPA-financed accessible urban transport project could be prepared and implemented. The activity will focus on two specific areas:

- The promotion of the cooperation of the government, local authorities and transport sector stakeholders in order to develop a partnership-based model for the further planning and development of accessible public transport services.
- The preparation and implementation of specific investments in compliance with the EU requirements regarding the access of people with reduced mobility to public transport.

Activity 3.2 – Urban Transport

The activity will support the elaboration of Sustainable Urban Mobility Plans and finance the implementation of investments in cities. Investments will cover public transport services as well as promoting the use of bicycles, developing pedestrian areas, promotion of car-pooling, construction of light rail links in cities, etc. In 2014-2016, necessary preparatory studies (technical documents such as CBA, feasibility study, EIA, tender dossier, etc.) for these activities will be completed and implementation will start in the second part of IPA II. The implementation of the activity will count on the cooperation of the World Bank, in the form of a direct grant. The World Bank will support the MoTMC and the municipalities in the review of policies and institutional arrangements concerning the urban transport systems in selected Turkish cities, to improve the sustainability and accessibility of urban transport. A needs assessment of the investments will be carried out. The Bank will also assist one Turkish city in developing a Sustainable Urban Mobility Plan.

The proposed Transport Master Plan Project, which will be financed under the ongoing IPA Transport OP (2007-2013), is expected to provide input for a Sustainable Urban Transport Guideline for cities.

Investments will include the remodelling of existing infrastructures, or the construction of new facilities.

Key indicators of action 3:

- Share of users of public transport in the population (in selected metropolitan/urban areas)
- Ratio of people accessing transport information systems
- Number of Sustainable Urban Mobility Plans developed

- Number of preliminary studies and tender dossier prepared for public transport infrastructure projects

(2) Essential elements of the action

For the implementation of a part of the action 3, a direct grant will be signed with the World Bank.

a) Objectives and foreseen results:

The objective of the grant is to directly support the implementation of the activity 3.2 “Urban Transport”.

The foreseen results are the following:

- (i) In the legal framework and institutional arrangement, bottlenecks to development of sustainable and accessible urban transport are identified and proposals to eliminate the bottlenecks are prepared.
 - (ii) Funding needs in support of sustainable and accessible urban transport are estimated at the national scale and a long-term scheme to meet the funding needs are developed, including the institutional collaboration across different levels of government.
 - (iii) Sustainable Urban Mobility Plan developed and high-priority investments identified for one Turkish city, and the planning process and results are widely shared with other cities as demonstration.
- b) Justification for the use of an exception to calls for proposals: Article 190 (1)(f) of the Rules of Application on account of its technical competence and high degree of specialisation: In the urban transport the World Bank is well placed to formulate state of the art technical, institutional and organizational recommendations, catalysing successful experiences and best practices from various countries and regions. The World Bank has gained a solid global experience in designing and implementing a variety of diverse small and large scale urban projects all around the World. The World Bank's global reach in providing urban transport financing and advisory services ranges broadly from major cities in Poland, Nigeria, China, Vietnam, Brazil and Colombia. The Leaders in Urban Transport Planning Programme is a flagship global training program of the WB for urban transport practitioners, which started in the beginning of 2012 and continues to offer up to 7 one to two week intensive training programs per year in cities such as Singapore, Marseille, Beijing, Seoul, Buenos Aires, Mexico City, and Dubai to date. Through its own staff or consultants, the Bank is well positioned to secure higher quality outputs, involving innovative institutional arrangements, associating private sector participations, promoting green growth, managing social and environmental safeguards, throughout effective procurement processes.
- c) Name of the beneficiary: World Bank
- d) The essential selection criteria are financial and operational capacity of the applicant.

The award criteria are

- relevance,
- effectiveness and feasibility,
- sustainability and
- cost-effectiveness

of the action.

- e) Indicative amount of the grant: EUR 900 000
- f) Maximum rate of co-financing: the maximum possible rate of EU co-financing may be up to 100% of the total cost of the action in accordance with Article 192 of the Financial Regulation if full funding is essential for the action to be carried out. The necessity for full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
- g) Indicative date for signing the grant agreement: Q4/2015

Action 4	<i>Acquis Alignment and EU integration</i>	<i>EUR7 000 000</i>
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(1) Description of the Action, objectives, expected results

The objective of the Action is to strengthen Turkey's integration to the EU in the field Transport, through a progressive alignment with the EU acquis.

