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ANNEX II

of the Commission Implementing Decision on the individual measure to continue support for basic needs and transition to livelihoods opportunities for refugees in Türkiye

Action Document for "Support to socio-economic development for refugees and host communities in Türkiye"

INDIVIDUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan/measure in the sense of Article 23(3) and 23(5) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

| | |
|---|--|
| 1. Title OPSYS Basic Act | "Support to socio-economic development for refugees and host communities in Türkiye" Individual measure to continue support for basic needs and transition to livelihood opportunities for refugees in Türkiye OPSYS business reference NDICI-RRA-R-NEAR/2022/ACT-61542 ABAC Commitment level 1 number: JAD.1082619 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe). |
| 2. Team Europe Initiative | No |
| 3. Zone benefiting from the action | The action shall be carried out in the Republic of Türkiye |
| 4. Programming document | N/A |
| 5. Link with relevant MIP(s) objectives/expected results | N/A |
| PRIORITY AREAS AND SECTOR INFORMATION | |
| 6. Priority Area(s), sectors | 160 321 113 |

| | | | | |
|---|--|-------------------------------------|-------------------------------------|------------------------------|
| 7.Sustainable Development Goals (SDGs) | Main SDG 8 "Decent work and economic growth" | | | |
| 8 a) DAC code(s) | 16020 – Employment creation – 40% 32130 - Small and Medium sized enterprise development – 40% 11330 - Vocational education – 20% | | | |
| 8 b) Main Delivery Channel | Other - 90000 | | | |
| 9. Targets | <input checked="" type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Human Rights, Democracy and Governance | | | |
| 10. Markers (from DAC form) | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality and women's and girl's empowerment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Reproductive, maternal, new-born and child health | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Disaster Risk Reduction | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Inclusion of persons with Disabilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Nutrition | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | Not targeted | Significant objective | Principal objective |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | 11. Internal markers and Tags | Policy objectives | Not targeted | Significant objective |
| Digitalisation | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Tags | | YES | NO | / |
| digital connectivity | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| digital governance | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| digital entrepreneurship | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| digital skills/literacy | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| digital services | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| Connectivity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Tags | YES | NO | / | |
| digital connectivity | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| energy | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| transport | | | | |

| | | | | |
|--|---|-------------------------------------|-------------------------------------|-------------------------------------|
| | health education and research | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Migration | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Reduction of Inequalities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | COVID-19 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| BUDGET INFORMATION | | | | |
| 12. Amounts concerned | Budget line(s) (article, item): 14.020320 Total estimated cost: EUR 234 000 000 Total amount of EU budget contribution EUR 234 000 000 | | | |
| MANAGEMENT AND IMPLEMENTATION | | | | |
| 13. Implementation modalities (type of financing and management mode) | - Project Modality Indirect management through: <ul style="list-style-type: none"> - KfW Development Bank - International Center for Migration Policy Development – ICMPD - Expertise France - and other entities to be selected in accordance with the criteria set out in section 4.3.1.4 | | | |

1.2 Summary of the Action

The action aims to provide finance to a number of operations in the area of socio-economic support to support enhanced livelihood opportunities to refugees and communities in Türkiye. It should continue to build on the results, experience and deliverables of the interventions implemented under the umbrella of the Facility for Refugees in Turkey¹. The interventions will take place as part of a concerted action to increase the livelihood opportunities for refugees and reduce the number of beneficiaries that depend on cash assistance provided within the framework of basic needs support programmes funded by the EU. This is in line with the transition strategy from humanitarian to development assistance agreed as part of the second tranche of the Facility for Refugees in Turkey and the EUR 3 billion additional support package to refugees mobilised by the Commission following the European Council conclusions of June 2021².

In partnership with relevant stakeholders and Turkish ministries, the action seeks to ensure inclusive employment and provide better access and opportunities for all in an effort to reduce poverty and social exclusion (including that of children) and develop more sustainable livelihoods. The action aims to ensure the effective functioning of the labour market by removing barriers to education, training and increasing participation into the labour-market and by including investments in technical education and training (TVET). At the same time, the action aims to increase the demand for labour in specific target areas by supporting and empowering start-ups and enterprises in improving their production, stimulating the formal employment of refugees and vulnerable national citizens. The specific objectives of this action are: *1) Increased level of enterprise start-up and expansion by refugees and host community members in high-refugee-concentration provinces; 2) Increased level of employability of refugees and host community members in high-refugee-concentration provinces.* This will contribute to improving income-generating

¹ For more information on the Facility for Refugees in Turkey, please visit: https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/turkey-0/eu-facility-refugees-turkey_en

² EUCO 7/21 of 25 June 2021: <https://www.consilium.europa.eu/media/50763/2425-06-21-euco-conclusions-en.pdf>

opportunities for refugees and host communities in Türkiye. The action will contribute to the SDG – Decent work and economic growth, in line with its specific objectives.

2. RATIONALE

1.1. Context

Due to its geographic position, Türkiye is a prominent reception and transit country for refugees and migrants. As a result of an unprecedented number of people arriving in Türkiye, mainly due to the conflicts in Syria, Iraq and Afghanistan, the country has been hosting more than four million refugees, the highest number in the world. This includes around 3.7 million (3,652,633) registered Syrian refugees³, and 330,000 registered refugees and asylum seekers mainly from Afghanistan, Iraq, Iran and Somalia⁴.

Türkiye's growth performance has been strong in recent years. It avoided a recession in 2020 and registered growth of 11% in 2021 largely driven by robust export demand and a credit-fueled expansion in private consumption. However, these two factors are likely to play a less significant role going forward and there are more economic risks linked to very high inflation, the depreciation of the lire, growing external and budget deficits and high external financing needs.

According to the Turkish Statistical Institute the unemployment rate in Türkiye edged down to 10.9% in May 2022 from a downwardly revised 11.2% in the previous month, the lowest jobless rate since February. The number of employed persons reported is 30,839 million while the number of unemployed is 3,785 million. Also, the youth jobless rate for those aged between 15-24 years stood at 20.3%.

The very high unemployment rates in refugee-hosting areas - up to 27% - signal the seriousness of the challenges facing local and refugee jobseekers. Most provinces hosting high numbers of refugees were already among the most disadvantaged in economic welfare and economic opportunities before the Syria crisis, including a higher incidence of low-skilled workers, lower labor force participation rates, and high unemployment rates relative to the national average.

Although the country's recovery after the –COVID-19 pandemic is supporting positive labour market trends, regional disparities in economic and social performance remain between and within the 81 provinces across Türkiye. Ensuring that the country progresses to a state of smart, sustainable and inclusive growth and job creation is the key challenge Türkiye faces today. The economic challenges of recent years, in particular the restrictions imposed during COVID-19 and very high inflation, have affected mostly the vulnerable groups of the society and youth. Not only due to the numbers, but also due to diversity of those groups, Syrians under temporary protection (SuTPs) and Persons under international protection (PuIPs) have been mostly hit by the economic uncertainties and remain vulnerable to cope with increased consumer prices and remain in informal employment. The vulnerability of SuTPs and PuIPs also requires strengthening their livelihood(s) and paying particular attention to overall policies related to employment and skills development, while aiming to strengthen a labour market that can respond to economic change. In order to reduce the social consequences of the economic and financial conditions, inclusive policies need to be implemented in which SuTPs and PuIPs

³ <https://en.goc.gov.tr/temporary-protection27>

⁴ A specificity of the Turkish asylum system is linked to the fact that the country has signed the 1967 New York Protocol of the 1951 Geneva Convention with a reservation. Accordingly, the vast majority of refugees in Türkiye cannot apply for fully-fledged refugee status but for "Conditional Refugee" status only, which, if granted, limits the stay in the country until the moment a recognised refugee is "resettled to a third country".

are empowered together with host communities to anticipate and manage change, and in which they can actively participate in social and economic life, while also accepting diversity and contributing to society.

