



Brussels, 6.12.2017
C(2017) 8213 final

COMMISSION IMPLEMENTING DECISION

of 6.12.2017

**amending Commission Implementing Decision C(2014) 9673 final of 11.12.2014
adopting a multi-annual Action Programme for Turkey on Employment, Education and
Social policies**

COMMISSION IMPLEMENTING DECISION

of 6.12.2017

amending Commission Implementing Decision C(2014) 9673 final of 11.12.2014 adopting a multi-annual Action Programme for Turkey on Employment, Education and Social policies

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, 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 1605/2002² and in particular Article 84(2) thereof,

Whereas:

- (1) The multi-annual Action Programme for Turkey on Employment, Education and Social policies for the years 2014-2016 under the IPA II was adopted on 11 December 2014 by the Commission Implementing Decision C(2014) 9673 final.
- (2) In order to continue implementing the IPA Sector Operational Programme for Employment, Education and Social policies (EESP SOP) it is necessary to extend the existing programme 2014-2016 to take into account the additional allocation for 2017.
- (3) Therefore the multi-annual Action Programme for Turkey on Employment, Education and Social policies should be extended by one year, 2017, and for the amount of EUR 68 900 000.
- (4) It is necessary to adopt an amended Financing Decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012³.
- (5) The amended action programme provided for by this Decision is in accordance with the opinion of the IPA II Committee set up by Article 13 of Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument for Pre-accession Assistance (IPA II)⁴,

HAS DECIDED AS FOLLOWS:

¹ OJ L 77, 15.03.2014, p. 95

² OJ L 298, 26.10.2012, p.1

³ 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.

⁴ OJ L 77, 15.03.2014, p.11

Article 1

Amendment of the programme

Commission Implementing Decision C(2014) 9673 final of 11.12.2014 adopting a multi-annual Action Programme for Turkey on Employment, Education and Social policies is amended as follows:

1) Article 2 is replaced by the following:

"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 235 100 000 and shall be financed as follows:

EUR 37 400 000 and shall be financed from the budget line 22.02.03.02 of the general budget of the EU for year 2014

EUR 62 900 000 and shall be financed from the budget line 22.02.03.02 of the general budget of the EU for year 2015

EUR 65 900 000 and shall be financed from the budget line 22.02.03.02 of the general budget of the EU for year 2016

EUR 68 900 000 and shall be financed from the budget line 22.02.03.02 of the general budget of the EU for year 2017

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

2) The Annex is replaced by the Annex to this Decision.

Article 2

The Financing Agreement concluded between the European Commission and Turkey on 28 April 2016 shall be amended accordingly.

Done at Brussels, 6.12.2017

For the Commission

Johannes HAHN

Member of the Commission

ANNEX

to Commission Implementing Decision amending Commission Implementing Decision C(2014) 9673 final of 11 December 2014 on adopting a multi-annual Action Programme for Turkey on Employment, Education and Social policies

1 IDENTIFICATION

Beneficiary	Turkey
CRIS decision number	2014/031-882
CRIS/ABAC Commitment references	2014 EUR 44 000 000
Total cost	2015 EUR 74 000 000
	2016 EUR 77 529 412
	2017 EUR 81 065 000
EU Contribution	2014 EUR 37 400 000
	2015 EUR 62 900 000
	2016 EUR 65 900 000
	2017 EUR 68 900 000
Budget lines	22. 02 03 02
Management Mode/ Entrusted entities	Indirect management by the entities listed below: The operating structure responsible for the execution of the actions, is the Turkish Ministry of Labour and Social Security
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
Programming Unit	DG NEAR Unit A5
Implementing Unit/ EU Delegation	EU Delegation to Ankara

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 multiannual Programme is based on a rigorous analysis of the economic and social situation in Turkey. The country has been able to tackle the negative effects of the global economic and financial crisis, and even create more than 3 million jobs since 2009, nevertheless regional imbalances persist and the Turkish labour market, social protection and educational system have deep structural problems that have to be addressed.

Among the persisting labour market problems, one can underline the low levels of labour force participation in general (55% in 2013) and for women in particular (30%), unregistered employment (36%), high number of economically inactive persons at working age ((29.3%) and deficient enforcement of labour legislation. It is observed that the levels of labour force participation and unemployment have a strong correlation with educational attainment.