At the level of the Action 4, two results are to be achieved:

- R1 – Transport legislation further harmonised with the EU acquis Chapters 14 and 21 and institutional and administrative capacity needed to assume the obligations of membership under acquis further strengthened (Activity 4.1);
- R2 – Strengthened policy dialogue & technical cooperation with relevant EU bodies (Activity 4.2).

Activity 4.1. Legislative alignment & capacity building to implement the Acquis

As a first priority, IPA support will concentrate on acquis alignment, especially on the basis of gap analysis to be developed under the SOPT as well.

The activity will provide support to establish institutional capacity for assuming the obligations of membership under Chapters 14 and 21. Eligible activities will include the full range of twinning, TA, services, supplies, and – where justified – also small-scale works directly necessary for the implementation of legislation related to market regulation and supervision, market access, safety rules, requirements to operators, consumer rights, interoperability and other aspects of the EU transport legislation.

Through legislative alignment and improvement of related institutional capacity, integration to (South East Transport Axis) SETA will be facilitated.

Activity 4.2 – Supporting Policy dialogue and technical cooperation

The activity will strengthen TR-EU policy dialogue in the field of transport, specifically, under the Positive Agenda process and support relations with EU bodies especially relevant transport agencies. Assistance will be provided to support policy development, the exchange of experience, and the creation of networks of professionals that are able to further Turkey’s integration and accession process. For this, mainly soft measures focussed on the transfer of knowledge and training are envisaged.

Key indicators of action 4:

- Degree of alignment of directives and regulations with the EU acquis
- Status of the implementation of the National Programme for the Adoption of the Acquis.

Action 5	<i>Technical Assistance</i>	<i>EUR 6 000 000</i>
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(1) Description of the Action, objectives, expected results

The objective of the Action is to support MoTMC to manage the SOPT in order to ensure that EU, national and donor development funding in Turkey’s transport sector are used to best effect.

At the level of the Action 5, two results are to be achieved:

- R1 – The Operating Structure has the human capacity and financial resources at its disposal needed to implement its tasks (Activity 5.1);
- R2 – Investment strategies and project studies for a pipeline of projects prepared, funding modalities for transport developments elaborated (Activity 5.2).

Activity 5.1 –Supporting the Operating Structure

The activity will be dedicated to the support of the Operating Structure including the relevant units of MoTMC, the Monitoring Committee, other national agencies with responsibilities related to the implementation of the SOPT and the Monitoring Committee.

Capacity building actions will be extended to cover the final beneficiaries and the bodies working together with the Ministry on the preparation and monitoring of the SOP;

Direct costs related to the implementation of the SOP will be covered, such as expenses of SMC meetings and on-site monitoring visits, visibility events, production of promotional material, supporting management functions of the OS, and, where needed, providing TA to the final beneficiaries.

Activity 5.2 – Project Pipeline Development

At the strategic level, IPA support will be used to support the preparation and regular update of sector and sub-sector strategies, investment strategies and a project pipeline for the effective use of EU investment funding – as well as national funding and IFI support – aimed at promoting the country’s integration in the Single European Transport Area.

Key indicators of action 5:

- Degree of implementation of the SOPT
- Number of projects prepared to full maturity

2.3 PROVISIONS APPLICABLE TO ALL ACTIONS:

(1) Assumptions and conditions

- Co-financing from the national budget available (including eventual IFI / donor funds needed for investments)
- All beneficiaries ready and able to co-operate in the implementation of the SOPT
- Technical and economic preparatory studies as well as environmental and building permits necessary for investments available on time and in good quality.
- Outputs from related assistance projects– as inputs to this project – materialise on time and in good quality
- Good co-operation among stakeholders involved
- Sustainability of institutions receiving IB support ensured
- Sustainability of staff trained, further training of incoming new staff (and replacements) ensured
- Costs of operation for new institutions, infrastructure and equipment ensured on a continuous basis.
- Stable political and economic environment conducive to the economic and political integration of Turkey with the EU
- Both Turkey and the EU remain committed to Turkey’s integration agenda