In 2015, the European Union and its Member States decided to step up their political and financial engagement to support Türkiye in its efforts to host refugees. In answer to the call from EU Member States for significant additional funding to support refugees in Türkiye, the Commission established the Facility for Refugees in Turkey by means of the Commission Decision of 24 November 2015, amended on 10 February 2016⁵, and again on 14 March and 24 July 2018. The Facility is a mechanism to coordinate the mobilisation of EUR 6 billion made available under both the EU budget and additional contributions from EU Member States integrated into the EU budget as external assigned revenue.

Since its establishment the Facility ensures coherence between the various forms of support and projects financed to enable effective alignment with government policies and public services and to ensure a high level of efficiency in resource use. Its initial focus on addressing humanitarian needs gradually gave way to an increasing focus on the sustainability of the impact achieved, on ensuring that the refugees would become self-sufficient and that the local communities where they are concentrated would not be adversely impacted by their presence.

Approximately 11% of the total budget of the Facility was dedicated to supporting livelihoods development. The resources invested in 22 projects throughout the timespan of the Facility are intended to benefit refugees in provinces where the refugee population is relatively high⁶ as well as local communities. An increased focus on socio-economic support in order to foster livelihoods opportunities has been key in the implementation of the second tranche of the Facility, starting in 2018, in line with the transition strategy from humanitarian to development assistance, considering the protracted nature of the refugee crisis.

In 2018 more than EUR 465 million were allocated to the priority area of socio-economic development under the second tranche, which was implemented by means of interventions implemented by pillar-assessed organisations active in Türkiye.

Overall, the strategic approach of the EU assistance in the area of socio-economic support focuses on improving income-generating opportunities for refugees and host communities in high-refugee concentration provinces. The interventions have focussed on the one hand on improving the employability of the refugees and on the other on sustaining and enhancing the demand for workforce via support to micro, small and medium size enterprise development.

In terms of employability, interventions to date have been implemented in the areas of Turkish language teaching, technical (or vocational) skills strengthening and employment-related personal (or 'soft') skills development. A total of twelve projects have been financed in this area to date. Technical and vocational skills development for children and youth has also been supported within the formal education system and delivered through the Technical and Vocational High Schools and Vocational Education Centres. When it comes to *soft* skills development, projects have also sought to strengthen beneficiaries' (both refugee and Turkish) abilities to find work opportunities, to apply for jobs effectively and, in the case of refugees, to adapt quickly to the Turkish workplace norms and practices. This has been done partially through the delivery of courses but also through the provision of counseling and coaching in job-searching, CV preparation, interview techniques etc. Significant resources have been invested in improving the efficiency of functioning of local labour markets as well as strengthening labour market institutions. A total of seven projects have been financed in this area to date. Local industry and value chain studies have been carried out as well as beneficiary skills profiling and

⁵ Commission Decision C(2016) 60/03 of 10.02.2016 on the Facility for Refugees in Turkey amending Commission Decision C(2015) 9500 of 24 November 2015.

⁶ Sixteen projects are ongoing and five have been completed.

mapping of skills required by local employers. The Turkish Employment Agency İŞKUR has been supported to help it adapt its services to the refugee community, including skills profiling; skills development; on-the-job placements and job opportunities information provision.

Moreover, thirteen projects have been implemented with the aim to increase the creation of jobs for refugees and Turkish workers in high refugee density provinces through the establishment of micro and small enterprises or the expansion of existing small and medium-sized enterprises. In this context, three Turkish institutions which are key actors in the development of small and medium enterprises (KOSGEB, TOBB and Investment and Development Bank of Türkiye) have been supported, as well as the federation of tradesmen and craftsmen (TESK). By partnering with these institutions, the Facility has supported target refugee and Turkish small entrepreneurs and has also strengthened the institutions' ability to provide ongoing support to entrepreneurs so as to ensure the sustainability of these interventions.

Under the socio-economic portfolio of projects, the implementing partners cooperated and established synergies with other actions, the majority of those funded by EU under the EU Trust Fund for Syria Crisis (EUTF-MADAD). By way of example, under the project "Living and working together: Integrating Syrians under Temporary protection to Turkish economy in Turkey". 15 000 Syrians and Turkish citizens received a vocational qualification certificate, as to enhance their employability in the labour market. A project implemented by the International Labor Organization (ILO) and funded by the EUTF MADAD includes social entrepreneurship training programmes, mentorship programmes, local economic development and value chain analyses, and business advisory services and grants to create and/or expand enterprises funded under the Facility.

Other stakeholders are funding and implementing actions in the area of socio—economic support, including the US Department of State, Bureau of Population, Refugees and Migration (USBPRM) via a project through ILO as well as the Government of Japan with the United Nations Development Programme (UNDP). The project aims to increase the self-reliance of refugees and host community members with a specific focus on women through business development services and grants to alleviate the negative impact of the COVID-19 pandemic on existing cooperatives and entrepreneurs.

Moreover, complementarity is also sought with other EU funded assistance, especially with the Instrument for Pre-Accession Assistance (IPA) bilateral support to Türkiye. The project "Supporting Civil Society through Social Entrepreneurship in Turkey" implemented by the Ministry of Foreign Affairs (MOFA) in coordination with the MoIT and RDAs, funded by IPA III, focuses on exploiting the potential of social entrepreneurship for the financial sustainability of civil society organisations and increasing their social impact. There is a level of synergy specific to the area of policy level as the project aims to improve the regulatory framework related to social entrepreneurship in Türkiye.

2.2. Problem Analysis

Short problem analysis

Approximately two-thirds of the 3.8 million Syrians living in Türkiye are of working age. However, there are several major challenges confronting adult Syrian (and other) refugees in Türkiye which prevent them from being able to become self-sufficient in terms of income generation (either from employment or from small businesses). These include (i) a low level of Turkish language speaking ability; (ii) a low level of completion of formal education; (iii) a low level of technical skills; (iv) lack of access to capital to invest; (v) lack of

information on how to find work opportunities and secure employment and (vi) official limitations and negative perceptions on the part of potential employers.

From the regulatory perspective, Syrians under temporary protection have the right to benefit from vocational training services and to participate in active labour market programmes and consultancy services supplied by the Turkish Employment Agency (İŞKUR) to facilitate their integration into the labour market. Additionally, Syrians under temporary protection are exempted from work permits for seasonal agriculture or animal husbandry works. They can apply individually for a work permit exemption to provincial directorates of the Turkish Employment Agency. However, since Türkiye does not officially recognise Syrians as refugees under international refugee law, their rights are much narrower under the temporary protection regime, limiting their chances of receiving work permits, which are in turn required for securing a job in the formal labour market. The restriction of only being able to work formally in each refugee's province of registration and the limit to the proportion of refugees which can be employed by Turkish companies seriously affect the number of Syrians entering formal employment. As the work permits application procedure is in Turkish and requires the payment of a submission fee, Syrians often shy away from investing and/or even engaging in the process. Language barriers between Turkish host communities and Syrians also create challenges in finding employment. Even those who have received higher education diplomas in Syria find themselves in a precarious position as their qualifications are often not accredited in Türkiye. It is reported that employers often discriminate against Syrian workers, granting lower salaries as compared to their local population with similar credentials.