Quality and equality difficulties in the education sector, persistence of high levels of early school leaving and low participation in training and lifelong learning by adult population create a situation that needs to be overcome to allow the country to give new and equal opportunities to its young population. In September 2012, the compulsory education was extended from 8 to 12 years; although net enrolment rates are very high in primary education, there are still many children who cannot pursue their education for various reasons (members of family of seasonal workers, disadvantaged group and the rate of early school leavers is 37.5% (11.9% in EU28).

In 2012, 12.8% of the Turkish gross domestic product (GDP) was allocated as social spending (while the Organisation for Economic Co-operation and Development (OECD) average was 21.8%). Moreover, for the period 2006-2012, according to the national data on income and living conditions, after social transfers, Turkey could decrease “at-risk of poverty rate” by 7% while the EU members managed to reduce it by almost 36%. In-work poverty remains a primary concern, especially in terms of unpaid family workers who are predominantly women. The distribution of income is still rather unequal and almost one in every four households is at risk of poverty; in a context of inefficiency or insufficiency in social protection services, some segments of the population are especially vulnerable to social exclusion (eg. urban poor, seasonal workers, Roma citizens, street children, working children, single-parents, women exposed to violence, women without any social protection coverage, persons with disabilities, elderly people, convicts and ex-convicts).

The preparation of labour market institutions and of social policy institutions to full compliance with the EU *acquis* is a horizontal objective of the programme, present in all of its measures. This SOP is therefore directly connected with the alignment of Turkey with the *acquis* covered by chapter 19 (Social policy and employment) as well as chapter 26 (Education and culture), chapter 28 (Consumer protection and health), and chapter 2 (Freedom of movement for workers).

EU and Turkey recognise that, despite the improvements, shortcomings in terms of administrative capacity are a recurrent issue since conferral of management powers for

Instrument for Pre-Accession Assistance (IPA) I funds was granted to Turkey. The needs and means for the IPA II period are identified in this programme where, apart from supporting the contracting authority (Ministry of Labour and social security) particular attention will be given to the needs of the sub-leading institutions (Ministry of National education and Ministry of Family and social policies) for programming, evaluation and monitoring, as well as Regional Development Agencies.

Therefore, and in order to ensure continuity with IPA I, this programme will support investments in people and institutions in order to develop a more inclusive society in Turkey, focusing on education, employment, social policies and inclusion.

In order to maximize the impact of the IPA II funds, a thematic and geographic concentration is proposed: four priority South-Eastern regions (having gross value added (GVA) per capita below 75% of the national average) will receive 15 % from the overall programme allocation. Some of those regions are also particularly affected by the Syrian crisis, which began in March 2011, and is having an enormous impact on Turkey in terms of budgetary and human resources, services and infrastructure in the host communities.

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

Under IPA I the Human Resources Development Operational Programme (HRD OP 2007-2013) set out the basis for Turkey receiving EU assistance in human resources development, with employment and employability as the cross cutting issue for all priorities. Currently under implementation, the programme aims to address the main challenges Turkey faces in the fields of employment, education and training, and social inclusion, in line with the long term objectives outlined in 9th National Development Plan (2007-2013).

The interim evaluation of the HRD OP conducted in 2011 showed that in terms of effectiveness and efficiency of implementation of operations, more cooperation and commitment from social partners and other main regional/local actors was necessary through direct involvement in the programming, monitoring and evaluation phases and not only at national level. This will be taken into account under IPA II where it is foreseen to progressively give a more important role to the regional Development Agencies (DAs) and to apply a geographical concentration principle.

In the framework of the preparation of this Sectoral OP for the period 2014-2020, the European Union Coordination Department of Ministry of Labour and social security (MoLSS), as Operating Structure for Human Resources Development Operational Programme (HRDOP), took the decision to perform an independent external ex-ante evaluation. Preliminary recommendations confirmed that, regarding national policies and strategies, the programme builds on the previous one and is designed within the wide set of national strategic documents to whose objectives it will contribute. As far as the key issues of gender equality and anti-discrimination are concerned, they are appropriately covered across the different activities of the programme, directly or indirectly, nevertheless more resources allocated to the technical assistance could be used to that purpose, namely studies or benchmarking with EU best practices.

