



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 24-Feb-2021 | Report No: PIDA27726



BASIC INFORMATION

A. Basic Project Data

Country Turkey	Project ID P171471	Project Name Support for Transition to Labor Market Project	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 16-Mar-2020	Estimated Board Date 12-Mar-2021	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) Turkish Red Crescent (TRC), Ministry of Family, Labor and Social Services	Implementing Agency Turkish Employment Agency (ISKUR)	

Proposed Development Objective(s)

The project development objectives are to improve employability of Syrians under Temporary Protection (“SuTP”), International Protection Status Holders and Applicants (“IPSHA”) and Turkish Citizens and to facilitate access to labor markets.

Components

- Component 1. Support for counseling services and employment support
- Component 2. Support for delivery of employment services

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	88.58
Total Financing	88.58
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing



Trust Funds	88.58
European Commission Development Fund - TF	88.58

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

- Turkey is a large, upper-middle-income country with a strong record of inclusive growth, but recent shocks are risking the economic gains made since the early 2000s.** Turkey achieved rapid economic and social development in the 2000s, with poverty incidence more than halving and real Gross Domestic Product (GDP) increasing by 50 percent by 2008. Since the Global Financial Crisis (GFC), rapid growth continued but was increasingly associated with stagnant productivity, a rising current account deficit and growing foreign exchange-denominated debt stock. Turkey then experienced a sharp external adjustment in mid-2018 as the Turkish Lira (TL) depreciated more than 60 percent against the US dollar between January and September that year which triggered a downturn in the Turkish economy. Turkey experienced three quarters of negative growth from late 2018 to mid-2019, close to one million jobs were lost, and unemployment rose from 10 percent in January 2018 to 13.8 percent by January 2020. GDP per capita has fallen to US\$9,000, from a high of US\$12,500 in 2013, while poverty reduction progress stalled in 2018.
- An emergent economic recovery starting late 2019 has been undermined by the COVID-19 pandemic.** Over the course of late 2018 and 2019, the economy went through significant adjustments. Current account imbalances declined sharply, banks and corporates reduced their exposure to foreign currency debt, private sector credit growth resumed, and demand had started to recover. By the end of 2019, economic activity was rebounding with strong growth in the fourth quarter, and GDP growth was projected to accelerate to 3 percent in 2020. With the onset of the COVID-19 pandemic, the outlook for 2021 has deteriorated considerably.
- The COVID-19 health crisis quickly turned into a deep economic shock.** The economy faced combined shocks of lower demand, activity restrictions, and supply chain disruption due to the pandemic. This caused a contraction of GDP by 9.9 percent (year-on-year) in 2020Q2, the most in over a decade. On the demand side, external trade and finance stagnated as the global economy pulled down its shutters. Private consumption and investment contracted significantly along with decrease in domestic demand. On the supply side, declining demand and containment measures led to business shutdowns and loss of cashflow and interruptions to domestic and international trade disrupted



supply chains and production. The services sector was also not spared from contraction with closure of hospitality businesses, declining demand for transport, and others. The combination of all this negatively impacted the labor market.

4. **The policy response helped to cushion the blow for businesses and households but exacerbated the vulnerabilities in the economy.** On the monetary and financial side, the Central Bank injected significant amount of liquidity and the banking regulator introduced flexibilities that enabled public banks to extend credit to some of the most affected parts of the economy. On the fiscal side, the authorities provided support to households by extending social assistance, and to businesses mostly through tax reliefs. Short term work allowance and unpaid leave support have been provided to prevent massive layoffs and employment losses. The economy is expected to slowly rebound in 2021 (with a projected GDP growth of about 4 percent) after the contraction in GDP in 2020. The pace of recovery in 2021 will depend on the duration of the pandemic, the availability and distribution of a vaccine, and restoration of international trade and investment flows.