In addition, studies have shown that there is an insufficient knowledge on the benefits connected to formal employment, in terms of labour rights and social welfare. However, it was also shown that in some cases the cash-based assistance programme (Emergency Social Safety Net – ESSN) has worked as a disincentive to finding formal employment, as it requires that all family members are unemployed. The current ESSN III being implemented by the EU/DG ECHO and the future action under the EU/DG NEAR will have to adapt so as to ensure that pathways to the labour market are possible while gradually reducing the dependency on this type of assistance.

Nonetheless, most refugee households do include individuals who actually work, and well over 90% of the jobs obtained are in the informal sector, which usually means that they are insecure (often seasonal or temporary), don't provide any social security benefits, and usually involve poor working conditions and below market-rate wages. In addition, almost half of the Syrian children under temporary protection still cannot be included in the Turkish education system despite recent improvements. The most important reason behind the low schooling rate for the 14-17 age group (53% for secondary school) appears to be economic, as these children often are obliged to work to be able to contribute to the family income. A majority of young people, with insufficient qualifications, limited professional skills and low level of information, start working in informal employment under unfavourable health and safety conditions. Insufficient levels of education and skills are the biggest obstacle for Syrians under temporary protection to have access to registered employment in the labour market, while according to data from the Ministry of Education (MoNE), out of 612,603 Syrian children in the formal education age group, only 8,000 were included in the formal vocational education system last year.

Skills development as well as the matching with labour market needs remains a key priority to increase the number of refugees at work. An inadequately educated labor force is perceived among the top five constraints to doing business in Türkiye after taxes, access to finance, competition from informal firms, and political instability.⁷ The analysis of data on more than seven million job postings at the public employment agency (İŞKUR) between 2019 and 2021 and from İŞKUR's Labor Market Needs Assessment Survey and the top

⁷ Data from a study carried out in the context of the Facility funded project *Strengthening Economic Opportunities for Syrians under Temporary Protection and Turkish Citizens in Selected Localities*

nine online job search portals shows that the most critical skills sought by employers across provinces are behavioral, socio-emotional and software-related skills.⁸

Limited access to credit by host and refugee communities contributes to hindering the creation of jobs. Credit service provision is less developed in many provinces where refugees live and work. According to the World Bank Enterprise Survey, most respondents (76%) in the affected regions assert that access to finance is hindered by deteriorated loan terms and conditions (interest rates, maturity, collateral requirements).⁹ Poor access to longer-term financing limits enterprises from investing, increasing production capacity, and providing sustainable employment opportunities. After high tax rates, access to finance is perceived as a top constraint on firms, particularly small and medium enterprises (SMEs), seeking to carry out and expand business in Türkiye.¹⁰ Limited access to finance can also impact negatively on labor market outcomes, resulting in higher unemployment, higher workforce informality and lower employment growth. Banks do not usually have adequately structured resources to offer medium- to long-term maturities to most firms, mostly because of the short term of their liability base, thus leaving firms, mostly SMEs, open to severe liquidity and interest rate risk. Lack of cash flow-based financing and high collateral requirements constrain access to finance among SMEs.¹¹

Generally, the labour market in Türkiye is still characterized by substantial gender gaps compared with OECD countries. The gap is substantial at all ages. While the average gender gap in employment is 14.5% among the OECD countries and 10 percent among the EU countries, this rate is 39.1% in Türkiye. Türkiye is one of the countries which have the highest unemployment rates for women and men earn 27.4% more than women. For migrant women, whose employment rate is lower than that of native women, the situation is even more serious. With the majority concentrated in a few sectors, they are also more likely to be employed in insecure and part-time jobs or jobs with low salaries or poor working conditions. Cultural obstacles in their families or communities can make access to jobs difficult. In this context, migrant women represent an under-utilised source of skills and creativity. It is vital that they be brought into the labour market as this can help to ensure that both migrant women themselves and Türkiye takes full advantage of the potential of migration, as well as strengthening integration and contributing to economic growth and social cohesion.

Despite the challenges, Syrian refugees are creating jobs and participating in the Turkish economy. There is emerging evidence that despite the struggle to obtain employment, displaced Syrians in Türkiye are contributing positively to the local economy and the creation of new enterprises.¹²

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

From the Government authorities key stakeholders of this action are:

The **Ministry of Labour and Social Security (MoLSS)** is working towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce as well as a labour market that is responsive to economic change, with a view to achieving the objectives of full employment and social progress in line with the National Employment Strategy, published in the official gazette on 7th June 2017. The MoLSS in cooperation with other responsible Ministries and public authorities, facilitates the

⁸ <https://media.iskur.gov.tr/33412/istihdamda-3i-30-sayi-ek1-2019-yili-isgucu-piyasasi-arastirmasi-sonuclari.pdf>

⁹ Enterprise Surveys (database), International Finance Corporation and World Bank, Washington, D.C., <https://www.enterprisesurveys.org/>.

¹⁰ Enterprise Surveys (database), International Finance Corporation and World Bank, Washington, D.C., <https://www.enterprisesurveys.org/>.

¹¹ World Bank 2014 and 2018 data of the Survey on the Access to Finance of Enterprises (database), European Central Bank, Frankfurt, https://www.ecb.europa.eu/stats/ecb_surveys/safe/html/index.en.html.

¹² Employment strategy and sustainable socio-economic program, prepared by Ministry of Labour and social security

creation of quality jobs in an inclusive manner for host communities, Syrians and other persons under protection, including by reducing the barriers that businesses face in hiring people, by fostering responsible entrepreneurship and genuine self-employment and, in particular, by supporting the creation and growth of micro and small enterprises. It promotes the social economy and fosters social innovation.

The Ministry also coordinates with the Turkish Employment Agency (İŞKUR), social partners and local institutions across Türkiye. The **Directorate General of International Labour Force** under the MoLSS has been working to create an online coordination system to facilitate the implementation of socio-economic sector projects.

The **Turkish Employment Agency** was established by Law No. 4904 and published in the Official Gazette dated 5 July 2003. The main responsibilities of İŞKUR, are: (i) to help job seekers to find jobs and help employers to find workers; (ii) to provide job and career counselling services and training programmes for improving job search methods through vocational information centres; (iii) to implement active labour market programmes (in addition to the usual training and employment services); (iv) to implement passive labour force programmes (such as unemployment insurance and job loss compensation services); and (v) to regulate private employment agencies.

The **Ministry of Interior** regulates the policy on migration and manages migration more effectively, in line with the Law on foreigners and international protection no.6458. The Directorate General of Migration Management (DGMM) had been established under the Ministry of Interior under the authority of the Law, and it became operational in 2014. DGMM has been restructured as the **Presidency of Migration Management (PMM)** with a Presidency Degree adopted on 29 October 2021. Within the framework of its mandate, DG PMM monitors developments regarding irregular migrations and takes and implements necessary measures. In cooperation with the Ministry of Labour and Social Security, the Directorate General of International Labor Force, it is tasked to tackle and prevent illegal work and reduce unregistered employment.