Since 2007 different ministries and agencies responsible for social policies have realised joint projects and activities with international organisations and international financing

institutions (IFIs). The Turkish Under-secretariat for the Treasury plays the key role of defining the coordination arrangements for loans and grants from donors such as IFIs, trust funds, development banks and private banks. In terms of sectoral arrangements the MoLSS as the lead institution for the sector will continue to liaise and seek collaboration with the donors as was the case in the first IPA period.

A consultation meeting with some of the most active international institutions in Turkey ((International Labour Organization (ILO), European Bank for Reconstruction and Development (EBRD), European Investment Fund (EIF), World Bank, UNICEF) was organised on 15 April 2014 with a view to inquire possible areas of cooperation. As a result of this process, cooperation with international organisations is being explored as a probable modality under all actions of this programme.

List of Actions foreseen under the selected Sectors:

INDIRECT MANAGEMENT WITH THE IPA II beneficiary	
Action 1 - Employment	EUR 71 750 000
Action 2 – Education and training	EUR 71 750 000
Action 3 – Social policies and inclusion	EUR 71 750 000
Action 4 – Technical assistance	EUR 19 850 000
TOTAL	EUR 235 100 000

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The programme is composed of four actions: (1) Employment, (2) Education and training, (3) Social policies and (4) Capacity building. The strategy designed is based on implementation of complementary active measures directed to target groups in order to provoke the needed changes to overcome identified problems. In the implementation phase, a particular effort will be made to diversify partners in order to achieve more impact and reinforce the network of institutions in Turkey devoted to the progress in social fields, including public bodies, social partners, academic community, advocacy groups and other NGO’s. Furthermore, interventions in the areas covered by this programme in response to the Syria crisis will be considered, as appropriate.

Action 1	<i>Employment</i>	<i>EUR 71 750 000</i>
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Description of the Action, objective, expected results and key performance indicators

The objective of this action is to promote employment and decent work, with a focus on women, young persons and disadvantaged groups, to improve working conditions, to enhance policy-making and implementation for better service provision.

Regarding the concept of decent work, IPA II will support Turkey in addressing the following main challenges in the coming years: high level of unregistered employment, legal enforcement and monitoring mechanisms; child labour, lack of bipartite and

tripartite social dialogue; deficient working conditions in certain sectors and occupations, and lack of coordination among the public institutions, social partners, NGOs and academia. Specific activities will build upon previous IPA support, including but not limited to the actions for combating unregistered employment, low labour force participation rate for women, enhancing social dialogue, developing occupational health and safety (OHS) management systems and models for small and medium enterprises (SMEs), tools and methods for combating child labour, guidelines for OHS experts as well as the work of the High Level Working Group for Chapter 19.

Weak linkages between education system and the labour market, insufficient career guidance services, and lack of internship/apprenticeship opportunities are other issues that require intervention. Diversification of active labour market policies is a cross cutting challenge. Furthermore, planning and policy-making processes, monitoring and evaluation mechanisms, poor data and/or statistics; and insufficient institutional capacity are prominent challenges that will be addressed with IPA support.

Specific objectives of this Action are:

- To promote decent work (Activity I.I);
- To promote employment and employability (Activity I.II), by implementation of active labour market policies (ALMPs) with a focus on women, young and people in need of special policies;
- To support employment policy-making and implementation processes for better service provision (Activity I.III);
- Harmonisation with *acquis* and EU policies.

Expected results are:

- Creation of a culture of decent work in Turkish labour market, enterprises, public institutions NGOs, academy and social partners, supported with adoption/modification and implementation of labour legislation in line with the ILO conventions and EU *acquis* (Activity I.I);
- Increased level of participation in the labour force and in employment of women, young people and disadvantaged groups (Activity I.II);
- Active employment measures (such as trainings, intermediation services, job search assistance, counselling. public works programs) tailored to specific needs of target groups and individuals developed and implemented (Activity I.II);
- Improved institutional capacity for planning, monitoring and evaluation activities (Activity I.III);
- Enhanced capacity of social partners in policy making (Activity I.III) ;

Performance indicators and related targets are defined in the programme for the period 2014-2020 within the wide set of national strategic documents, mainly the 10th Development Plan (DP10) and the National Employment Strategy (NES). For this Action in particular the following impact indicators have been selected:

- Youth Unemployment Rate (+13% (DP10));
- Unregistered Employment Rate (- 30% (DP10));

- Job placement rate of unemployed who are registered to Turkish Employment services (İŞKUR) (+50% (DP10));
- Labour force participation rate for women (up to 41% (NES));
- Unemployment rate (- 5% (NES));
- In-work poverty (- 5% (NES));
- Worst forms of child labour completely eradicated in the fields of heavy and dangerous work, street work and migratory/temporary seasonal work by 2023 (NES).