Sectoral and Institutional Context

5. **Turkey has become one of the world's largest refugee-hosting countries when Syrian people under Temporary Protection are counted in.** As of February 2nd 2021, there were around 3.7 million Syrian people under temporary protection (SuTP). In addition, between 2015 and 2019 over 400,000 non-Syrian people applied for international protection, the bulk of which coming from Afghanistan and Iraq.^{1 2} Only 1.6 percent reside in temporary accommodation centers while the rest live outside, mostly in urban areas.³ Indeed, SuTP reside throughout the country, with over 75 percent living in 10 provinces.⁴ SuTP represent a significant percentage of the population in provinces bordering Syria, such as Hatay, Sanliurfa, and Gaziantep. In Kilis, there are almost as many Syrians as Turkish citizens.⁵
6. **The Turkish Government aims to gradually transition workable Emergency Social Safety Net Program (ESSN) beneficiaries out of social assistance and into sustainable livelihoods.** The Turkish Red Crescent (TRC -- known in Turkish as Kizilay), as the implementing arm of the Ministry of Family, Labor and Social Services (MoFLSS), delivers cash transfers to SuTP/IPSHA under the ESSN. The program, funded under the EU FRIT, has been operating since 2016 and is the largest of its kind supporting SuTP. An Exit Strategy from the ESSN program prepared and published by the Office of the Vice Presidency and MoFLSS targets nearly 168,000 workable SuTP to enter the formal labor market. This will require adjustment of cash assistance benefits and parameters to support this transition from social assistance into jobs as well as support for the beneficiaries to prepare for the labor market and

¹ The estimates are based on data from Ministry of Interior's Directorate General of Migration Management (DGMM) (<https://en.goc.gov.tr/temporary-protection27> and <https://en.goc.gov.tr/international-protection17>, retrieved on October 22nd 2020, h. 17:37 UCT).

² The Republic of Turkey currently grants protection to two groups of people: Syrians under Temporary Protection (SuTP) and International Protection Status Holders and Applicants (IPSHA) – two different legal statuses regulated by the Temporary Protection Regulation (October 2014) and by Turkish Law No. 6458 on Foreigners and International Protection (2013), respectively. The greatest part of non-Turkish citizen beneficiaries of the project is going to be composed of SuTP, due to their conspicuous presence in the selected provinces.

³ The shelter centers are in Adana, Kilis, Osmaniye, Kahramanmaraş and Hatay.

⁴ The 10 top provinces hosting over 75 percent of SuTP are (in order from high to low) Istanbul, Gaziantep, Sanliurfa, Hatay, Adana, Mersin, Bursa, Izmir, Kilis and Konya.

⁵ Directorate General of Migration Management data as of October 2019.



formal and sustainable jobs. ISKUR, TRC and MoFLSS (mainly the Directorate General for Social Assistance – DGSA - Directorate General of International Labor Force – DGILF – and the Department of Information Technologies) all form part of a working group (along with ECHO which is the financier of the ESSN) to decide the parameters to be used in this transition process.

7. **To support a large number of SuTP/IPSHA in a sustainable manner, it is necessary to address comprehensively the constraints they face, building on existing systems and programs for Turkish citizens and SuTP/IPSHA.** The employment support system for SuTP/IPSHA must be run by the MoFLSS and ISKUR and, to be scalable, it needs to build on existing services and programs. The experience to date and lessons learned on programs supporting SuTP/IPSHA will guide the design and implementation of proposed active labor market programs and counseling services. In addition, strengthening the linkages between monitoring systems of the MoFLSS, ISKUR and TRC will also be necessary to ensure adequate monitoring of SuTP/IPSHAS' journey through social assistance, employment services, and in and out of the labor market
8. **This project complements other projects executed by the World Bank under the second tranche of the European Union (EU)'s Facility for Refugees in Turkey (FRIT).** The projects are complementary to each other by targeting different segments of the refugee population via different means of support and several different implementing agencies—all with a view to facilitate socioeconomic integration of refugees and alleviate the burden on the host communities. This project is being processed using Condensed Procedures under Paragraph 12 of OP 10.00 "Projects in Situations of Urgent Need of Assistance or Capacity Constraints."