The **Ministry of Family and Social Services** provides social assistance to vulnerable individuals, takes measures to increase employment, regulates and controls the working life with the aim of contributing to socio-economic development and runs social security system schemes in Türkiye. Within the framework of the Facility and additional support to refugees, it delivers social and protection services under the current Facility operations.

The **Ministry of Treasury and Finance** is in charge of the Economy Programme of Türkiye. It is also responsible for finance, tax affairs and centralise revenues and payments due by physical persons and economic operators. It is involved in policy preparation and may be involved in discussions aiming to adapt mechanisms to boost the labour market development as to accommodate migrants.

The **Ministry of Industry and Technology** is in charge of industrial and commercial affairs and oversee the work of the regional development agencies in Türkiye. These are especially important to guide the policies at the regional level and support networking, hubs and initiatives amongst employers at regional and local level.

The **Ministry of National Education** is responsible for the supervision of public and private educational system, agreements and authorisations under a national curriculum. It also regulates the Technical Vocational High Schools, which need to build synergies with labour market demands and supply.

Other indirect stakeholders are: local authorities, the Chambers of Commerce and Industry in Türkiye, the Union of Chambers and commodity exchanges, Business organisations, as well as the Union of Municipalities in Türkiye and the Turkish Red Crescent (TRC). They are better equipped than stand-alone companies to withstand economic shocks and thrive in the face of uncertainty. Complex organisations support their member

units in times of financial turmoil and provide advisory services and assistance. There are benefits to cooperate with them under the socio-economic portfolio.

Working through the government institutions ensures ownership, the mobilisation of the country's administration for a better coordination of EU (and other donors') assistance, as well as stronger guarantees of enduring commitment.

International organisations, including financial institutions and EU Member States' agencies, have been very active in Türkiye in the provision of assistance to SMEs and in supporting the right skills development amongst refugee and host communities.

2.3. Lessons Learned

The mapping exercise of the current EU assistance under the Facility for Refugees in Turkey focused on both the demand and supply side of the labour market. To that extent, the selected projects focused on a particular aspect of the above features in order to avoid duplication among the projects as much as possible.

Even though the impact of the projects covering the demand side of the labour market such as support to the private sector cannot be fully assessed at this stage as they all have recently started, it is expected that there will be a considerable interest from the private sector to participate in EU funded programmes, especially in view of the challenges faced by the Turkish economy.

On the other hand, on-the-job training programmes have proven attractive for refugees and host community members and became a powerful instrument used by İŞKUR to support people to find a job. However, there were insufficient outreach activities and (lack of an) information campaign to promote these programmes by the government entities involved. This should be remedied in the implementation of future interventions.

The entrepreneurship projects and the creation and/or support to cooperatives depend very much on the experience of the implementing institution and reflection of their outcome as direct job creation naturally takes time. Entrepreneurship projects provide motivation and inspiration for refugees and local communities to take ownership of their businesses, thus targeting different groups than the ones who would like to be employed by a private entity. Especially, efforts invested to link business owners among SuTPs and local communities with bigger private companies in Türkiye who are potential buyers of their products, have been observed as a potential element for the creation of synergies and promoting a positive perspective of the impact of labour market integration and working together.

As far as cooperatives are concerned, it has been observed from the field that women cooperatives are the most preferred option, especially for refugee women since it generates a home-based activity, provides for childcare and activities could be performed in flexible hours. It also provided the opportunity to choose among being in charge or an employee. However, cooperatives cannot be considered as genuine employment but rather quasi-employment, yet it is an income-generating activity that can be preferable to a person who struggles with different barriers. Despite these benefits, ensuring the sustainability of the cooperatives remains a challenge. For that reason, the experience of the implementing institution bears crucial importance to provide the correct technical support to the cooperatives.

Agriculture is an important sector that provides employment opportunities, yet almost all informally, to refugees. There is a shortage of labour in this sector and an increased demand. However, it is difficult to ensure formal employment, especially in some regions, due to various reasons (type of product, price of product, seasonal nature of work, culture and control mechanisms in place, etc.). Therefore, any action that will target the labour force in this sector should focus on the improvement of the working conditions and insured work

through the Ministry of Labour and Social Security in cooperation with the Ministry of Agriculture rather than focussing solely on registration by the social security institution. This is a very complex phenomenon and structural problem in Türkiye, which is difficult to solve within the framework of EU support under the Facility/additional support. In spite of this, considering the needs of Türkiye and availabilities of SuTP and host communities, agriculture has by far the highest potential to create a high number of jobs by also targeting specific regions in demand. In this regard, embedding employment of SuTP based on overall agriculture related strategies, as well as regional development, may create good opportunities if combined with innovative approaches (i.e. enabling SuTP to establish cooperatives with host communities).

Considering the high numbers of youth not in employment, education and training (NEET) in Türkiye for both Turkish and refugee youngsters, apprenticeship education and formal vocational and technical education should continue to be in high demand. Child labour is still a major problem especially for refugee children and apprenticeship education provides the opportunity of working and being in the formal education system to all young people above the age of 15 in Türkiye. Moreover, the current agenda of the Ministry of National Education gives particular importance to Vocational Education and identifies VET as the top priority within the National Education System.

İŞKUR Labour Market assessments regularly show that there is a strong demand in the labour market for intermediate technical staff, which actually means graduates of TVET high schools and apprenticeship education. As long as a structural cooperation is well established with sectoral organisations within prioritised industries to have a targeted approach (i.e. vocational trainings conducted with an employment opportunity in those sectors), such investment would be very beneficial for the overall business ecosystem, also enabling young people to find sustainable jobs. Considering the fact that Türkiye had a similar system in the past and that such a modality is one of the key aspects of ongoing the education related discussion, such an intervention modality may be well accepted.

It took some time for the socio-economic support projects under the Facility for Refugees in Turkey to start. The implementing partners needed time to conclude their grant agreements with the Turkish counterparts and start real implementation on the ground. This is partly due to the fact that the COVID-19 outbreak coincided with the award of contracts to the international organisations, affecting the start of implementation and hampering their deliverables. It also took time for ministries to familiarise themselves with the procedures of some implementing partners. On the other hand, some procedures of implementing partners are perceived as cumbersome and might have slowed down some projects. Currently, the majority of the interventions are well under way and are contributing to the resilience of the refugee community and support their livelihood opportunities.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to *improve income-generation opportunities for refugees and host communities in Türkiye.*

The Specific Objectives (Outcomes) of this action are:

1. Increased level of enterprise start-up and expansion by refugees and host community members in high-refugee-concentration provinces.
2. Increased level of employability of refugees and host community members in high-refugee-concentration provinces.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- Contributing to Outcome 1 (or Specific Objective 1)
 - 1.1 Enterprise development support services, including financial support, are delivered to refugee and host community entrepreneurs and their enterprises
 - 1.2 Increased awareness and capacity of the private sector to promote employability and enterprise development for refugees and host community members
- Contributing to Outcome 2 (or Specific Objective 2)
 - 2.1 Employability capacity development and support services provided to refugees and host community members.
 - 2.2 Strengthened capacity of government and non-government institutions providing employment and enterprise development services to refugees and host community members.