Considering the mid-term review of IPA II in 2017, the following result indicators have been chosen:

- Rate of participants in decent work related activities/are registered in Turkish Employment Agency (ISKUR) or Social Security Institution (SSI);
- Rate of reduction in occupational accidents in SMEs;
- Number of cases of child labour detected and solved;
- A “decent work” monitoring/ follow up mechanism established and operational;
- Share of women, young and disadvantaged persons who participate in labour force/ are employed after SOP intervention;
- Number of new ALMPs and/or other tailored services.

Action 2	<i>Education and training</i>	<i>EUR 71 750 000</i>
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Description of the Action, objectives, expected results

The general objective of this action is to contribute to establish a transparent, modern and quality based education system which fosters social and economic development and equips individuals with the necessary qualifications for employment, where all segments of Turkish society find the possibility to learn within their own needs.

A first challenge in the sector is the quality of education, crucial especially for countries with such a young population as Turkey. IPA II will support the Ministry of National Education (MoNE) in its efforts to enhance the qualifications of teachers and further development of modular training that enables students to acquire competences according to personal and social needs. The modules developed need to be credited in line with European Credit Transfer System for Vocational Education and Training (ECVET) principles. Establishment of a credit transfer system will allow students' mobility in different types of schools and recognition of this system will bring integrity into the education institutions.

A second challenge identified is the relatively low level of educational attainment and difficulties in access to education for disadvantaged persons. IPA will provide support for improving outreach and accessibility of education and increase attainment rates at all levels of education, including pre-school which has particular effects on the overall

quality of student education as well as the female employment. Special attention will be given to the attainment of girls and disadvantaged persons.

Participation in Long life Learning (LLL) is quite low when compared to EU averages. Considering the fact that almost half of the labour forced (25-64) has an education below the high school level, the need for more focused interventions to promote LLL becomes more evident. In this framework, IPA will support reforms and innovative activities (such as new models for cooperation between vocational education and training, private sector, universities and NGOs; second chance/compensation programmes especially for disadvantaged people) for improving the LLL culture in Turkey as well as strengthening the linkage between non-formal training and labour market. Evaluation of former practices and the Turkish Qualifications Framework and/or the national vocational qualification system may be conducted within the scope of this action. Support may be provided as well for increasing awareness and opportunities to participate in Union programmes, such as Erasmus+.

Specific objectives of this action are:

- To improve the quality of education and training (Activity II.I) strengthening in this way the link between education and employment, especially in SMEs;
- To raise educational attainment, and skill levels by providing education for all, including pre-school education (Activity II.II), and by fighting early school leaving/absenteeism and drop-outs;
- Strengthening the National Qualification System (NQS) and promoting adaptability & long-life learning (Activity II.III);
- Harmonization with *acquis* and EU policies.

Expected results are:

- Better quality of education and training in terms of human resources, physical environment, curricula/modules, quality assurance (Activity II.I);
- Quality assurance system established with the cooperation of employers and enterprises;
- Decreased early school leaving/absenteeism and drop-outs (Activity II.II) through guidance, counselling and family-school cooperation;
- Increased access and attainment of people with special needs to all levels of education (Activity II.II) such as Roma children, children of seasonal and casual workers, people with disabilities;
- Turkish Qualifications Framework, the National Qualifications System and supporting LLL strategies/action plans developed and implemented (Activity II.III) in line with EU targets and initiatives.

Key performance indicators are:

- Number of students and families reached through guidance/counselling services
Number of 'Not in employment, education or training' (NEETs) participating in special activation programmes after SOP intervention;
- Rate of credited VET modules implemented;
- Number of provinces where students per classroom is 30 and below 30 in Primary Education - 76 (DP10);

- Number of Early Childhood Education facilities created;
- Gross enrolment rate for pre-school (4-5 year) – to 70% (DP10);
- Participation rate to lifelong learning (+ 15% (NES));

Action 3	<i>Social policies</i>	<i>EUR 71 750 000</i>
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Description of the Action, objectives, expected results

The objective is to promote inclusion of disadvantaged persons by facilitating their access to employment, health and social protection services, and by combating discrimination, exclusion and poverty.

