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ANNEX

to the Commission Implementing Decision on the financing of the individual measure in favour of socio-economic development support and infrastructure services for refugees and host communities in Türkiye following the February 2023 earthquakes

Action Document for socio-economic development support and infrastructure services for refugees and host communities in Türkiye following the February 2023 earthquakes

INDIVIDUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and a 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 | Socio-economic development support and infrastructure services for refugees and host communities in Türkiye following the February 2023 earthquakes. OPSYS business reference: ACT-61775 ABAC Commitment level 1 number: JAD.1164385 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe). |
| 2. Economic and Investment Plan (EIP) | No |
| EIP Flagship | No |
| 3. Team Europe Initiative | No |
| 4. Beneficiar(y)/(ies) of the action | The action shall be carried out in the Republic of Türkiye. |
| 5. Programming document | N/A |
| 6. Link with relevant MIP(s) objectives/expected results | N/A |

PRIORITY AREAS AND SECTOR INFORMATION

| | | | | |
|--|---|-------------------------------------|-------------------------------------|----------------------------|
| 7. Priority Area(s), | 160 321 113 | | | |
| 8. Sustainable Development Goals (SDGs) | Main SDG: SDG 8 "Decent work and economic growth" | | | |
| 9. DAC code(s) | 16020 – Employment creation – 30 % 32130 - Small and Medium sized enterprise development – 21% 11330 - Vocational education – 25% 16065 – Recreation and sport – 9 % 99810– sectors not specified – 15% | | | |
| 10. Main Delivery Channel | Other - 90000 | | | |
| 11. Targets | <input checked="" type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Human Rights, Democracy and Governance | | | |
| 12. 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 type="checkbox"/> | <input checked="" 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"/> |

13. Internal markers and Tags

| Policy objectives | Not targeted | Significant objective | Principal objective |
|--|-------------------------------------|------------------------------|---|
| EIP | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| EIP Flagship | YES <input type="checkbox"/> | | NO <input checked="" type="checkbox"/> |
| Tags | YES | | NO |
| transport | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| energy | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| environment, climate resilience | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| digital | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| economic development (incl. private sector, trade and macroeconomic support) | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| human development (incl. human capital and youth) | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| health resilience | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| migration and mobility | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| agriculture, food security and rural development | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| rule of law, governance and public administration reform | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| other | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| 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 | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| health | <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| education and research | <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 | |
|---|---|
| 14. Amounts concerned | Budget line: 14.020320 Total estimated cost: EUR 260 000 000 Total amount of EU budget contribution: EUR 240 000 000 This action is co-financed in parallel by: Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) for an amount of EUR 20 000 000 |
| MANAGEMENT AND IMPLEMENTATION | |
| 15. Implementation modalities (management mode and delivery methods) | Direct Management through Grants. Indirect management with pillar assessed entities selected in accordance with the criteria set out in section 4.3.2: Kreditanstalt Für Wiederaufbau (KfW), United Nations Development Programme (UNDP), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). |

1.2. Summary of the Action

The proposed action aims to provide support in the area of socio-economic support and social cohesion, as well as infrastructure in Türkiye following the earthquakes of 6 February 2023. It should continue to build on the results, experience and deliverables of the Facility for Refugees in Turkey and additional European Union (EU) refugee support provided after 2019. The projects are part of the EU pledge made at the international donors' conference for the people in Türkiye and Syria¹ that took place in Brussels on 20 March 2023 and aim to support refugees and host communities to rebuild their lives in harmony following the disaster.

By seeking to improve socio-economic support services for refugees and host communities, the action will contribute to the Sustainable Development Goal no.8 (Decent work and economic growth). It will contribute to gender equality and women's empowerment as well as the inclusion of persons with disabilities through its accessibility approach. Eventually, it will also address the root causes of migration.

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. It also aims to provide for a stimulus to reduce social tensions and promote cooperation between the refugee and host communities in the affected areas. The action aims to ensure the effective functioning of the labour market by removing barriers to education, training and labour-market participation, and by including investment in technical education, language training and skills transfer. 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 action is to be implemented in direct management (grants) with the Turkish Ministry of Environment, Urbanisation, and Climate Change, as well as through indirect management with pillar-assessed entities,

¹ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/donors-conference-turkiye-and-syria_en

respectively Kreditanstalt Für Wiederaufbau (KfW), United Nations Development Programme (UNDP) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

1.3. Beneficiar(y)/(ies) of the action

The action shall be carried out in the Republic of Türkiye, which is included in the list of ODA recipients, targeting (but not limited to) Kahramanmaraş, Gaziantep, Şanlıurfa, Diyarbakır, Adana, Adıyaman, Osmaniye, Hatay, Kilis, Malatya and Elazığ.

2. RATIONALE

2.1. Context

Türkiye has been hosting the largest refugee community in the world – including currently over 3.3 million Syrian refugees - and continues to make commendable efforts to support and host them.

Since 2011, the EU has mobilised close to EUR 10 billion for refugees and host communities in Türkiye. This includes the EUR 6 billion Facility for Refugees in Turkey - as a key component of the 2016 EU-Turkey Statement - and an additional EUR 3 billion in refugee support following the European Council of 24-25 June 2021. The action is funded under the 2023 allocation of the latter envelope and complements EUR 234 million of funding to socio-economic support funding adopted in 2022.