3.2. Indicative Activities

It is envisaged to achieve the above-mentioned outcomes via separate interventions implemented by various international organisations, whose activities are built on their respective mandate and previous and current experience in the implementation of projects in the different areas of support.

Indicative activities related to Outcome 1 include:

- (i) Provision of training, capacity building activities and mentoring to selected start-ups, SMEs and cooperatives

Under this block component, a number of sub-activities will be implemented by targeting start-ups, SMEs and cooperatives. The sub-activities will be carried out as a continuation of an on-going intervention and shall include reaching out to young people and other interested entrepreneurs to provide general and technical training programmes, strengthening and/or expansion of activities of existing cooperatives via guidance and networking, institutional capacity building of beneficiaries with an approach of tailored skills, upgrading on advanced marketing and globalisation, mentoring, expanding marketing and business linkages through a common digital platform etc. Overall, these sub-activities shall further contribute to the socio-economic inclusion of refugees and host communities in Türkiye through extending employment opportunities and strengthening their livelihoods. The actions shall further make progress with the regional development-oriented integration model developed under previous interventions.

- (ii) Provision of interest rate subsidies

Through the provision of interest subsidies to eligible SMEs (so-called “Interest Subsidy Mechanism”), the enterprises will have increased access to finance, thereby increasing investment activities in the private sector and consequently trigger the retention and/or creation of formal employment.

- (iii) Provision of grants to SMEs

In the context of calls for proposals, SMEs will be able to apply for investment grants that allow them to grow their capacities and thereby increase the required staffing (“SME Support”). In this framework, accompanying sub-activities will be applied to support programme components such as general and technical training programmes for capacity building services, grants for providing financial support and awards for promoting successful interventions, Business-to-business (B2B) events to establish business linkages.

Both activities (ii) and (iii) will provide financial incentives to SMEs conditional on the equal retention and/or creation of formal employment for Syrians and Persons under international and/or temporary protection and

Turkish citizens, which will be closely monitored by KOSGEB in partnership with the relevant implementing partner, thanks to their access to the National Social Security Database.

Other activities could comprise a start-up facility component directed to Syrians and persons under international and/or temporary protection (especially ESSN beneficiaries) and members of the Turkish host communities that plan to employ themselves. It will put a special focus on graduates from TVET schools and will make extensive use of cross-linkages to existing TVET Actions, especially through advertisement and awareness-raising activities. The interventions will provide financial support in the form of grants and useful information and support (e.g. via websites and hot-lines) in the Turkish language.

Indicative activities related to Outcome 2 aim to facilitate access to sustainable livelihoods and employment for refugees and host communities by supporting skills development through apprenticeship and vocational training in line with labour market needs.

The focus of this block of activities will be on youth and the regions with most refugees, to mainstream protection throughout the intervention and implement dedicated actions fostering gender inclusivity. While the first phase of the interventions under the Facility for Refugees in Turkey focused on career paths in craftsmanship, the interventions shall open the programme to other types of skills, which have been identified as “21st century skills” for employment, and which are sought after by youth.

Indicative activities may include:

- (iv) Development and improvement of curricula at TVET and VTCs and career paths which are identified on the job market as relevant and in-demand (Digital economy, green energy transition as per Türkiye’s environmental goals, etc.)
- (v) Opening of language courses in partner VTCs (Turkish, English and Arabic)
- (vi) Apprenticeship students are provided with relevant supplies and in-cash support to pursue their studies and their households are strengthened, contributing to refugee’s resilience
- (vii) Provision of informative sessions to households on Gender Based Violence, child labour, empowerment topics
- (viii) Provision of support to the acquisition of work permits (administrative and financial)
- (ix) Provision of Gender-balanced support and seed funding for entrepreneurship and start-ups
- (x) Organisation of open-doors events (career days, partnerships with high school establishments and private business)
- (xi) Outreach and focused communication campaign: institutional and local based awareness raising campaigns
- (xii) Labour market, job assistance and matching services – profiling, job placement, on-the-job training and apprenticeships, tailored job placement etc.
- (xiii) Support to labour market and employment programmes

3.3. Mainstreaming

Outcomes of the Environmental Impact Assessment (EIA) screening

The EIA screening classified the action as Category C (no need for further assessment).

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project).

The CRA screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is not the main objective of the action but it is significant objective. Gender equality is targeted by being mainstreamed in the action's activities. Gender disaggregated data will be collected and reported on, when applicable.

Related Facility programmes have targeted and almost achieved gender parity among beneficiaries. The actions under socio-economic development continued the commitment of Türkiye to the implementation of the 18 March 2016 EU-Turkey Statement. Attention was paid to the commitments concerning the implementation of the EU Gender Action Plan 2016-2020, notably the thematic objectives selected to be pursued for Türkiye in all the EU actions in the country until 2020. At present, these include the fight against all forms of violence against women and girls, as well as equal access for girls and women to quality education and vocational education and training free from discrimination, and women's and girls' empowerment.

A rights-based approach taking into account gender equality and vulnerability perspective was adopted for project design, implementation and monitoring/evaluation, based on the principle of "no one left behind".

Moreover, various barriers to enrolment and attendance at TVET schools for girls (early marriages, and child labour), and boys (child labour) are to be taken into consideration during outreach visits, communication and awareness raising activities, as well as education content. Guidance counsellors and teachers are to be trained on the mitigation measures.

Human Rights

While retaining primary focus on the particular needs of the refugee population in Türkiye, the interventions planned under this action will take the concept of economic, social and cultural rights as the guiding principle in line with the United Nations policy framework. This indivisibility approach will contribute to social cohesion in the wider eco-system. The action will be designed in a way to prevent or reduce all types of exclusion and discrimination likely to arise from prejudices and negative attitudes towards individuals' distinct attributes and circumstances.

Mainstreaming economic, social and cultural rights in all interventions under the socio-economic portfolio could help predict an escalation of human rights violations, violence, social unrest and conflict of the refugee population in Türkiye.

Psycho-social Support Services (PSS) available at TVET schools delivered by the guidance counsellors could be used to address human rights claims by the beneficiaries as well as education in itself is contributing to the empowerment of rights-holders.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. Even though children with special needs are addressed in the action with focused activities at TVET schools, inclusion and

empowerment of persons with disability is neither the principal nor a very significant and deliberate objective of the action.

Democracy

N/A

Conflict sensitivity, peace and resilience

A key assumption of the action is that the Government of Türkiye is committed politically to sustain efforts to achieve increased access to formal employment for refugees in the country.

All interventions consider identifying a revised scope and method of intervention including migration within the regular political priorities of Türkiye, without highlighting it as an isolated matter which needs to be 'resolved'. This shall be done by embedding socio-economic integration and harmonisation policies of refugees and migrants into the economic programme of the government and through the development of an inclusive employment strategy. By developing a consolidated programme together with the Ministry of Labour and Social Security and Ministry of Interior, the interventions aim to further facilitate socio-economic integration of SuTP, PuTPs and LHCs and increase their employment in the labour market. This approach is in line with the *Sustainable socio-economic programme* prepared by the MoLSS and overall strategic approach in the framework of designing the socio-economic support under the new financial allocation for Türkiye.