Despite the economic growth and significant progress on reducing the absolute poverty rate in the last years, relative poverty still appears as a major social issue in Turkey (around 22% of the population). Economically inactive persons, which comprise around 30 million people at working age (70% of them women), are either poor or carry a high risk of poverty. This Action must therefore take a holistic approach. Activities will be planned in such a way that involvement of the disadvantaged persons in social, cultural and economic life will be ensured through complementary but comprehensive measures including the coordination and integration of services provided by various institutions, like the Ministry of Health, under the lead of the Ministry of Family and social policies (MoFSP).

To increase the social integration of disadvantaged persons is a priority (such as urban poor, people with disabilities (physical, mental), Roma citizens¹, children with special needs, street children, working children, single-parents, seasonal workers, drug addicts, women without any social protection coverage, convicts and ex-convicts, elderly people, domestic workers, refugees and asylum seekers, etc.) by directing them to educational, social and health services; ALMPs, including training, counselling and guidance, entrepreneurship programmes; and by supporting social entrepreneurship. These activities will be supplemented through awareness-raising and communication campaigns in order to reach an increased number of disadvantaged persons, while fighting stigmatization and discrimination against them.

Under this Action IPA funds shall assist Turkey in transposing and implementing EU *acquis* particularly on topics covered under Chapter 19 Social Policy and Employment, such as social protection, equal opportunities and anti-discrimination. Equally, support shall be given to address specific issues identified in the Employment & Social Reform Programme (ESRP).

Specific objectives are:

- To improve the capacities of policy-makers and service providers in order to create the infrastructure for comprehensive social policies and inclusion. (Activity III.I);

¹ This term covers all citizens facing prejudices from wider public similar to Roma, including but not limited to Doms, Loms and Abdals.

- To increase access of the disadvantaged and vulnerable persons to social protection and quality health services and labour market, and combatting discrimination, exclusion and poverty (Activity III.II);
- Harmonization with *acquis* and EU policies

Expected results are:

- Enhanced institutional capacities at national and local levels in terms of policy making, strategic planning, implementation, monitoring and evaluation. (Activity III.I).
- Reorganised (especially by decentralising / localising) and improved the quality and delivery of social protection and health services (including moving towards a community-based approach).
- Improved data and registration system about households in order to design targeted social policies and monitoring the demographic, economic and social trends. (Activity III.II).
- Improved accessibility and outreach of social assistance and healthcare for the disadvantaged persons especially targeting the capacities of NGOs and local actors working with people at higher risk of poverty.
- "Equality Body" established in line with the EU equal treatment legislation.

Within the wide set of national Strategic documents, the following impact **indicators** have been selected for this Action until 2020:

- Share of the population living on less than \$ 4.3 a Day (absolute poverty) (below 1% (DP10))
- Gini ratio (36% (DP10))
- Child labour (below 2% (NES))
- Poverty (food and non-food) (below 10% (Strategic Plan of MoFSP))
- Health status of disadvantaged persons (measured e.g. by increased vaccination rates of vulnerable children, number of interventions facilitating access to the quality healthcare for vulnerable people, disabled children living in community settings, etc)

And for 2017, considering the mid-term review of the programme the following result indicators are proposed:

- A basic family assistance system established;
- Action Plan of MoFSP revised/adopted ;
- Variation rate in number of disadvantaged persons registered in relevant databases;
- Number of disadvantaged persons who benefit from relevant social and healthcare services (including community based services);
- Rate of persons still working after receiving support by the programme with instruments oriented for job creation;

- Social partners/ NGOs/local actors/ SMEs supported to facilitate access of disadvantaged persons to social protection and health services and labour market.

Action 4	<i>Technical assistance</i>	<i>EUR 19 850 000</i>
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Description of the Action, objectives, expected results

During the implementation period of IPA I, the operating structure (OS) has gained significant capacity to deal with pre-accession assistance and accession process challenges. Under IPA II some re-structuring of the current system and further capacity building for the contracting authority will be needed, as the two sub-leading institutions (MoNE and MoFSP) and other stakeholders such as the regional development agencies are likely to take a more prominent role in the future.