The socio-economic situation of refugees in Türkiye continues to be precarious. The refugee labour force now forms a significant proportion of the vast informal market in Türkiye, especially in seasonal agriculture work. The prevalent informality of refugee labour in the country can partly be explained by factors such as work permit bureaucracy and costs, limitations in the formal markets' absorption capacity coupled with the size and easy accessibility of the informal market. In addition to these factors around labour market access, low marketable skills and low employability among significant portions of the refugee population also hinder the development of sustainable livelihood opportunities and lead to persisting economic insecurities. These barriers increase the risk of informal work and render many refugees prone to low wages, volatility and indecent working conditions. The current situation of the post-COVID-19 and earthquake affected Turkish labour market and the general economic situation in the country are aggravating the fragile economic situation of the refugee population and the vulnerable host communities, hampering the livelihoods and purchasing power of the most vulnerable people.

Overall, the strategic approach of 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. Past EU interventions have focused 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. Projects have 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. Approximately EUR 550 million have been invested in improving the efficiency of functioning of local labour markets as well as strengthening labour market institutions.

Earthquakes:

On 6 February 2023, two earthquakes hit Türkiye causing widespread destruction of public and private infrastructure, affecting millions of households, causing thousands of casualties, including wounded and

displaced persons. On 20 March, the Commission and the Swedish presidency of the Council organised an international donors' conference for the people in Türkiye and Syria to mobilise support for the victims of this tragedy. The conference collected a total of EUR 7 billion in pledges, including a EUR 1 billion pledge from the EU for the people in Türkiye. In preparation of the conference, the Turkish government collaborated with the United Nations Development Programme (UNDP) and the World Bank, along with the European Union (EU), in preparing a preliminary post-disaster needs assessment (PDNA), which was published ahead of the donors' conference as the Türkiye Earthquakes Recovery and Reconstruction Assessment (TERRA).

The TERRA estimated that the earthquakes' impact amounted to USD 103.6 billion, or equivalent to 9% of Türkiye's forecast GDP for 2023. The total population of the 11 provinces affected by the earthquakes was 14,013,196 persons in 2022, accounting for 16.4% of the national population. While 13,5 million people (96.7% of the total) live in provincial and district centres, the rest (0.45 million and 3.3% of the total - except for the population in rural areas of metropolitan municipalities) lives in towns and villages.

The affected provinces hosted about 1.7 million Syrians under temporary protection and international protection applicants and status holders. Massive displacement raised fears of labour shortages, while the number of residents in need of social services soared. However, these challenges also provide opportunities for strategic investment. The TERRA provides some initial recommendations for key sectoral priorities and short, medium and long term actions to be considered by the Turkish authorities and supported by international actors. Social recovery priorities include the need to provide social assistance and protection for the vulnerable, strengthen public services in the earthquake zone and outside, rebuild health and education services, and expand psychosocial support. For economic recovery it will be critical to define a shared vision for regional economic revival and growth and to devise policies to attract and retain a skilled workforce. Climate-proofing can be incorporated into measures to revive the region's agriculture. Local businesses will need support to restart their business activities, including with modern technology, and the region will benefit from "buy local" commitments, including in relief efforts. Infrastructure recovery and reconstruction should capitalise on science-based spatial planning and regulation for housing reconstruction and urban revival, rehabilitate and modernise transport and communications networks, while also incorporating a well-structured debris recycling strategy that focuses on repurposing sorted materials and sustainable management of debris, to minimise environmental impact and promote long-term ecological balance. Finally, given the region's unique history, preserving and safeguarding cultural heritage will be vital to retaining local identity (an important factor that can dynamise the recovery) and to spurring a revival in tourism.

The actions proposed in this Action Document are part of this framework and aim to support the TERRA objectives.

2.2. Problem Analysis

Short problem analysis

Approximately two-thirds of the 3.3 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 vocational and 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 restrictions 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 job and vocational services provided 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 the Governor's Office of the relevant province. 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 can be cited as prominent reasons, *inter alia*, which 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 not accredited in Türkiye. Employers often discriminate against Syrian workers, granting lower salaries as compared to their local population with similar credentials.

In addition, studies have shown that in some cases the cash-based assistance programme (Emergency Social Safety Net – ESSN) has worked as a disincentive to finding employment, as it requires that all family members are unemployed. The latest ESSN contracts have been adapted so as to ensure that pathways to the labour market are possible while gradually reducing the dependency on this type of assistance, committing to reducing and targeting the beneficiary caseload by excluding all working age males on a sustained basis.

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), do not provide any social security benefits, and usually involve poor working conditions and below market-rate wages. In addition, almost half 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. Observations and research in the field show that a percentage of Syrian children work as child labourers in the worst 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. Therefore, skills development as well as the matching with labour market needs remains a key priority to increase the number of refugees at work.

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. 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.² Limited access to finance can also impact negatively on labour 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 risks. Lack of cash flow-based financing and high collateral requirements constrain access to finance among SMEs.³

² Enterprise Surveys (database), International Finance Corporation and World Bank, Washington, D.C., <https://www.enterprisesurveys.org/>.

³ 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.

Generally, the labour market in Türkiye is still characterised 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% among the EU countries, this rate is 39.1% in Türkiye. Türkiye is one of the countries which has 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.