The interventions will have an innovative approach, engaging with local government actors and private entities to mobilise resources, finding unity in the common challenge. They present the continuation of relatively fast-tracking actions, while also harmonising the goal of labour market integration of refugees in the development context.

The de-centralisation process across Türkiye puts the local government actors centre-stage, since they are the ones in the first row to deliver solutions. Local knowledge and experience shall be fully used to tackle migration management challenges and opportunities. Furthermore, coherence and complementarities need to be ensured between the national, regional and local level, which is very challenging in the current economic challenging circumstances, the power of central institutions as well as the current limitations on the labour market.

Local socio-economic investment programmes are a must for poverty reduction and transitioning of the current ESSN beneficiaries into the labour market, and therefore the explicit focus on employment in the planning process is not arbitrary. Without work, migrants and refugees cannot become self-resilient and self-sufficient, there will be no empowerment for women and no way to ensure social protection, thus their integration would be faced with limitations. Jobs are the key to enriched living and sustainable integration.

Disaster Risk Reduction

N/A

3.4. Risks and Assumptions

| Category¹³ | Risks | Likelihood (High/ Medium/ Low) | Impact (High/ Medium/ Low) | Mitigating measures |
|------------------------------|---|---|---|--|
| 1 | ESSN beneficiaries shall hesitate to register employment and remain in informal labour market | High | High | Implementing partners shall work together with MoLSS and MoI to tackle informal employment and better promote the benefits for formal employment. |
| 1, 5 | Increased social tensions across Türkiye between refugees and host communities | High | Medium | All actions shall have a revised scope and method of intervention including the “migration” within the regular political priorities of Türkiye, without highlighting migration as an isolated matter which needs to be ‘resolved’. A full-fledged and very informative communication should take place targeting all stakeholders to present the background, limitations and advantages of good migration governance. |
| 3 | Lack of interest, motivation and commitment by the stakeholders to provide assistance to the refugees | Low | Medium | By hosting the highest number of refugees in the world, Türkiye has already demonstrated its commitment to address this crisis. Sustained policy dialogue and additional guidance will be provided to the relevant stakeholders to ensure their participation in the Action. |
| 4 | Developments in the overall region indicate that Türkiye may be receiving further migration flows towards and through Türkiye | High | High | This is particularly related to the current situation in Afghanistan, Iran and Ukraine, which may lead to increased migratory pressures. In this contest, Türkiye faces limitations to absorb a higher number of migrants and refugees. Close monitoring of the developments shall be ensured. |
| 5 | DG PMM new Migration management strategy | Medium | Medium | The new policy recommendations on registration and mobility of refugees may have a negative impact on the refugee population in Türkiye and the potential for sustainable livelihoods. Continuous policy dialogue, as well as harmonisation with the ESSN exit strategy need to be ensured. Development of the referral mechanism to livelihood opportunities is to be developed under ESSN IV. |
| 1 | Increasing anti-migration rhetoric in view of the | Medium | Medium | Increasing anti-migration rhetoric is taking place in Türkiye, particularly among political parties who are starting to use this as a theme in view of the key elections |

¹³ The risk (category) : 1-to the external environment; 2-to planning, processes and systems; 3-to people and the organisation; 4-to legality and regularity aspects; 5-to communication and information

| | | | |
|--|-----------------------------------|--|--|
| | Turkish general elections in 2023 | | expected in June 2023. This is also impacting public attitudes, including in social media. Close monitoring of the developments and active communication shall be ensured. |
|--|-----------------------------------|--|--|

External Assumptions

Effective level of assistance is provided to ESSN beneficiaries, SuTPS and PuTPs through livelihood projects (e.g. formal employment, acquisition of skills, training and combating child labour; health-damaging practices etc.). Skill-building takes time. Therefore, jobs can be created in the sectors where no high skill labour would be required. This would also balance the cost of creating jobs, as lower-level job creation would be less costly.

Eligible refugees will be effectively identified and supported (effective referral system is in place). The nature of the participating institutions and the investments made so far prove to be working and provide a high degree of confidence that the assumption is robust.

Coordination mechanisms in place between the relevant IPs. To ensure that the same beneficiaries will not be assisted in the same way through other actions – i.e. other actions funded by donors - and that they do not fall into any gaps between different actions, a robust coordination mechanism among the relevant stakeholders is in place through the established socio-economic development coordination meetings. The likelihood of this assumption not holding is considered quite low.

Infrastructure for livelihoods referrals is established. The protection and livelihoods referral and response mechanisms have been already in place during the current operations under the ESSN implementation while the action will continue maintaining and building upon the two referral systems. The likelihood of this assumption not holding is considered low.

System's procedures and oversight mechanisms are sufficient to prevent the abuse of the system for political, patronage or financial reasons. Given the scale of the action, the stakeholders involved and the level of Monitoring and Expenditure Verification in place by the Commission, the risk that this assumption will not hold is considered relatively low.

Registered Employment of SuTP (work permit) remains unchanged or is improved. The rights of Syrians under temporary protection are determined by the recognition of the protection status in Türkiye and Regulation on Work Permits of Foreigners Under Temporary Protection. Under the new operation it is envisaged to provide technical assistance to support the efforts of Ministry of Labour and Social Security to strengthen its capacity and promote reform programmes for inclusive employment. Furthermore, investments aimed to enhance software and hardware infrastructure to strengthen the Foreigner Application, Evaluation and Monitoring System (Yabancı Başvuru, Değerlendirme ve İzleme Sistemi) should increase sustainable registered employment.

Introducing measures for a regulatory environment further facilitating access to the formal labour market for refugees. Due to the current economic situation and in view of Turkish general elections planned for June 2023 it is unlikely that new measures would be introduced during this period. On the other hand it is expected that the current regulatory environment will continue to be in place. This assumption will be regularly monitored during the implementation of this action.

The political situation in the country remains relatively stable, despite the impact of COVID-19, and the Government continues to accept assistance for affected populations. Since the beginning of the Facility,

Turkish authorities have been showing their continued commitment to address the Syrian humanitarian crisis. There are no indications that this would change, although a change of policy after the 2023 general elections should not be ruled out.

Security conditions support access to ESSN recipients, and field access can continue to a degree if not impacted by COVID -19. Efforts of relevant institutions to continue to provide assistance to eligible refugees during the COVID-19 bode well that, in case of any additional wave of the pandemic, access to livelihood opportunities will not be interrupted. The likelihood of this assumption not holding is considered low.

The levels of social acceptance of the (mostly Syrian) refugees amongst host community employers will not significantly deteriorate over time. If this were to occur, it would result in an increasing reluctance on the part of employers to hire refugees as workers. The risk of this assumption not holding is considered quite high. This should therefore be carefully monitored.

The health of the Turkish economy across the country will either remain constant or improve. A prolonged economic crisis in Türkiye would risk the expected results from the investments not materialising within the period expected – i.e. immediately following the delivery of support. Nevertheless, it is still expected that the investments in vocational and labour market skills, Turkish language capacity and entrepreneurialism will pay off subsequently. In other words, the Action Document strategy is still considered relevant and appropriate, but the time taken to achieve the expected results would be greater than originally envisaged.