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The project development objectives are to improve employability of Syrians under Temporary Protection (SuTP), International Protection Status Holders and Applicants (IPSHA), and Turkish Citizens and to facilitate access to labor markets.

Key Results

9. The PDO achievement will be tracked using the following indicators:
 - 1) Share of beneficiaries who are employed (1 month/6 months/12 months) after completing ISKUR's ATP, disaggregated by (1) ESSN recipient status; (2) Turkish citizenship status; and (3) gender
 - 2) Share of beneficiaries who are employed (1 month/6 months/12 months) after completing Kizilay livelihood support programs, disaggregated by (1) ESSN recipient status; (2) Turkish citizenship; and (3) gender
 - 3) Share of participants who have successfully completed⁶ ISKUR's ATP, disaggregated by (1) ESSN recipient status (2) Turkish citizenship status and (3) gender.
 - 4) Number of people who received job and vocational counselling services from ISKUR disaggregated

⁶ The definition of "successful completion", as well as the reference pool over which the percentage should be calculated, are to be defined in the Project Operation Manual. Successful completion will be tied to the duration of the participation in the project activities.



by (1) ESSN recipient status (2) Turkish citizenship status; and (3) gender.

5) Number of people who have received counseling/livelihood advisory services from TRC, disaggregated by (1) ESSN recipient status, (2) Turkish citizenship status and (3) gender.

D. Project Description

10. **The project will have two components:** (i) Support for counseling services and employment support for SuTP/IPSHA (including ESSN beneficiaries) and Turkish citizens and (ii) Support for delivery of employment services. Component 1 (58.8 million Euros) will finance provision of job and vocational counseling services and active labor market programs. Component 2 (16.2 million Euros) will finance project management and coordination, monitoring and evaluation, data management and analytics, and communication activities to support provision of the services under Component 1 and broader policy making on socioeconomic integration of SuTP/IPSHA and migration policy.

Component 1. Support for counseling services and employment support (EUR 58.8 million)

11. **The objective of this component is to implement a menu of ALMPs and counseling activities to support integration of social assistance beneficiaries, other people under protection and Turkish citizens in host communities into the labor market.** The potential for skills development of these projects will improve beneficiaries' option to access the labor market by exposing them to training, counseling and by making necessary referrals if individual is interested. The component will be implemented through two sub-components: (a) provision of job and vocational counseling services and employment support for SuTP/IPSHA and Turkish Citizens via ISKUR; and (b) provision of a service package (livelihood advisory services, language training, soft skills and work readiness training) via TRC.

Subcomponent 1.1: Counseling Services and Employment Support via ISKUR

12. Activities under this subcomponent will consist of provision of job search assistance and ALMPs to SuTP/IPSHAs and Turkish beneficiaries. The focus will be on job placements and placement of beneficiaries to an Applied Training Program (ATP). ISKUR will work with jobseekers within the target groups who have been assessed by either ISKUR provincial or district offices and/or Kizilay community centers as work able and suitable/ready to participate in such ALMPs. ISKUR will also respond to demands directly received from employers in need of workers and registered jobseekers to fill on-the-job training programs. Employers benefiting from the ATP will be required to hire at least 20 percent of the ATP participants.⁷ ISKUR will periodically gather information on the employment status of each beneficiary who is enrolled in the program or who has completed it and will provide that information to the MoFLSS Social Assistance Directorate General (DG).

Subcomponent 1.2. Livelihood Advisory Services and referrals to other services via TRC

13. **This sub-component will be implemented by TRC.** The objective of this sub-component will be to prepare and channel primarily but not exclusively work-able ESSN beneficiaries for placement onto ISKUR programs and transitioning into the labor market to eventually graduate from the ESSN. Beneficiaries will include a

⁷ The employment guarantee share is still under discussion.