In the area of recreational infrastructure and vocational education, the earthquakes have added another layer of vulnerability to both refugees and host communities and exacerbated the issues the Facility and subsequent EU funding seek to address in this field. Already before the earthquakes, the increase in costs in Euro currency, driven by factors such as economic instability, high inflation, and the impact of COVID-19, had resulted in a decrease in the number of constructions built with EU support. The disaster also led to shifts in demographic patterns and internal displacements in the affected provinces and beyond, which in turn has had an impact on the use of the operational facilities.

The earthquakes also had a major impact on the municipal infrastructure which had negative consequences on access to basic water and sanitation services as well as urban transport. The TERRA report identified the needs as over EUR 3.45 billion, only in the field of water. The capacities of many municipalities are mostly compromised, both in terms of infrastructure and personnel. The EU donors conference in March 2023 resulted in a first response of EUR 1.5 billion in IFI loans available to Türkiye, for which technical assistance funds are needed for project preparation, monitoring and supervision.

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

| Organisation | Mandate and role |
|--|---|
| Ministry of National Education | Line ministry on education – beneficiary |
| Ministry of Youth and Sports | Line ministry for youth and sport – beneficiary |
| Ministry Labour and Social Security (MoLSS)- Directorate General of International Labour Force (DGILF) | Line ministry for labour and social security – beneficiary |
| Ministry of Environment, Urbanisation, and Climate Change | Line ministry for environment – implementing partner |
| Union of Municipalities of Türkiye in collaboration with the Municipalities (TBB) | Union for municipalities at national level with an official local administration status |
| Turkish Employment Agency (ISKUR) | National employment agency – beneficiary |
| İlbank | National development and investment bank – beneficiary |
| Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) | Implementing partner for socio-economic development |
| Kreditanstalt Für Wiederaufbau (KfW) | Implementing partner for socio-economic development & social cohesion support |
| United Nations Development Programme (UNDP) | Implementing partner for socio-economic development |

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 to avoid duplication among the projects as much as possible.

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 Syrians under Temporary Protection (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 that women cooperatives are the preferred option, especially for refugee women since it generates a home-based activity, provides for childcare since activities could be performed in flexible hours. It also provides the opportunity to choose between being in charge or an employee. Ensuring the sustainability of the cooperatives remains a challenge.

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 increased demand. However, it is difficult to ensure formal employment, especially in some regions, for 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 strengthening the dialogue with relevant authorities to create new formal employment opportunities in agriculture and the food industry sector that will help both refugees and host community members to obtain sustainable insured jobs.

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 with the Vocational Education, children are kept in formal education with a chance of quicker access to labour market once they complete their education. Moreover, the current agenda of the Ministry of National Education gives particular importance to vocational education and identifies TVET as the top priority within the National Education System. To support the activation of Young NEETs, Türkiye has introduced active labour market measures. In order to ensure the effectiveness of the measures, training measures such as apprenticeships and traineeships schemes should be further aligned with the EU quality frameworks fulfilling certain criteria related inter alia to the share of classroom versus in company training, compensation, insurance, and equipment.

İŞKUR Labour Market assessments regularly show that there is a strong demand in the labour market for intermediate technical staff, which 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 training 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, and to equip young people and adults with relevant skills and reskilling opportunities for the just transition. Considering 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. Also, some ministries had to get acquainted with the procedures of the implementing partners. 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.

With regard to recreational facilities, the action should ensure the continuation of previous EU support with adapted activities based on lessons drawn from the preceding actions as well as with the 'build back better' approach. Additionally, constant monitoring and proactive mitigation measures are essential.

One of the challenges faced by the ministries involved is their limited administrative capacity, which has led to delays in project implementation. To overcome this bottleneck, efforts will be made to increase ministries' management skills with capacity building and transfer of knowledge activities.

Despite these challenges, significant progress has been made in the preparatory work for the recreation facilities, and technical assistance is already in place to facilitate the procurement and supervision services required for construction. This will contribute to smoother and faster construction. Furthermore, the EU-funded post-earthquake (re-)construction projects will prioritize higher quality standards, improved seismic risk preparedness, and energy efficiency. The focus will also be on fostering inclusiveness to ensure equal and safe access to these facilities for girls, women, and persons with disabilities, considering their diverse needs and requirements.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to enhance sustainable livelihood and employment opportunities of refugees and host communities in Türkiye, as well as increasing access to infrastructure services for refugees and host communities.

The Specific Objectives (Outcomes) of this action are:

1. To increase the level of SMEs/start-up and their expansion by refugees and host community members in high-refugee-concentration provinces.
2. To enhance the employment opportunities of refugees and host community members in high-refugee-concentration provinces by improving their employability.
3. To improve (or enhance) social cohesion among refugees and host communities by providing recreational and social facilities.
4. To increase access to infrastructure services.

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 communities.
- 2.2 Strengthened capacity of government, private and non-government institutions providing employment and enterprise development services to refugees and host community members.

➤ Contributing to Outcome 3 (or Specific Objective 3)

- 3.1 New recreational and social facilities to be constructed for the use of refugee and host communities.

➤ Contributing to Outcome 4 (or Specific Objective 4)

- 4.1 Improved municipal infrastructure services for the refugee and host communities.

3.2. Indicative Activities

It is envisaged to achieve the above-mentioned outcomes via separate interventions implemented by a Turkish ministry, as well as 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.
- (ii) Provision of grants to SMEs.