3.5. Intervention Logic

The underlying intervention logic for this action is to increase the likelihood of the supported populations (refugees and economically-disadvantaged host community individuals) to find livelihood opportunities through employment or through the establishment or expansion of start-ups and micro, small or medium-sized enterprises.

The strategy aims to support the refugees and host communities in Türkiye “to improve income-generation opportunities” and is captured in the two Specific Objectives which aim to: 1) Increase the level of enterprise start-up and expansion by refugees and host community members in high-refugee-concentration provinces and 2) Increase the level of employability of refugees and host community members in high-refugee-concentration provinces.

The Outputs of the achievement of the first Specific Objective will include the provision of entrepreneurship training, the provision of consultancy and coaching support to small and medium enterprises (including social enterprises) and the provision of start-up and expansion financing and advisory services to small enterprises owned by the beneficiaries. The Outputs shall support many aspects of small enterprise development. One of the main areas of focus is on developing beneficiaries’ skills in entrepreneurialism – including assessing market opportunities, preparing business plans, analysing financial aspects, accessing finance etc. and in providing practical support to start-ups and existing small business owners. Following the provision of training, support is also provided in the form of advisory services and coaching regarding the legal and administrative aspects of establishing a business and also in market expansion. A second important area of support is the provision of grants and loans to micro and small enterprises to enable the creation of start-up enterprises or the expansion of existing ones. Financing will also be provided to larger enterprises to support the formal hiring of workers drawn from the refugee and host community beneficiary groups.

The Outputs of the achievement of the second Specific Objective will help strengthen the supply of qualified workers – by improving their skills and knowledge, and to strengthen the functioning of the labour market institutions which enable supply to respond to the demand for workers. The approach taken to achieve this consists of two different elements. The first is vocational skills training and certification, and the second is

employability skills development and job counselling. The latter includes training in understanding how to register for employment (thus easing the financial and administrative burden of work permit applications on employers), how to seek out jobs and prepare job applications etc. This also includes Turkish language training as well as programmes to give refugees work experience through on-the-job training and supporting apprenticeships. The implementation of the above strategy also includes trying to ensure the alignment of local vocational skills development with the actual needs of local industry – which vary significantly from province to province – through the conduct of labour market demand and supply studies. An additional area of work involves the provision of support to government labour market regulatory and inspection agencies to ensure that international labour standards are respected.

3.6. Indicative Logical Framework Matrix

| Results | Results chain: | Indicators | Baselines ¹⁴ (values and years) | Targets ¹⁵ (values and years) | Sources of data | Assumptions |
|--------------------------------------|---|---|---|---|--|---|
| Impact | To improve income-generation opportunities for refugees and host communities in Türkiye | 1) Percentage of working age refugees and host community members reporting being employed 2) Number of work-permits issued for Syrians in the last 12 months | 1) not available 2) 62,369 (2020) | 1) 2) | 1) Labour Market Statistics 2) Social Security Institute/KOSGEB internal statistics | <i>Not applicable</i> |
| Outcome 1 | 1. Increased level of enterprise start-up and expansion by refugees and host community members in high-refugee-concentration provinces | 1.1) Number of enterprises owned by refugees and host community members established or expanded following receipt of support 1.2) Number of new jobs created by supported enterprises | 1.1) 489 (2021) 1.2) 1977 (2021) | 1.1) 1.2) | 1.1, 1.2) Labour Market Statistics | Legal Status of SuTP (work permit) remains unchanged or is improved |
| Outcome 2 | 2. Increased level of employability of refugees and host community members in high-refugee-concentration provinces | 2.1) Estimated number of refugees and host community members reporting obtaining new or improved employment following receipt of employability and employment support | 2.1) 6581 (2021) | 2.1) | 2.1) Monitoring and follow up Actions reports/Surveys | Coordination mechanisms in place between the relevant IPs |
| Output 1 related to Outcome 1 | 1.1 Enterprise development support services, including financial support, are delivered to refugee and host community entrepreneurs and their enterprises | 1.1.1) Number of enterprises, owned by refugees and host community members, provided with advisory services 1.1.2) Number of enterprises, owned by refugees and host community members, provided | 1.1.1) 1003 (2021) 1.1.2) 356 (2021) | 1.1.1) 1.1.2) | 1.1.1) Monitoring and follow up Actions reports/KOSGEB internal statistics 1.1.2) Information provided by | Eligible refugees will be effectively identified and supported (effective referral) |

| | | | | | | |
|--------------------------------------|---|--|--|------------------|--|---|
| | | with financial and/or material assistance | | | KOSGEB, SSI, ISKUR, MoFLSS | system is in place). |
| Output 2 related to Outcome 1 | 1.2 Increased awareness and capacity of the private sector to promote employability and enterprise development for refugees and host community members | 1.2.1) Number of private sector companies that benefited from awareness raising and capacity development activities | 1.2.1) 1350 (2021) | 1.2.1) | 1.2.1) Monitoring and follow up Actions reports/KOSGEB internal statistics | Infrastructure for livelihoods referrals is established. |
| Output 1 related to Outcome 2 | 2.1 Employability capacity development and support services provided to refugees and host community members | 2.1.1) Number of refugees and host community members who completed short-term vocational skills development trainings 2.1.2) Number of refugees and host community members provided with basic labour market skills (soft/life skills) training | 2.1.1) 56,766 (2021) 2.1.2) 3104 (2021) | 2.1.1) 2.1.2) | 2.1.1) Monitoring and follow up Actions reports 2.1.2) Monitoring and follow up Actions reports | The health of the Turkish economy across the country will either remain constant or improve |
| Output 2 related to Outcome 2 | 2.2 Strengthened capacity of government and non-government institutions providing employment and enterprise development services to refugees and host community members | 2.2.1) Number of employability and enterprise development institutions' staff provided with training 2.2.2) Total number of 'person training days' provided to employability and enterprise development institutions' staff | 2.2.1) 420 (2021) 2.2.2) 1966 (2021) | 2.2.1) 2.2.2) | 2.2.1,2.2.2) Monitoring and follow up Actions reports | |

¹⁴ Baseline indicators are defined on the basis of the data gathered at 31/12/2021 and included in the Facility results framework monitoring report number 9 of June 2022. The full report is available at: https://ec.europa.eu/neighbourhood-enlargement/facility-results-framework-monitoring-report-december-2021_en

¹⁵ Targets for each specific indicator will be agreed during the Contracts negotiations, and will be identified in the specific Description of the Action and Logical Framework of the Actions.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the Republic of Türkiye.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

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

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁶.

4.3.1. Indirect Management with a pillar-assessed entity¹⁷

4.3.1.1 Indirect Management with KfW Development Bank

A part of this action may be implemented in indirect management with KfW Development Bank. This implementation entails carrying out activities which will support achieving output 1.1. Specifically, the intervention will provide financial incentives to start-ups or small medium enterprises conditional for job creation for Syrians under temporary protection and other persons under temporary protection, and Turkish citizens, with priority to former ESSN beneficiaries so as to contribute to reducing the number of people depending on unconditional cash assistance. The selected international organisation has a solid track record in implementing activities for the benefit of refugees and host communities in Türkiye. Specifically, under the Facility for Refugees in Turkey, KfW has been carrying out two interventions in the specific area of socio-economic support under the second tranche, with a budget of EUR 75 million each. The first project aimed to empower and support the private sector through the provision of incentives to enterprises to increase the employment of refugees and host communities. A second intervention focused on vocational education. KfW has been a solid partner also in the area of recreational infrastructure, as well as projects under bilateral assistance to Türkiye (IPA) for many years. The interventions envisaged under this Action will build on the results of the Facility projects.