pool of ESN beneficiaries determined to be “work-able” and other vulnerable SuTP/IPSHA and Turkish Citizens which are beneficiaries of TRC Community Centers. Criteria for determination of “work-ability” will be included in the Project Operational Manual. Work-able individuals will typically present no health conditions impeding the ability to perform the tasks required by the occupations supported under the ALMPs provided by ISKUR or will not have a large number of dependents. TRC has an established system of needs-based service delivery in its Community Centers. This consists of assessing an individual and his/her family’s needs at in-take and channeling the individual to different counseling or service areas as follows: psycho-social and health related, child protection, livelihoods and social cohesion. Therefore, TRC Community Centers are expected to be the first point of entry for a share of program beneficiaries where they will receive broader livelihood advisory services, work readiness and life-skills orientation, and language training to address the multiple barriers to enter the labor market or to acquire a formal job. In order to widen the reach to ESN beneficiaries, through project-based dedicated staff. TRC Service Centers, currently in charge of the delivery of ESN transfers, will also use pre-screening tools to identify work-able ESN beneficiaries and refer them to Community Centers’ for them to benefit from appropriate services.

Component 2. Support for delivery of employment services (EUR 16.2 million)

14. **The objective of this component is to strengthen the capacities of the MoFLSS, ISKUR and TRC** to implement the proposed project and enhance and use monitoring and evaluation data on the labor market and social assistance interventions. The ultimate objective is to inform evidence-based policy making, that is to provide the GoT with a strengthened M&E system.
15. **This will entail institutional support to the MoFLSS, ISKUR and TRC** to strengthen the design and delivery of intermediation, counseling and employment support service, to facilitate coordination and information/data exchange on beneficiaries/jobseekers and analysis of project outcomes, but also more broadly labor market related data to feed into migration policies. The activities under this component are essential for the activities under Component 1 which require close collaboration among MoFLSS, ISKUR and TRC. The project will support the improvement of communication between the three partners through the development of the necessary IT infrastructure and the design of new, flexible and timely modes of information exchange between the three partners. The project will also finance PIUs in MoFLSS, ISKUR and TRC to manage the project. This component is articulated into three subcomponents, each under the responsibility of one of the three PIUs.

Subcomponent 2.1. Monitoring & Evaluation, Data Management, Communication and Project Management activities under MoFLSS

16. Under this subcomponent MoFLSS will facilitate labor market data integration, improvement of data systems across ISKUR, Kizilay and MoFLSS, and coordinate monitoring and evaluation of project activities, including data collection and preparation of reports. This subcomponent will further entail (1) support for data management and analytics to inform migration policies on employment, (2) training on migration policies, further development of IT system integrated with modelling and artificial intelligence (AI) systems, information dissemination activities for work-permit application process; (3) the maintenance of a Project Implementation Unit – a PIU is already in place at the MoFLSS having experience with implementation of Employment Support project for SuTP and Turkish Citizens Project (P161670) and is likely to take over the proposed project management responsibility.



Subcomponent 2.2 Monitoring & Evaluation, Data Management, Communication and Project Management activities under ISKUR

17. This subcomponent will finance (1) improvement of data systems, labor market data integration and analytics capacity at ISKUR to ensure data flows across MoFLSS, ISKUR and Kizilay with respect to project beneficiaries but more broadly on labor market data is shared and used as needed; (2) regular monitoring of the beneficiaries and their employment status to allow evaluation of the program impact as well as inform decisions on duration and continuation of social assistance for beneficiaries who are transitioning into jobs; (3) communication and outreach activities targeting Turkish and SuTP/IPSHA jobseekers, employers and host communities to ensure wide dissemination and to dispel any misinformation; (4) capacity development activities that might be required by ISKUR local offices in project provinces to ensure smooth delivery of the services under Component 1.1; (5) the maintenance of a Project Implementation Unit– a PIU is already in place at ISKUR having experience with implementation of Employment Support project for SuTP and Turkish Citizens Project (P161670) and is likely to take over the proposed project management responsibility.