Indicative activities related to Outcome 2 include supporting skills development through apprenticeship and vocational training in line with labour market needs.

Indicative activities related to Outcome 3 include building and operationalising new recreational and social facilities.

Indicative activities related to Outcome 4 will establish an operational facility for project preparation of investment projects of International Financial Institutions (IFIs), linked to their pledges at the March 2023 donors conference. This activity concerns a technical assistance facility for the preparation, monitoring and supervision of municipal infrastructure projects mainly in the field of water, wastewater, solid waste management and urban transport, including some other municipal services such as firefighting stations which will be managed by the Ministry of Environment, Urbanisation and Climate Change (MoEUCC) as the Contracting Authority. İlbank as the financial intermediary under the MoEUCC is designated for coordination and management of the post-earthquake IFI loans and will be the beneficiary of this component, assisting local authorities in creating resilient urban areas following the earthquakes. The project will be managed by the Ministry of Environment, Urbanisation and Climate Change, who will be in charge of implementation of the TA activities, which activities will include establishment of a PIU at İlbank. The MoEUCC will be responsible for the recruitment of experts, launching TA contracts for project preparation and control of feasibility studies, design works, environmental and social impact assessments, specifications, cost estimations, financial and economic analysis as necessary, supervision of works and monitoring of the implementation of the municipal infrastructure projects that will be financed through IFI loans.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

The project preparation facility is expected to have a positive impact on the environment and climate change due to its support to municipal infrastructure services through increased wastewater treatment capacity, reduction of water leakages, improved stormwater and waste management or with establishment of energy

efficiency and sustainable transport systems. In addition, all interventions will be encouraged to have environmentally friendly activities respecting to biodiversity and take the necessary individual actions to fight against climate change.

Strategic Environmental Assessment (SEA), Environmental Impact Assessment (EIA) and Climate Risk Assessment (CRA) are not required for the AD. The project preparation facility under this action will in fact prepare Environmental Impact Assessments (EIA) or update of the existing EIAs as per the Turkish regulation depending on their nature and size. For any project prepared under the action the environmental impacts will be taken into consideration in accordance with the Environment and Social Management Framework that will be established for construction activities. The framework will encompass the selection of the sites (against deforestation, biodiversity loss, and soil erosion), the construction (material used, waste management) and the operation phases (sustainability and energy efficiency of the buildings). The action will encourage the use of the green public procurement (GPP) approach to purchase equipment. Particular attention will be paid to potential pollution (air, groundwater, surface water, etc.), which presents possible environmental and health risks. In addition, the design phase will anticipate the adverse effects of climate change (floods, droughts etc.) and take appropriate action to prevent or minimise the damage they can cause.

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 proposed actions, 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 prevent an escalation of human rights violations, violence, social unrest and conflict against 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 D1. People with disabilities are addressed in the action mainly through the accessibility of the infrastructure facilities. This does not apply only to the main buildings but to the entire facilities (e.g., adapted recreational areas) and should go beyond physical disabilities to cover the entire spectrum (vision impairment, deaf, etc.). Once in-use, sport facilities will host youth with disabilities.

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 method of intervention which would ensure 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 (MoLSS) and Ministry of Interior (MoI), 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 additional EU financial allocation for refugees in 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

Infrastructure activities are subject to the disaster risks. The action will apply EU standards for a greater resilience to earthquakes and other disasters both for the PPF and social cohesion components. Disaster risk reduction through project preparation and supervision activities will be an inherent part of projects designs to secure/establish the infrastructure with the highest standards to ensure the highest level of resilience to possible future earthquake. The selection of the sites will follow a soil survey and risk assessment in order to obtain the most suitable design for the selected land. Whenever possible, nature-based solutions will be integrated to the overall designs to absorb the impacts of floods, heat island effects, droughts, etc. During the handover of the infrastructure, responsible authorities will be strongly encouraged to develop comprehensive contingency and management plans. These plans will outline coordinated strategies and protocols for emergency situations, enabling the infrastructure to better withstand and recover from adverse events. Moreover, the PPF component directly addresses the need to re-establish municipal infrastructure services affected/demolished by the earthquake, including fire stations.

3.4. Risks and Assumptions

| Category | Risks | Likelihood (High/Medium/Low) | Impact (High/Medium/Low) | Mitigating measures |
|----------------------|---|------------------------------|--------------------------|---|
| External environment | ESSN beneficiaries shall hesitate to register employment and remain in informal labour market | High | High | Implementing partners shall work together with MoLSS and their affiliated institutions to tackle informal employment and better promote the benefits of formal employment. |
| | Increased social tensions across Türkiye between refugees and host communities | High | High | All actions shall have a revised scope and method of intervention which including the “migration” dimension within the regular political and economic priorities of Türkiye. Effective communication should take place targeting all stakeholders to present the background, limitations and advantages of good migration governance. |
| | Lack of interest, motivation and commitment by the stakeholders to provide assistance to the refugees | Low | Low | By hosting the highest number of refugees in the world, Türkiye has already demonstrated its commitment to address this crisis. Sustained policy dialogue between the EU and Türkiye and additional guidance will be provided to the relevant stakeholders to ensure their participation in the Action. |
| | 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. |
| | DG PMM Migration management strategy | Medium | Medium | The 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 transition strategy need to be ensured. To this end, referral mechanisms to livelihood opportunities have been developed under ESSN IV. |
| | Increasing anti-migration feeling | Medium | Medium | Anti-migration feeling is spreading in Türkiye, particularly among political parties who used it to mobilise support during the elections of May 2023. This is also impacting public attitudes, including in social media. Close monitoring of the developments, active communication and continued policy dialogue shall be ensured. |
| | Deterioration of the economic situation leading to significant price increase and delays | High | Medium | The line ministries should commit to cover any financial gaps that may arise during the project implementation. This would ensure the absence of significant interruptions caused by funding constraints. |