4.3.1.2 Indirect Management with the International Center for Migration Policy Development (ICMPD)

A part of this action may be implemented in indirect management with the International Center for Migration Policy Development – ICMPD. This implementation entails carrying out activities which will support achieving output 1.1 and 1.2. Specifically, the intervention shall support increasing job creation and export potential for SMEs through increasing their overall production capacities. Furthermore, it will continue to contribute to the development of policies and the overall improvement of the business ecosystem towards a more inclusive approach for SuTP and PuIP. Furthermore, the intervention will provide support to

¹⁶ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

¹⁷ The signature of a contribution agreement with the chosen entity is subject to the completion of the necessary pillar assessments

entrepreneurs, in particular to start-ups to expand their business and marketing. The selected international organisation ICMPD has been implementing refugee support projects on behalf of the EU and EU Member states in the area of migration management for years, structurally linking policy & research, migration dialogues and capacity building and contributing to better migration policy development worldwide. Specifically, under the Facility for Refugees in Turkey, it has implemented since 2019 an on-going intervention in the area of socio-economic support that contributes to the inclusion of Syrians under temporary protection in Türkiye in the local host community through livelihood and employment opportunity. The organisation has a track record of achievements in the specific area of socio-economic support. It also has substantial experience of cooperation in the area of migration management. The intervention envisaged under this Action Document will continue and build on the results of the current Facility project.

4.3.1.3 Indirect Management with Expertise France

A part of this action may be implemented in indirect management with Expertise France. This implementation entails carrying out activities which will support achieving output 2.1 by supporting the apprenticeship system in regards to both the offer and demand sides, especially for youth willing to complete compulsory education through apprenticeship. It will also contribute to non-formal training schemes, especially for adults, in order to match a variety of situations and needs. The selected organisation has implemented an on-going intervention since 2019 in the framework of the Facility for Refugees in Turkey, which supports vocational skills development for refugees and host communities in Türkiye. The entity has established good cooperation with the relevant ministries and has substantial experience in working in the country. The intervention envisaged under this Action Document will continue and build on the results of the current Facility project.

4.3.1.4 Indirect Management with pillar-assessed entities

A part of this action may be implemented in indirect management with a pillar assessed entity(ies), which will be selected by the Commission's services using the following criteria:

- Track record in carrying out interventions in Türkiye in the areas of basic needs and livelihood opportunities;
- Proven experience in carrying out interventions at the benefits of Syrians under temporary protection and Individuals under temporary protection;
- Proven experience in managing large-scale interventions also in cooperation with the Turkish responsible authorities;
- Proven presence/office in the country

The implementation shall entail carrying out activities that should contribute to the output 2.1 and/or 2.2 and to the specific objective 2.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

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

4.5. Indicative Budget

| Indicative Budget components | EU contribution (amount in EUR) |
|---|--|
| Implementation modalities – cf. section 4.3 | |
| Outcome 1- Increased level of SMEs and start-up and expansion by refugees and host community members in high-refugee-concentration provinces | 140 000 000 |
| Indirect management with KfW Development Bank – c.f. section 4.3.1.1 | 70 000 000 |
| Indirect management with ICMPD - c.f. section 4.3.1.2 | 70 000 000 |
| Outcome 2 - Increased level of employability of refugees and host community members in high-refugee-concentration provinces | 94 000 000 |
| Indirect management with Expertise France – c.f. section 4.3.1.3 | 44 000 000 |
| Indirect management with pillar assessed entities meeting the selection criteria mentioned in section 4.3.1.4 | 50 000 000 |
| Evaluation – cf. section 5.2 Audit – cf. section 5.3 | will be covered by another Decision |
| Communication and visibility – cf. section 6 | will be covered by another Decision |
| Contingencies | N.A. |
| Totals | 234 000 000 |

4.6. Organisational Set-up and Responsibilities

At each individual intervention a Project Steering Committee shall be set up to provide for project management governance. Its aim shall be to oversee and monitor project progress and maximise project benefits.

Furthermore, it is envisaged to continue the organisation of socio-economic coordination meetings initiated by the EU Delegation to Türkiye with the aim to ensure better coordinated approach among the portfolio of interventions and exchange a regular flow of information to support the timely implementation of all interventions. This good practice has been agreed with the Presidency for Migration Management (PMM), the Ministry of Labour and Social Security and the EU Delegation (EUD), national beneficiary institutions and implementing partners and it is currently on-going, providing for a good forum for exchanges. The coordination meetings shall be structured on one side to accommodate exchanges among the participants on relevant policy and strategic aspects of the socio-economic development sector; on the other side, to take a note of the progress level of the interventions, good practices and to further discuss scope and manner of creating modalities with the aim of enhancing the synergies among the beneficiaries, government ministries, implementing partners and donor.

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

4.7. Pre-conditions

The pre-conditions for the implementation of this action is the continued willingness of the Turkish authorities to support socio-economic integration of refugees in Türkiye. The authorities should confirm their commitment by creating an enabling environment for refugee access to the labour market by developing and finalising an employment strategy for Syrians and persons under temporary protection, as well as the sustainable socio-economic development programme. To be noted is that the projects will target both refugees and host communities, with an effort to minimise social tensions and fight the developing narrative against refugees in the country.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners will be the primary actors responsible for data collection, analysis, monitoring and reporting. Beside reporting on their specific components' logframe matrix as per General Conditions and contractual documents, the implementing partners will be collecting and submitting data to the Commission on a quarterly basis, on relevant indicators of the overall Results Framework that has been developed in the context of the Facility for Refugees in Turkey (and it is applicable to the continued EU refugee support to Türkiye implemented under this action).

Internal monitoring by the Commission will be also carried out, with the support of an external contractor, and will consist of activities such as:

- Analysis and feedback on actions' reporting documents and data;
- Assessment of the quality of actions' internal monitoring systems and where required, planning/providing support to improve them (e.g. provision for periodical "data cleaning"; checking for mistakes and looking for duplications, systematic misunderstanding, or missing data; support data users in understanding them: how they are collected, what they mean)
- Attending Actions' Steering Committee meetings and other meetings, information sharing and discussion;

Missions/visits to premises/actions' sites where activities are taking place and on-the-spot checks.

5.2. Evaluation

Having regard to the importance of the Action, an evaluation may be carried out for this Action.

The Commission will set up a Reference Group (RG) composed of representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, Non-Governmental Organisations, etc.), etc.) levels. If deemed necessary, other donors will be invited to join. The Commission shall inform the implementing partners in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

5.3. Audit and Verifications

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

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [*Communicating and raising EU visibility: Guidance for external actions*](#) (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds. Effectiveness of communication activities on awareness about the Action and its objectives as well as on EU funding of the Action should be measured.

Implementing partners shall keep the Commission and the EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations and Offices. The European Commission and the EU Delegations and Offices should be fully

informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

The financing of the communication and visibility activities for the overall programme concerning the further support to refugees and host communities financed by the European Commission will be covered by another Commission decision.