



EUROPEAN
COURT
OF AUDITORS

Background paper



Facility for Refugees in Turkey

March 2018

The European Court of Auditors is currently examining whether the “Facility for Refugees in Turkey” is providing effective support to refugees hosted in Turkey.

In 2015, the European Council called for significant additional funding to support refugees in Turkey.

The Facility was established on 1 January 2016 and has a budget of three billion euro, made up of one billion euro from the EU budget and two billion euro from national contributions from the Member States. It supports both humanitarian and non-humanitarian activities. The Facility is a coordination mechanism that aims at a swift, effective and coordinated mobilisation of the EU assistance to refugees in Turkey and is one of the EU’s major tools for addressing the refugee crisis.

Our audit aims at examining the set-up and functioning of the Facility as a whole. In particular, we will focus on the management of the Facility (i.e. the coordination, administrative arrangements, functioning and monitoring) and the results achieved by humanitarian actions supported under the Facility.

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BACKGROUND

Turkey has been linked to the EU by an Association Agreement since 1963. The European Council granted the status of candidate country to Turkey in December 1999 and accession negotiations were opened in October 2005. Turkey is by far the largest beneficiary of the EU Instrument for Pre-accession Assistance with an allocation of more than 9 billion euro for the period 2007-2020.

Due to its geographical location, Turkey is both a reception and transit country for many refugees. As a consequence of increased migratory flows, mainly due to the Syrian conflict, Turkey has become the country hosting the largest refugee population in the world consisting of more than 3.8 million people. This includes about 3.5 million registered Syrians of whom 93 % are living throughout the country¹, not in camps, with limited access to basic services (see **Box 1**).

Box 1: Legal status of Syrian refugees in Turkey

Turkey ratified the 1951 Geneva Convention related to the status of refugees, but maintains geographical limitations which only grant the status of refugee to people affected by events occurring in Europe. Therefore, legally speaking, people originating from countries outside Europe are not refugees and benefit from a different protection status. In particular, a special regime was granted in 2013 by Turkey to Syrians giving them the status of 'Syrian people under Temporary Protection' (or SuTP).

The Syrian refugee crisis also spread beyond Turkey and affected the EU Member States: in 2015 alone, some 850 000 people crossed the Mediterranean from Turkey to Greece. Following the European Agenda on Migration in May 2015, which set out a comprehensive approach to migration management, several measures were taken to address the challenges of the refugee crisis.

On 15 October 2015, the European Commission reached an "ad referendum" agreement on an EU-Turkey Joint Action Plan (JAP) to "step-up cooperation" with Turkey in the management of the migration crisis. This proposal was immediately endorsed by the European Council and was formally activated following the EU-Turkey summit on 29 November 2015.

The JAP is based on two priorities:

- providing support to the Syrians under temporary protection in Turkey and their Turkish hosting communities; and
- strengthening cooperation with the Turkish authorities to prevent irregular migration flows to the EU.

The JAP asks the EU to *“mobilise in a sustained manner, appropriate to the emerging needs, substantial and concrete new funds (...) to support Turkey in coping with the challenge represented by the presence of Syrians under temporary protection. The funds will be mobilised in the most flexible and rapid way possible (...)”*.

As a response to this requirement, on 24 November 2015 the Commission issued a decision to coordinate the actions of the EU and the Member States through a coordination mechanism – the Refugee Facility for Turkey². This Facility was established on 1 January 2016.

THE FACILITY – A COORDINATION MECHANISM TO ASSIST TURKEY IN ADDRESSING THE NEEDS OF REFUGEES

The Facility is a coordination mechanism *“...to assist Turkey in addressing the immediate humanitarian and development needs of the refugees and their host communities, national and local authorities in managing and addressing the consequences of the inflow of refugees³.”* It was established with the specific objectives of coordinating and streamlining actions financed from the EU’s budget and from bilateral contributions by Member States, and enhancing the efficiency and complementarity of support provided to refugees and host communities in Turkey. The Facility provides funds for humanitarian and non-humanitarian assistance.

Humanitarian assistance is intended to provide immediate support to the most vulnerable refugees, particularly those living outside the camps (see **Box 2**).

Box 2: Who are the most vulnerable refugees?

According to the International Federation of Red Cross and Red Crescent Societies, vulnerability can be seen as the “*diminished capacity of an individual or group to anticipate, cope with, resist and recover from the impact of a natural or man-made hazard.*” The concept is relative and dynamic. It is often associated with poverty but people may be vulnerable as a consequence of several factors such as their gender, age, social group, etc. A similar definition is used by the European Commission⁴.

The flagship programme under the Humanitarian assistance area is the Emergency Social Safety Net (ESSN), implemented by the World Food Programme in collaboration with the Turkish Red Crescent and Turkish government institutions. It is the EU's largest-ever humanitarian programme and provides cash assistance to refugees living outside the camps. It represents 72 % of both the contracted funds and the disbursements made under humanitarian aid.