External Assumptions

Effective level of assistance is provided to Syrians under Temporary Protection (SuTPs) and Persons under International Protection (PuIPs) 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. Coordination with other donors will be ensured.

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 proposed action will continue maintaining and building upon the two referral systems. The likelihood of this assumption not holding is considered low.

Legal Status of SuTP (work permit) remains unchanged or is improved. The rights of the Syrians under temporary protection are determined by the recognition of the refugee status in Türkiye – this status is however not equivalent with the provisions of the international refugee law and therefore narrows their chances under the temporary protection regime. The likelihood of this assumption not holding is considered low. Under the new operation it is envisaged to provide a 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 aiming to enhance software and hardware infrastructure to strengthen the Foreigner Application, Evaluation and Monitoring System (Yabancı Başvuru, Değerlendirme ve İzleme Sistemi) shall increase the likelihood of reforms.

Introducing measures for a regulatory environment further facilitating access to the formal labour market for refugees. Due to the current economic situation, it is unlikely that new measures would be introduced. 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 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 despite increased anti migrant rhetoric.

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. Also, high inflation might have an impact on infrastructure projects. Nevertheless, it is still expected that the investments in vocational and labour market skills, Turkish language capacity and entrepreneurialism will pay off subsequently.

3.5. Intervention Logic

The underlying intervention logic for this action is to support refugees and economically disadvantaged host community individuals to find sustainable livelihood opportunities through improving their employability and placing them into formal employment as well as to create for them employment opportunities through supporting the micro, small and medium enterprises.

The strategy aims to support the refugees and host communities in Türkiye “*to improve sustainable livelihood and employment opportunities*” and is captured in the four Specific Objectives which aim to:

- i. To increase the level of SMEs/start-up and their expansion by refugees and host community members in high-refugee-concentration provinces.
- ii. To enhance the employment opportunities of refugees and host community members in high-refugee-concentration provinces by improving their employability.
- iii. To improve (or enhance) social cohesion among refugees and host communities by providing recreational and social facilities.
- iv. To increase access to infrastructure services.

The Outputs of the achievement of the first Specific Objective will include the provision of mentorship and training to increase production/ revenue, and competitiveness as well as provision of micro grants ensuring business recovery and business continuation after the effects of earthquake, for MSMEs in the targeted regions, employing or with a potential to employ refugees.

The Outputs of the achievement of the second Specific Objective will help to 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. This should be done in close partnership with employers' associations to ensure relevance of skills and training.

The Outputs of the achievement of the third Specific Objective will be mainly based on improving the interaction between the targeted refugee and host community young people especially at the high school age level, in the highly refugee populated provinces especially affected by the earthquakes. For the purposes of ensuring the social cohesion among young people, awareness raising activities will be implemented together with sports activities in the newly established recreational areas, psycho-socially support will be provided to both teachers/trainers and students, and activities that will bring both children and parents from these two communities will be organised.

The Outputs of the achievement of the fourth Specific Objective will be based on facilitation and implementation of the IFI loans for restoring/improving municipal infrastructure services for the refugee and host communities, affected by the earthquakes.

3.6. Indicative Logical Framework Matrix⁴

| Result Level | Result | Indicator | Disaggregation Categories | Data Source | Baseline/current value |
|--------------|---|---|---|--|---|
| Impact | Improved sustainable livelihood and formal employment for refugees and host communities in Türkiye. | 1. Percentage of working age refugees and host community members (in high-refugee-concentration provinces) reporting being employed | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr; National) Age category Type of employment (formal; informal) | TUIK National Stats (Household Labour Force Survey) Refugee Household Survey (proposed) | 86.9% for Syrian 88.9% for H.C Year 2017 (ILO and TUIK) |
| | | 2. Total number of long-term jobs (more than 6 months full-time duration) created with Facility support (enterprises development and employability development) | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr; National) Formal/Informal Type of job (skill level category) | Contributing Action M&E reports (calculated at Facility level) | Data not available. |
| | | 3. Average Livelihood Coping Strategy index of refugees | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr) | Refugee Household Survey (proposed) | 3.78 (ESSN beneficiaries) 4.55 (E-SSN beneficiaries) |
| | | 4. Total number of households which graduated from the ESSN programme ⁵ | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr) | ESSN reports | Data not available. |
| Outcome 1 | Increased level (rate) of Small and Medium | 1. Number of new enterprises (start-ups) established following receipt of support | <ul style="list-style-type: none"> Province Gender | Contributing Action M&E reports | 258 (as of Q3/2022) |

⁴ Baselines and targets are needed to assess progress against the expected results (Outputs, Outcomes, Impact(s)). In some cases, there are indicators for which there is no baseline at the design stage, and in such exceptional cases the baseline and target can be defined during the inception phase of implementation. This happens for example when a survey is needed to define the baseline.