Specific objective is to develop the capacity of the OS, sub-leading institutions and beneficiaries to fulfil their functions related to IPA and future EU Structural Funds management.

Expected results are:

- Increased administrative capacity including efficient consultation and cooperation mechanisms for a quality and effective policy formulation, implementation of EU policies and acquis, monitoring and evaluation;
- Successful and adequate implementation of the SOP in line with the programme objectives;
- National employment, education and social policy Observatory established and functional.

Technical Assistance will include, inter alia, delivery of training and consultancy services to (potential) beneficiaries and OS, organisation of study visits and internships, activities for the proper visibility of the programme, information and communication campaigns, outreach activities, and support for the development of project pipeline, project selection, tendering, quality assurance, monitoring and evaluation phases. Running costs of the operating structure may be also financed.

The **key performance indicator** would be the consolidation of a structure ready to operate under European Social Fund (ESF). At the level of results of this programme, the following indicators have been selected:

- Actual and potential grant beneficiaries trained
- Persons reached through awareness-raising campaigns/events
- Number and quality of researches/field studies/ reports/ impact assessment, monitoring & evaluation studies, regional need analysis, etc. realised

2.3. PROVISIONS APPLICABLE TO ALL ACTIONS

(1) Implementation arrangements of the actions: indirect management with Turkey

Short description of the tasks entrusted to the entity

The Ministry of Labour and Social Security has been appointed as Operating Structure and Contacting Authority for this programme. The decision on the conferral of tendering, contracting and financial management powers was adopted in January 2012 for IPA I –Component IV. These functions and responsibilities were extended on the basis of subsequent entrustment and follow-up audits performed during IPA II period by adopting (and entering into force of) the Financing Agreement on 28 April 2016.

The main public institutions identified as sub leading institution (ie. Ministry of National Education, Ministry of Family and Social Policies) will play also an important role in the implementation of the SOP in particular on the development of project pipelines and conducting evaluation and thematic monitoring activities.

The Ministry of Labour 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.

(2) Assumptions and conditions

Government and public institutions are fully committed to the development and timely implementation of policies and institutional changes required to deliver the Action results.

National authorities should conform to the co-financing requirements as set out in the Budget table. Failure to comply with those requirements may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) 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 include, inter alia: 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

MULTI-ANNUAL INDICATIVE BUDGET TABLE FOR THE MULTIANNUAL PROGRAMME FOR TURKEY ON EMPLOYMENT, EDUCATION AND SOCIAL POLICIES (2014-2017)

(IN MILLION EUROS)

	2014			2015			2016			2017			Total IPA Financing Decision
	EU Contribution	IPA II beneficiary Co- financing	Total expenditure	EU Contribution	IPA II beneficiary Co- financing	Total expenditure	EU Contribution	IPA II beneficiary Co-financing	Total expenditure	EU Contribution	IPA II beneficiary Co- financing	Total expenditure	
Action 1 Employment	11 200 000	1 976 471	13 176 471	19 000 000	3 352 941	22 352 941	20 300 000	3 582 353	23 882 353	21 250 000	3 750 000	25 000 000	71 750 000
Action 2 Education and training	11 200 000	1 976 471	13 176 471	19 000 000	3 352 941	22 352 941	20 300 000	3 582 353	23 882 353	21 250 000	3 750 000	25 000 000	71 750 000
Action 3 Social Policies	11 200 000	1 976 471	13 176 471	19 000 000	3 352 941	22 352 941	20 300 000	3 582 353	23 882 353	21 250 000	3 750 000	25 000 000	71 750 000
Action 4 Technical Assistance	3 800 000	670 587	4 470 587	5 900 000	1 041 177	6 941 177	5 000 000	882 353	5 882 353	5 150 000	915 000	6 065 000	19 850 000
TOTALS	37 400 000	6 600 000	44 000 000	62 900 000	11 100 000	74 000 000	65 900 000	11 629 412	77 529 412	68 900 000	12 165 000	81 065 000	235 100 000

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

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 and the relevant delegation agreements between the Commission and the entrusted entity implementing such action.

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 the Commission's Directorate-General for Enlargement (DG ELARG) 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.