Subcomponent 2.3 Monitoring & Evaluation, Data Management, Communication and Project Management activities under Kizilay (TRC)

18. This sub-component will finance (1) activities to ensure smooth data exchange across MoFLSS, ISKUR and TRC. This may require improvements in the TRC systems; (2) monitoring and evaluation activities specific to TRC implemented activities and compilation of project related results and regular progress reports; (3) regular monitoring of the beneficiaries and their employment status to allow evaluation of the program impact; (4) communication activities; (5) the establishment of a PIU in TRC to be responsible for the implementation of project activities.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

19. **Social risk is rated as Moderate. Intrinsic social risks of the project are low**, and the project is expected to have positive impacts on SuTP/IPSHA and Turkish Citizens, as it aims to improve their access to employment services and employment opportunities; and to strengthen the delivery of national employment support services. The project will provide applied training programs, intermediation and various counselling services and livelihood support for groups with different needs among the workable ESSN beneficiaries, other SuTP/IPSHA and host community populations, who will be the main project beneficiaries. The project is not expected to cause any direct irreversible or unmanageable impacts. The project will not support any



major construction works, therefore risk and impacts related to land acquisition and involuntary resettlement, and cultural heritage are not expected. However, contextual social risks to the project are substantial, but these are addressed through both the project design and the ESF instruments. Employers who benefit from ISKUR applied training program need to be registered with ISKUR and thus be formal enterprises subject to the Labor Law. Thereby the potential risks of child or forced labor and pay below the official minimum wages, usually associated with informal work, have been substantially reduced, and breaches hereof will be subject to the Labor Law. Community health and safety risks are expected to be minimal and covered under existing law and OHS guidelines. To improve social cohesion at work places benefitting from the project, TRC and ISKUR will provide programs on work place culture and labor rights including grievance options to both SuTP/IPSHA and Turkish citizens, which will also enhance their understanding of and ability to protect their own rights.

20. **In order to mitigate the contextual risk of existing social tensions**, ISKUR and MoFLSS will be assisted to expand their active labor market programs and employment support programs for SuTP/IPSHA and Turkish citizens. Stakeholder engagement risk is considered to be substantial due to social tensions that are reported to exist in some project areas where SuTP/IPSHA influx is seen by the local population as intensifying competition for jobs and access to services. In order to address this risk, Stakeholder Engagement Plan (SEP) was prepared by MoFLSS to guide meaningful consultations with different stakeholders and project beneficiaries, incorporate their voices into project implementation, and prevent the risk of the Project unintentionally causing social disruption between host communities and SuTP/IPSHA communities, and within each of the communities. MoFLSS, ISKUR and TRC will develop a targeted communication strategy about the Project. SEP includes project level grievance redress mechanism to capture suggestions and complaints by the project beneficiaries.
21. **The environmental risk is rated as Low.** The Project will not involve any major construction works nor any investments apart from refurbishment of office buildings and spaces. Therefore, any potential adverse environmental risks to and impacts on the environment are likely to be minimal or negligible in this scope. The project does not require any environmental mitigation instruments. Possible minor environmental risks and impacts that could be resulted from the minimal interior installation or refurbishment works will be sufficiently managed by the national environmental and OHS legislation.

E. Implementation

Institutional and Implementation Arrangements

22. **The project will be implemented by MoFLSS, ISKUR and TRC.** ISKUR and TRC are very well-established and long-standing institutions in their respective domains. ISKUR is the primary public agency for job-intermediation in Turkey and has been collaborating with the World Bank on an ongoing employment support project for SuTP and Turkish citizens. TRC is an affiliate of the International Federation of Red Cross and Red Crescent Societies, is an emergency assistance agency which has been implementing over the last three years the social assistance programs (Emergency Social Safety Net-ESSN and Conditional Cash Transfer for Education-CCTE) targeting refugees. The MoFLSS DGILF has been the grant recipient for the ongoing Employment Support project financed with an EU grant (under the Facility for Refugees in Turkey-Phase 1). The DGSA of MoFLSS is responsible for coordinating social assistance policy and programs in



Turkey. This project will be processed and implemented following Bank emergency operational guidelines and it will rely on the institutions' existing capacity and expertise for implementation while providing necessary additional support for strengthening their administrative systems.

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APPROVAL

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