⁵ The feasibility of obtaining this data needs to be checked.

| Result Level | Result | Indicator | Disaggregation Categories | Data Source | Baseline/current value | |
|--------------|---|---|--|----------------------|------------------------|--|
| | Enterprise start-ups by refugees and host community members in target provinces (high-refugee-concentration provinces -especially those affected by the earthquake) | | <ul style="list-style-type: none"> Nationality (Syr; Non-Syr; National) | | | |
| | | 2. Percentage of new enterprises (start-ups) still operating 12 months or more after withdrawal of EU support | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr; National) | Contributing reports | Action M&E | 88% (as of Q2/2022) |
| | | 3. Total number of new (long-term – over 6 months) jobs created by the EU supported enterprises | <ul style="list-style-type: none"> Province Gender Ownership nationality (Syr; Non-Syr; National) Type of job (skill level category) | Contributing reports | Action M&E | 3,488 (as of Q3/2022) |
| | | 4. Number of existing enterprises expanded following receipt of support | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr; National) Enterprise size | Contributing reports | Action M&E | 245 (as of Q3/2022) |
| | | 5. Percentage of existing (expanded) enterprises still operating 12 months or more after withdrawal of support ⁶ | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr; National) Enterprise size | Contributing reports | Action M&E | Data not available. |
| Outcome 2 | Increased level of employability of refugees and host community members in high-refugee-concentration provinces | 1. Number of refugees and host community members reporting obtaining new or improved employment (jobs) following receipt of EU employability and employment support | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr; National) New/Improved job Formal/informal | Contributing reports | Action M&E | 27,077 (including jobs obtained through ISKUR) (as of Q3/2022) |
| Outcome 3 | Increased level of social cohesion among refugees and | 1. Percentage of refugees reporting experiencing a significant level of discrimination from their work colleagues at their workplace or | <ul style="list-style-type: none"> Province Gender Refugee Category Age | Contributing reports | Action M&E | |

⁶ New indicator – this indicator may be dropped.

| Result Level | Result | Indicator | Disaggregation Categories | Data Source | Baseline/current value |
|---------------------------------|---|--|--|---------------------------------|------------------------|
| | host communities in target provinces. | 2. Incidence rate of workplace conflict (between refugees and host community members) | | | |
| Outcome 4 | Improved municipal infrastructure services for the refugee and host communities | 1. Number of refugees and host community members reporting accessing better municipal services following receipt of EU support | <ul style="list-style-type: none"> Province Gender Refugee Category Age | Contributing Action M&E reports | |
| | | 2. Number of young people (refugees and host community members) benefiting from newly established recreational areas | <ul style="list-style-type: none"> Province Gender Refugee Category Age | Contributing Action M&E reports | |
| Output 1.1 related to Outcome 1 | Enterprise development support services, including financial support, are delivered to refugee and host community entrepreneurs and their enterprises | 1. Number of refugees and host community members provided with entrepreneurship training with EU support | <ul style="list-style-type: none"> Province Gender Nationality (Syr; Non-Syr; National) Type of entrepreneur | Contributing Action M&E reports | 4,741 (as of Q3/2022) |
| | | 2. Number of enterprises, owned by refugees and host community members, provided with advisory services | <ul style="list-style-type: none"> Province Gender of owner Nationality (Syr; Non-Syr; National) | Contributing Action M&E reports | 2,310 (as of Q3/2022) |
| | | 3. Number of enterprises, owned by refugees and host community members, provided with financial and/or material assistance with EU support | <ul style="list-style-type: none"> Province Gender of owner Nationality (Syr; Non-Syr; National) Type of financial/material assistance | Contributing Action M&E reports | 875 (as of Q3/2022) |
| Output 1.2 related to Outcome 1 | Increased awareness and capacity of the private sector to promote employability and enterprise | 1. Number of private sector companies that benefited from awareness-raising and capacity development activities | <ul style="list-style-type: none"> Province Enterprise size Type of intervention | Contributing Action M&E reports | 4,283 (as of Q3/2022) |
| | | 2. Number of private sector companies which have implemented social cohesion programmes with EU support ⁷ | <ul style="list-style-type: none"> Province Enterprise size | Contributing Action M&E reports | Data not available |