In contrast, non-humanitarian assistance mainly relates to longer-term development aid with a focus on education, health, migration management and socio-economic support to refugees and the host population in Turkey. The related non-humanitarian actions are mainly implemented by Turkish government institutions (through direct grants), international and national financial institutions such as the World Bank or the Kreditanstalt für Wiederaufbau (KfW), UN agencies and NGOs. Due to their specific nature, they take time to implement, usually between two (for operational actions such as training, health-related equipment, etc.) and four years (for infrastructure-related actions such as health care centres and schools).

FUNDING OF THE FACILITY

The Facility had an initial budget of 3 billion euro, to be contracted in 2016 and 2017. Its funding is broken down into 1 billion euro from the EU budget and 2 billion euro from Member States' contributions, according to each state's share of EU Gross National Income (GNI).

The 2 billion contributed by the Member States takes the form of externally assigned revenue⁵ to the EU budget, for the Humanitarian Aid (HUMA)⁶ and Instrument for Pre-Accession Assistance (IPA II)⁷ budget lines.

The Facility coordinates financing from different underlying instruments, even if, in practice, the two main sources are the HUMA and IPA II budget lines (see [Table 1](#)).

Table 1 - Financial allocations per instrument

Financial allocations (in million euro)	2016	2017	Total
Humanitarian Aid (1) - Budget line 23 02 01	165	145	310
IPA - Budget line 22 02 03	55	595	650
DCI - Budget line 21 02	10	10	20
IcSP - Budget line 19 02 01	20	0	20
Subtotal Non-humanitarian aid (2)	85	605	690
TOTAL EU BUDGET (1+2)	250	750	1 000
ASSIGNED REVENUE FROM MEMBER STATES			2 000

Source : European Commission, First Annual Report on the Facility for Refugees in Turkey

Actions under the Facility are implemented in accordance with the “(...) *financial rules applicable to the Union’s budget and the requirement of the respective basic acts*”⁸, which includes both direct and indirect management, and implementation by the EU Regional Trust Fund in Response to the Syrian Crisis (EUTF) (see **Box 3**).

Box 3: The EU Regional Trust Fund in Response to the Syrian Crisis (EUTF)

The EUTF was created in December 2014 to address the long term economic, educational and social needs of Syrian refugees in neighbouring countries, including Turkey. Following the establishment of the Facility for Refugees in Turkey, a share of the appropriations channelled through the Facility is implemented via the EUTF.

On 18 March 2016, the Members of the European Council and Turkey agreed that a further 3 billion euro could be disbursed before the end of 2018, if the resources initially allocated to the Facility had been used in full and the commitments agreed by Turkey had been met.

Implementation of the assistance and a potential further 3 billion euro disbursement are conditional upon compliance by Turkey with a series of requirements as stipulated in the different agreements between the EU and Turkey, namely the Joint Action Plan and the EU-Turkey Statements from 29 November 2015 and 18 March 2016⁹. These conditions mainly relate to measures to be undertaken by Turkey to support the Syrians under temporary protection (in particular, improving their socio-economic situation and providing access to health and education) and to prevent irregular migration (in particular, stemming the influx and readmission of irregular migrants).

ROLES AND RESPONSIBILITIES

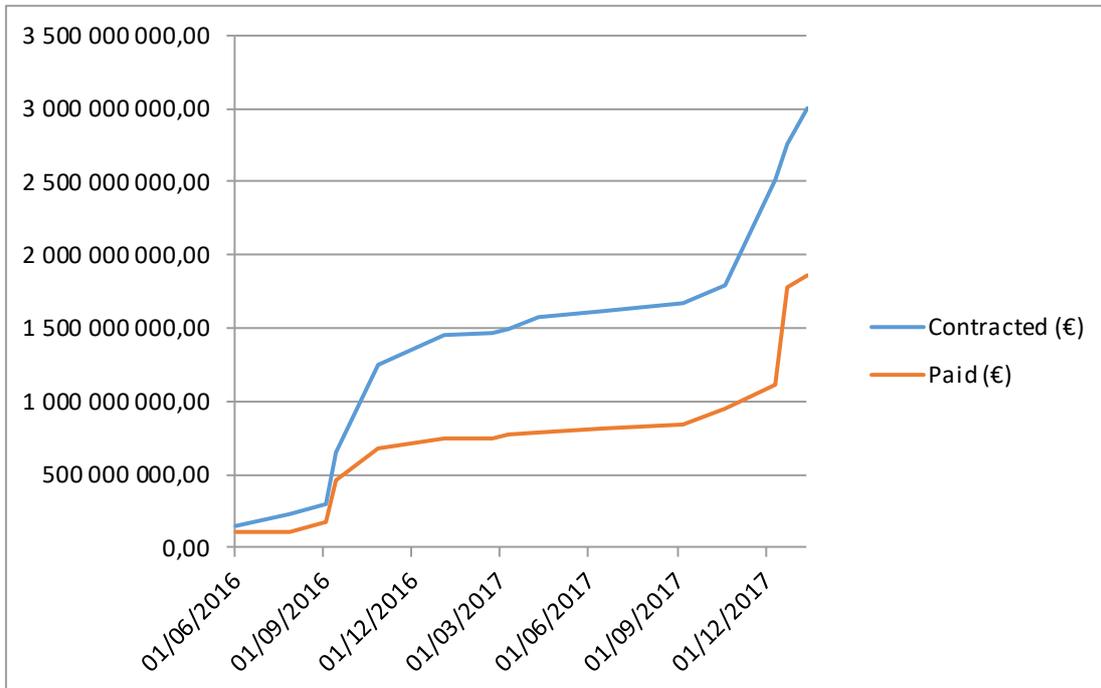
The Facility is governed by a Steering Committee which provides strategic guidance consisting of *“setting overall priorities, types of actions to be supported, the instruments to be used (...) and the coordination of the actions”* financed under the Facility. The Steering Committee is also in charge of monitoring and assessing the implementation of the actions and the commitments set out in the EU-Turkey JAP and successive EU-Turkey statements. The Committee is chaired by the Commission (Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO)) and includes representatives from EU Member States. Turkey takes part in the meetings in an advisory capacity.