(2) Implementation arrangements of the actions except for direct management as indicated above: indirect management with Turkey

Short description of the tasks entrusted to the entity

The MoTMC has been appointed as Operating Structure and Contracting Authority for the Sector Operational Programme in Transport. The decision on the conferral of tendering, contracting and financial management powers were adopted in November

2012 for IPA I –Component III. The Ministry shall continue being responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

(3) Authorisation for the use of simplified forms for grants included in the actions 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, 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 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.

2.4. MAJOR PROJECTS

(1) DEFINITIONS AND THRESHOLD

A Major Project comprises a series of works, activities or services and is intended, in itself, to accomplish a definite and indivisible task of a precise economic or technical nature, which has clearly identified goals and whose total cost exceeds MEUR 30 as defined in the Framework Agreement for IPA II between the Commission and the Government of Turkey.

The calculation of the threshold is based on an assessment of the overall allocations (three years) to a given sector of the IPA II beneficiary.

(2) INDICATIVE LIST OF MAJOR PROJECTS

Action 1 -	
Main list	Reserve list
	Alternative option if some difficulties will be encountered to finance the Halkalı-Kapıkule railway project, and depending on the availability of funds
<ul style="list-style-type: none"> ○ Reconstruction of the Halkalı-Kapıkule railway line. 	<ul style="list-style-type: none"> ○ Alayunt-Afyon-Konya Railway Modernisation project; ○ Malatya-Narlı Railway Modernisation project.

3 BUDGET

MULTI-ANNUAL INDICATIVE BUDGET TABLE FOR THE MULTI-ANNUAL ACTION PROGRAMME FOR TURKEY ON TRANSPORT

	2014			2015			2016			Total Financing Decision	
	where applicable	where applicable	Total expenditure	where applicable	where applicable	Total expenditure	where applicable	where applicable	Total expenditure		
	EU Contribution	IPA II beneficiary Co-financing		EU Contribution	IPA II beneficiary Co-financing		EU Contribution	IPA II beneficiary Co-financing		Indirect Management with the Operating Structure	Direct Management to be signed in 2015
Action 1 Sustainable and Safe Transport	65 400 000	11 540 000	76 940 000	115 500 000	20 370 000	135 870 000	105 100 000	18 550 000	123 650 000	285 550 000	450 000
Action 2 Efficient Transport	0	0	0	4 350 000	770 000	5 120 000	1 000 000	180 000	1 180 000	4 900 000	450 000
Action 3 Accessible and Inclusive Transport	1 000 000	180 000	1 180 000	3 850 000	690 000	4 540 000	6 000 000	1 060 000	7 060 000	9 950 000	900 000
Action 4 Acquis Alignment and EU integration	4 000 000	710 000	4 710 000	900 000	150 000	1 050 000	2 100 000	360 000	2 460 000	7 000 000	
Action 5 Technical Assistance	1 500 000	260 000	1 760 000	3 500 000	620 000	4 120 000	1 000 000	180 000	1 180 000	6 000 000	
TOTALS	71 900 000	12 690 000	84 590 000	128 100 000	22 600 000	150 700 000	115 200 000	20 330 000	135 530 000	313 400 000	1 800 000
Total EU Contribution				315 200 000							
Total IPA II beneficiary co-financing				55 620 000							
Total programme				370 820 000							

4 IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

DIRECT MANAGEMENT:

Part of this programme shall be implemented by direct management by the Commission / by the Union Delegations in accordance with article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

Grant award procedures shall follow the provisions of Part One Title VI and Part Two Title IV Chapter 4 of the Financial Regulation No 966/2012 and Part One Title VI and Part Two Title II Chapter 4 of its Rules of Application.

INDIRECT MANAGEMENT:

Part of this programme shall be implemented through indirect management by Turkey in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

The general rules for procurement and grant award procedures shall be defined in the Financing Agreement between the Commission and the Government of Turkey.

5 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 Country 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 DG Enlargement 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.