⁷ New indicator

| Result Level | Result | Indicator | Disaggregation Categories | Data Source | Baseline/current value | |
|---------------------------------|---|---|--|----------------------|------------------------|-------------------------|
| | development for refugees and host community members | | <ul style="list-style-type: none"> Type of intervention | | | |
| Output 2.1 related to Outcome 2 | Employability capacity development and support services provided to refugees and host community members | 1. Number of refugees and host community members who completed vocational skills development trainings | <ul style="list-style-type: none"> Province Gender Nationality Training Type Short term / long-term courses | Contributing reports | Action M&E | 51,359 (as of Q3/2022) |
| | | 2. Number of refugees and host community members who obtained a certificate in a vocational skill area issued by the authorized vocational certification body | <ul style="list-style-type: none"> Province Gender Nationality | Contributing reports | Action M&E | 17,226 (as of Q3/2022) |
| | | 3. Number of refugees and host community members provided with (who completed) basic labour market skills (soft/life skills) training | <ul style="list-style-type: none"> Province Gender Nationality | Contributing reports | Action M&E | 3,251 (as of Q3/2022) |
| | | 4. Number of refugees and host community members who benefitted from employment counselling/support services | <ul style="list-style-type: none"> Province Gender Nationality Delivery channel | Contributing reports | Action M&E | 123,140 (as of Q3/2022) |
| | | 5. Number of adult refugees who completed a Turkish language course | <ul style="list-style-type: none"> Province Gender Refugee category (Syr; Non-Syr) Age category Proficiency level (A1;A2; B1 etc) | Contributing reports | Action M&E | 18,660 (as of Q3/2022) |
| Output 2.2 related to Outcome 2 | Strengthened capacity of government and non-government institutions providing employment and enterprise development services to refugees and host community members | 1. Number of employability and enterprise development institutions' staff provided with training | <ul style="list-style-type: none"> Province Gender Type of institution | Contributing reports | Action M&E | 835 (as of Q3/2022) |
| | | 2. Total number of 'person training days' provided to employability and enterprise development institutions' staff | <ul style="list-style-type: none"> Type of institution | Contributing reports | Action M&E | 3,166 (as of Q3/2022) |
| Output 3.1 | New recreational and social facilities to be | 1. Number of new recreational and social facilities constructed | <ul style="list-style-type: none"> Province Type of facilities | Contributing reports | Action M&E | 0 (as of Q3/2022) |

| Result Level | Result | Indicator | Disaggregation Categories | Data Source | Baseline/current value |
|---------------------------------|--|--|---|---------------------------------|-------------------------------|
| related to Outcome 3 | constructed for the use of refugee and host communities. | | | | |
| Output 4.1 related to Outcome 4 | Improved municipal services | 1. Number of municipal infrastructure projects prepared for financing by IFI loans | <ul style="list-style-type: none"> • Province • Type of infrastructure projects | Contributing Action M&E reports | 0 |

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 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 in duly justified cases.

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 measures⁸.

4.3.1. Direct Management (Grants)

a) Purpose of the grant(s)

Part of this action is to be implemented in direct management with the Ministry of Environment, Urbanisation, and Climate Change of the Republic of Türkiye. The purpose of the grant is to establish an operational facility for project preparation of investment projects of International Financial Institutions (IFIs) following their pledges at the March 2023 donors conference. As the management of IFI funds are done through İlbank as the intermediary, the bank is designated recipient of the technical assistance, assisting local authorities in creating resilient urban areas following the earthquakes. İlbank will be the beneficiary of this component, with the Ministry of Environment as the implementing partner.

In particular, the grant will contribute to the expected output 4.1 under the following specific objective 4 (see section 3).

b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the Ministry of Environment, Urbanisation, and Climate Change of the Republic of Türkiye for the implementation of the action. The recourse to an award of a grant without a call for proposals is justified because the beneficiary is in a factual monopoly position for the implementation of the relevant components of the action, in line with article 195 (c) of the Financial Regulation. The Ministry of Environment Urbanisation, and Climate Change (MoEUCC) is also the entrusted Contracting Authority as Operating Structure for management of EU funds under IPA Environment and Climate Change programmes. They run similar municipal infrastructure projects under several operational programmes under IPA and has the capacity and experience to implement the action. The TA facility will support the preparation and implementation of the municipal infrastructure projects for which IFI loans will be facilitated through İlbank, an affiliated institution under the MoEUCC.

⁸ 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.

4.3.2 Indirect Management with a pillar-assessed entity

4.3.2.1 Indirect management with the United Nations Development Programme (UNDP)

A part of this action may be implemented in indirect management with the **United Nations Development Programme (UNDP)**. This implementation entails activities in support of achieving output 1.2 under the specific objective 1 and outputs 2.1 and 2.2. under the specific objective 2. Specifically, the intervention will support the preparation of the target group entering the labour market including the agricultural employment through the provision of soft-skills and increase the Turkish language ability of targeted job seekers. It will also provide complementary support to Syrians under temporary protection (SuTPs) and Persons under international protection (PuIPs)'s job placement to alleviate specific barriers to joining the formal labour market. It will also aim to increase placement in jobs of SuTPs, PuIPs, and host community members through private sector driven active labour market programmes. The envisaged entity has been selected using the following criteria: strong expertise and operational capacity in financing of development projects, wide presence in the country, important policy and strategic actor in the sector concerned, key implementing partner for the delivery of the EU's development assistance and well-established partnerships with the relevant Turkish authorities.

4.3.2.2 Indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit

A further part of this action may be implemented in indirect management with the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**. This implementation entails activities in support of achieving outputs 1.1. and 1.2. under the specific objective 1 and outputs 2.1. and 2.2. under the specific objective 2. This intervention will aim to enhance the resilience and economic self-reliance of vulnerable host communities and refugees affected by the earthquakes and the refugee situation in Türkiye. It aims to provide socio-economic support in provinces hosting Syrian refugees, with a focus on smaller municipalities and earthquake-impacted regions in Türkiye. The project aims to create a resilient and sustainable environment by promoting sustainable employment, fortifying local institutions, and embracing green and circular economy principles. It seeks to enhance the resilience and economic self-reliance of host communities and refugees by increasing formal employment opportunities, capacity-building for municipalities, strengthening cooperatives and MSMEs, and promoting gender-responsive initiatives. The envisaged entity has been selected using the following criteria: proven experience in managing large-scale interventions in cooperation with the Turkish authorities, proven presence in the country, track record in carrying out interventions in Türkiye in the areas of basic needs and livelihood opportunities and significant experience in handling EU-funded projects.

