



1. Project Data:		Date Posted : 07/30/2001	
PROJ ID: P009064		Appraisal	Actual
Project Name: Employment & Training	Project Costs (US\$M)	107.42	62.61
Country: Turkey	Loan/Credit (US\$M)	67.00	49.98
Sector(s): Board: SP - Other social services (100%)	Cofinancing (US\$M)		
L/C Number: L3541			
	Board Approval (FY)		92
Partners involved :	Closing Date	12/31/1998	12/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
The Employment and Training Project (ETP) had the following development objectives :			
<ol style="list-style-type: none"> 1. Improve the allocative efficiency of the labour market through expansion of public employment services and facilitation of development of private providers . 2. Absorb unemployed unskilled workers in productive employment, generalize a program of job -insertion training, and strengthen IIBK (Turkish Employment Agency)'s services. 3. Improve the efficiency of labour market decisions by providing better information on employment prospects, training requirements by occupation and the skills of job seekers . 4. Promote women's productive employment. 			
b. Components			
Total project costs of \$62.61 million comprised:			
<ol style="list-style-type: none"> 1. Job insertion training or JIT (32%), including (a) the financing of a Training Fund and (b) provision of Technical Assistance (TA.) 2. Diversification of employment services (1%) - encouraging the development of regulated private services 3. Employment and counselling services (25%) - (a) development of improved employment services; (b) development of counselling services; (c) implementation of improved employment and counselling services; (d) project coordination 4. Automation of Labour Offices (25%) 5. Project Coordination Unit or PCU (4%) 6. Labour market information (6%) - (a) improved coverage of SIS (State Institute for Statistics) employment statistics; (b) creation of labour market information services; (c) labour market research and dissemination . 7. Occupational standards and certification (5%) 8. Women's employment promotion (2%) 			
c. Comments on Project Cost, Financing and Dates			
Following the major earthquake of August 17, 1999, the Loan was amended to allocate \$ 10.76 million of uncommitted funds to be used in the earthquake areas for the Temporary Community Employment Program (TCEP) and JIT courses. Of this \$2 million was cancelled in May 2001, and with \$15 million cancelled before completion, the total cancellation is \$ 17 million. Most cost savings were generated by the JIT component which was only \$ 20.32 million compared to a target of \$42.76 million.			
3. Achievement of Relevant Objectives:			
By component, achievements were as follows :			
<ol style="list-style-type: none"> 1. The quantitative targets for training were exceeded by a large margin, even though training funds were significantly reduced, and the scope expanded (to include TCEP.) Average placement rate of 90% exceeded the target of 60%. Tripartite National and Local Employment Councils were established to arrange training on a demand basis. 2. The objective to allow private services to operate was not achieved within the framework or timespan of the projects and is rated unsatisfactory . 3. This component was implemented successfully, helping to build national capacity to develop employment 			

services institutions and improved services to the unemployed . 40 career information centers were established . The computerized Career Information Delivery System (CIDS) was not completed - the proposals were not in compliance with the technical specifications . Activities under the counselling sub-component were delayed for a year due to the unilateral cancellation of a TA contract by the US Department of Labor .

4. A turnkey contract for implementation was completed successfully, albeit somewhat late, and requiring further work by ISKUR (Turkish Employment Organization .) The system should be ready for use by September 2000. ISKUR has committed to use its own resources, outside the project framework, to complete the work . Eleven employment-related application systems were conditionally accepted by project completion .
5. The PCU successfully ensured timely implementation, coordination and monitoring across public and private agencies involved in the project and within IIBK /ISKUR. The capacity of ISKUR's Administrative Department to support implementation was frustrated by slow modernization and 6 changes in management during the life of the project.
6. Implementation of this component exceeded the original scope and outcomes are judged highly satisfactory . The Employment and Earnings Surveys were fully institutionalized and the speed of the production cycle for labor surveys has decreased from 2 years for the 1999 survey, to only 8 months for 2000. The Survey Address Frame has been improved with GPS (Global Positioning System .) A Labour Market Information Database has been established and publication of research information and papers institutionalized within SIS . An additional On-line Data Dissemination System could not be completed within the project framework .
7. The core objectives were achieved, improving labour force mobility, recruitment efficiency and training program relevance. For the first time occupational standards and occupational skill certification have been established according to international standards . The legislative basis for a National Occupational and Standards Institute was not completed within the project framework but Government has committed to complete legalization .
8. This component was successfully completed and rated highly satisfactory . Some 70% of the participants on vocational training courses were female . Policy recommendations, generated by the sponsored research, have been discussed in parliamentary committees .

4. Significant Outcomes/Impacts:

1. The establishment of an unemployment insurance scheme as part of a larger social insurance reform strategy supported by the Bank was the major institutional outcome .
2. Although not envisaged at the outset, one outcome of the project is that Turkey is now recognized as a leader in the development of informal sector statistics .
3. Although the project was slowed by its complexity and frequent changes of government, stability was established in the last 3 years and key advisory and policy making bodies established .
4. The project created intense networks of interaction between domestic government and non -government agencies, with an impressive range of leading multinational and international partners, including consulting companies, system developers, external government agencies, ILO, UNDP /UNOPS, the British Council and the World Academy of Local Democracy .

5. Significant Shortcomings (including non-compliance with safeguard policies):

1. The quality of outcome for the JIT component is questionable . Although quantitative targets for training were achieved or exceeded , the training program did not specify that participants remain in their job for a specific length of time, and training vendors were thus not motivated to place them in long -lasting sustainable jobs . "Training certificates issued to the unemployed " and "high percentage of those trained who became employed " , were an inadequate basis for evaluating long -term impact on employment.
2. Institutional development was only modest as the necessary supporting legislation was not passed and the IIBK insufficiently modernized to implement the project in an efficient and timely manner . Inadequate counterpart funding and limitations on ISKUR staff establishment experienced during the project, may in future hamper the sustainability of active labor market programs .
3. Despite the establishment of a Directorate General on Status and Problems of Women (DGSPW), the law establishing it as a legally autonomous entity has not yet been passed . and DGSPW's sustainability is threatened by limited funds and personnel .
4. The enactment of principal labor law was too ambitious to be achieved, even within the such a long period of project implementation.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

1. A risk for this, a new type of Bank project, may be that essential legislation does not materialize since it does not come under the political authority of the implementing agency, while passing a law before the project may not be an option.
2. Cooperative action between numerous public and private -sector agencies is needed to ensure coherence of implementation. Coordination of JIT, occupational certification and labor market MIS, requires establishment of tripartite boards early in the project.
3. The Bank's complex procurement regulations and documents, which are not translated from English, led to unnecessary and avoidable duplications in the project .

8. Assessment Recommended? ☐ Yes ☒ No**9. Comments on Quality of ICR:**

Satisfactory.