Individual projects are selected according to a needs assessment and following the procedure of the underlying financing instruments mobilised. DG NEAR and the Delegation of the European Union to Turkey are responsible for the implementation of the projects funded via IPA whereas DG ECHO is responsible for the humanitarian strand. The Commission, as manager, retains overall responsibility for the implementation of the actions funded via the EUTF.

STATE OF IMPLEMENTATION

The Facility aims in particular to deliver assistance swiftly. As of January 2018, 3 billion euro had been contracted, of which 1 855 million euro had been disbursed (see **Figure 2**).

Figure 2 - Implementation of the Facility for Refugees in Turkey



Source: European Commission, Facility for refugees' tables as of 12.1.2018.

The commitments for the humanitarian assistance element amounted to 1 380 million euro and the value of contracts signed, as of January 2018, was 1 377 million euro. Approximately 81 % of this amount (1 111 million euro) had already been disbursed¹⁰.

MONITORING FRAMEWORK

Given the significant visibility of the Facility and the fact that it pools resources from different funding sources, the Commission is setting up a dedicated monitoring tool, known as the "Facility results framework". Its objective is to detail the proposed outputs and outcomes, and define the intended impact of the Facility. The results framework is designed as the main monitoring tool for the Facility and should allow the relevance and results of Facility-funded interventions to be reviewed continuously.

MAIN RISKS IDENTIFIED WHEN PREPARING THE AUDIT

When preparing our audits, we carry out an issue analysis of the policy areas or programmes that we intend to examine. Since these issues are identified before the audit work commences they should not be regarded as audit observations, conclusions or recommendations.

In the course of the audit on the EU Facility for refugees in Turkey, we will look at the following areas in relation to the issues identified:

- how the Commission ensures an appropriate level of coordination and complementarity between the different types of support measures provided through the Facility and whether the Facility's operating arrangements result in the intended streamlined and swift delivery of the assistance;
- how the Commission ensures that the project selection focuses on the relevance of the projects funded to addressing the needs identified and/or targeting the most vulnerable beneficiaries rather than just focusing on speed of delivery;
- whether the projects have achieved their objectives and how the legal and security environment in the host country, together with the capacity of the stakeholders on the ground, may have impacted the quality and timeliness of project implementation; and
- whether the reporting and monitoring frameworks at Facility level allow for a timely, robust and comprehensive assessment of the achievements and the performance of the Facility.

ABOUT ECA SPECIAL REPORTS AND BACKGROUND PAPERS

The ECA's special reports set out the results of its audits of EU policies and programmes or management topics related to specific budgetary areas.

Background papers provide information in relation to an on-going audit task. They are based on preparatory work undertaken before the start of the audit and are intended as a source of information for those interested in the policy and/or programme subject to our audit.

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- ¹ European Commission - Second Annual Report on the Facility for Refugees in Turkey
https://ec.europa.eu/neighbourhood-enlargement/news_corner/migration_en
 - ² Commission Decision of 24 November 2015 on the coordination of the actions of the Union and of the Member States through a coordination mechanism — the Refugee Facility for Turkey (C (2015) 9500) as amended by the Commission Decision of 10 February 2016 on the Facility for Refugees in Turkey.
 - ³ Article 1 of the Commission Decision (C (2015) 9500) as amended by the Commission Decision (C(2016)855) of 10 February 2016.
 - ⁴ European Commission, DG ECHO; Thematic Policy Document n° 8 “Improving protection outcomes to reduce risks for people in humanitarian crises”; May 2016.
 - ⁵ Article 21(2)(b) of the Financial Regulation.
 - ⁶ Council Regulation (EC) No 1257/96.
 - ⁷ Regulation (EU) No 231/2014.
 - ⁸ Article 6(3) of the Commission Decision (C (2015) 9500) as amended by the Commission Decision (C(2016)855) of 10 February 2016.
 - ⁹ The text of the JAP and successive EU-Turkey Statements can be found at:
[http://europa.eu/rapid/press-release MEMO-15-5860_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5860_en.htm)
<http://www.consilium.europa.eu/en/press/press-releases/2015/11/29-eu-turkey-meeting-statement/>
<http://www.consilium.europa.eu/en/press/press-releases/2016/03/18-eu-turkey-statement/>
 - ¹⁰ A significant share of the disbursements made are pre-financing.