4.3.2.3. Indirect management with Kreditanstalt für Wiederaufbau (KfW) Development Bank

A part of this action may be implemented in indirect management with **Kreditanstalt für Wiederaufbau (KfW)** Development Bank. This implementation entails activities to support achieving output 1.2. under the specific objective 1, outputs 2.1. and 2.2. under the specific objective 2 and output 3.1. under the specific objective 3. This intervention aims to enhance social and economic cohesion by strengthening access to quality vocational education and training in Türkiye, with a specific focus on provinces hosting a high number of Syrians under temporary protection (SuTPs). The envisioned entity has been selected on the basis of following criteria: proven experience in the area of socio-economic support to refugees and host communities in Türkiye; significant experience implementing activities for the benefit of refugees and host communities in Türkiye; successful performance in supporting access of refugees and host communities to quality vocational education and training in Türkiye; proven reliable partner under EU bilateral assistance to Türkiye.

Another part of this action may be implemented in indirect management with **Kreditanstalt Für Wiederaufbau (KfW)** Development Bank. This implementation entails support achieving output 3.1. under the specific objective 3, by increasing the level of use of recreational facilities, and by increasing the interaction between the targeted refugees and host community members in the supported locations. The

envisaged entity has been selected using the following criteria: significant experience in working on sports infrastructure in Türkiye; well-established partnerships with the relevant Turkish authorities; known entity, aware of target country facts and challenges (public institutions' structure, construction sector and regulations, earthquake risks, etc); physical presence in Türkiye, experienced in project (especially in handling EU-funded projects) and team monitoring and management.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the criteria outlined above.

Exception to the non-retroactivity of costs

The Commission authorises that the costs incurred may be recognised as eligible as of 1 July 2023 because of the urgent post-earthquake needs. It will allow to initiate the required procurement procedures in the second semester of 2023 and therefore ensure a swifter completion of the infrastructures.

4.3.3 Changes from indirect to direct management mode due to exceptional circumstances

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services the criteria using the criteria defined in section 4.3.2.2.

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 Budget⁹

| Indicative Budget components | EU contribution (amount in EUR) | Indicative third-party contribution, in EUR |
|---|--|--|
| Implementation modalities – cf. section 4.3 | | |
| Outcome 1, Outcome 2, Outcome 3 composed of | | |
| Indirect management with GIZ – cf. section 4.3.2.2 | 50 000 000 | 20 000 000 |
| Indirect management with UNDP – cf. section 4.3.2.1 | 72 500 000 | |

⁹ Subject to possible adjustments in relation to budget per outcomes.

| | | |
|--|-------------------------------------|-------------------|
| Indirect management with KfW – cf. section 4.3.2.3 | 82 500 000 | |
| Outcome 4 – Output 4.1. Improved municipal infrastructure services for the refugee and host communities composed of | | |
| Direct management (Grants) with Ministry of Environment – cf. section 4.3.1 | 35 000 000 | |
| Evaluation – cf. section 4.8 Audit – cf. section 4.9 | will be covered by another Decision | |
| Strategic communication and public diplomacy – cf. section 5 | will be covered by another Decision | |
| Totals | 240 000 000 | 20 000 000 |

4.6. Organisational Set-up and Responsibilities

A Project Steering Committee (PSC) will be set up to ensure project governance. The PSC is to ensure regular monitoring at technical level and effective coordination and steering at decision-making level, maximising project impact. The PSC will ensure strategic guidance for policy issues, review and endorse annual work-plans and progress reports and propose adjustments where needed. It will meet twice a year and include representatives of the Ministry of Environment, İbank and the EU Delegation. The selection and identification of projects to be supported by the PPF will be based on objective technical criteria and be subject to prior consultation and agreement of the EU Delegation. The Contracting Authority will decide and give final approval to the Terms of Reference for the technical assistance to İbank for the preparation of investment projects to be funded with the help of IFIs (outcome 4). Interventions covered by the PPF must be directly linked to the pledges made at the international donors’ conference of 20 March 2023, and aim to support refugees and host communities to rebuild their lives in harmony following the February 2023 earthquakes in Türkiye.

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 Vice Presidency office of DG PMM, the Ministry of Labour 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 to accommodate exchanges among the participants on relevant policy and strategic aspects of the socio-economic development sector, as well as to take stock 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 donors.

The selected Implementing Partners will provide inter-sectoral coordination among all stakeholders; provide the secretariat for the steering committee; provide technical assistance in the mobilisation of required technical expertise; inform about project implementation; organise implementation of project activities, manage and disburse funds; and prepare progress and final reports.

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

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).

Arrangements for monitoring and reporting, including 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 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 Communicating and raising EU visibility: Guidance for external actions – 2022 (or any successor document).¹⁰

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 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 Delegation. The European Commission and the EU Delegation 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.

¹⁰ https://international-partnerships.ec.europa.eu/system/files/2023-04/communicating-and-raising-eu-visibility-guidance-for-external-actions-july-2022_en_0.pdf